

AN ORDINANCE TO AMEND CHAPTER 8 OF THE CITY CODE TO REQUIRE THAT DEVELOPERS WHO RECEIVE FINANCIAL ASSISTANCE FROM THE CITY OF WILMINGTON ON RESIDENTIAL CONSTRUCTION PROJECTS REQUIRE THEIR CONSTRUCTION CONTRACTORS TO HIRE WORKERS FROM CLASS A APPRENTICE PROGRAMS

#4561

Sponsors:

Council
Member
Guy
Dixon

WHEREAS, the City of Wilmington has a compelling interest to ensure that residential construction projects located in the City ("Residential Projects") are completed at a reasonable cost with a high degree of quality; and

WHEREAS, a highly skilled workforce helps to ensure the efficient, economical and safe completion of such projects; and

WHEREAS, the City desires to encourage new and established businesses to generate good-paying job opportunities for City residents, particularly in low-income neighborhoods and in new markets; and

WHEREAS, the City desires to encourage developers and contractors to hire workers from Class A Apprentice Programs where Wilmington residents can gain key skills in residential construction; and

WHEREAS, the City has the authority to grant economic incentives for businesses to remain in or relocate to Wilmington, and the City periodically grants such incentives to developers of Residential Projects.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. Chapter 8 of the City Code is hereby amended by adding a new Section 8-6 thereto as follows:

Section 8-6. Developer and Contractor Requirements Regarding Residential

Construction Apprentices Programs.

- (a) *Definition.* For purposes of this Section 8-6, a Residential Construction Apprentices Program shall be a program, as defined in City Code Sec. 2-563, that:
- (1) Maintains participation by Residents of the City of Wilmington.
 - (2) Recruits applicants from low-income neighborhoods, including in the City of Wilmington, especially those applicants that live near the location of a Residential Project.
 - (3) Demonstrates a commitment to graduating and placing apprentices from underrepresented communities in career-track residential construction jobs.
 - (4) Provides classroom and on-the-job training in residential construction prior to graduation, including classroom health and safety training, as well as training to recognize and abate hazardous material such as asbestos, mold and lead.
- (b) *Applicability.* This section shall be applicable to any developer of a residential construction project 1) receiving any amount of financing, subsidy, or grant from any city department, or 2) any developer receiving an in-kind contribution from any city department with a value that exceeds \$100,000.00, or 3) developing a residential construction project on property acquired by the Wilmington Neighborhood Conservancy Land Bank, with the exception of Homesteading for new home-owners, Side-Lots, and Community Gardens. This section shall not apply to developers who are awarded contracts through the competitive bidding process, or where the source of the funding exclusively derives from the federal or state government.
- (c) The City has previously been authorized to give financial assistance to developers of Residential Projects located in the City of Wilmington, including subsidies in the form of donation of property and tax credits. Each construction contractor hired by a developer to work on Residential Projects, shall provide a contractor responsibility certification, in a form developed by the City, that it participates in a Residential Construction Apprentices Program and demonstrates good faith efforts to meet the following requirements:
- (1) Pay a wage of at least \$15.00 an hour to all construction employees, effective upon passage, pay a wage of at least \$16.00 an hour to all construction employees, effective January 1, 2019; pay a wage of at least \$17.00 an hour to all construction employees, effective January 1, 2020; and pay a wage of at least \$18.00 an hour to all construction employees, effective January 1, 2021.
 - (2) Endeavor to ensure that at least 30% of work hours on any Residential Project will be performed by apprentices in a Residential Construction

Apprentice Program or individuals who have graduated from a Residential Construction Apprentice Program in the past two years.

- (3) Certify that neither the developer nor the construction contractors hired by the developer, nor any principal thereof, have been suspended or debarred by any federal, state, or local agency within the past five years.
- (d) As part of its review process, the city shall ensure that the contractor responsibility certification has been submitted and properly executed for all the developer's contractors and subcontractors. The city may conduct any additional inquiries to verify that the developer and its subcontractors have the qualifications and performance capabilities necessary to successfully comply with the requirements of Section (b). In conducting such inquiries, the city may seek relevant information from the firm, its prior clients or customers, its subcontractors or any other relevant source.
- (e) *Enforcement.* This section shall be enforced by the City Department of Real Estate and Housing. Failure to comply with this section may result in revocation of city assistance in the immediate project and/or subsequent projects. If the city determines that a developer's contractor or subcontractor responsibility certification contains false or misleading material information that was provided knowingly or with reckless disregard for the truth or omits material information knowingly or with reckless disregard of the truth, the firm for which the certification was submitted shall be prohibited from performing work on Residential Construction Projects under Section 8-6(b) for a period of three years and shall be subject to any other penalties and sanctions, including contract termination, available to the city under law. A contract terminated under these circumstances shall further entitle the city to withhold payment of any monies due to the developer, contractor or subcontractor as damages.
- (f) If any provision of this subdivision shall be held to be invalid or unenforceable by a court of competent jurisdiction, any such holding shall not invalidate any other provisions of this subdivision and all remaining provisions shall remain in full force and effect.
- (g) The requirements of this subdivision shall not apply to contracts advertised for bid prior to the effective date of the ordinance from which this subdivision is derived, except that the exercise of an option on a contract covered by this subdivision shall be deemed to create a new contract for purposes of this subdivision.

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SECTION 2. This Ordinance shall become effective immediately upon its date of passage by the City Council and approval by the Mayor.

First Reading.....July 2, 2018
Second Reading.....July 2, 2018
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this _____ day of _____, 2018

Mayor

SYNOPSIS: This Ordinance amends Chapter 8 of the City Code to require that developers who receive financial assistance from the City of Wilmington on residential construction projects require their construction contractors to participate in and hire workers from Residential Construction Apprentice Programs.