

DDA EXHIBIT B4

[VERTICAL DDA ATTACHMENT [XX]]

WORKFORCE DEVELOPMENT PLAN

(Pier 70 28-Acre Site)

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PIER 70 28-ACRE SITE WORKFORCE DEVELOPMENT PLAN

I. Project Background. The development plan for the 28-Acre Site under the Transaction Documents provides for the development of a new mixed-use neighborhood composed of office, retail, market rate and affordable residential uses as well as entirely new infrastructure, utilities, parks and open space. This Workforce Development Plan sets forth the activities Developer and Vertical Developer shall undertake, and require their Contractors, Consultants, Subcontractors, Subconsultants, and Commercial Tenants, as applicable, to undertake, to support workforce development in both the construction and end use phases of the Project, as set forth in this Workforce Development Plan.

The Port and Developer have entered into the DDA that provides for the development of the Project in a series of Phases. In connection with the DDA, the Port and the Developer will enter into a Master Lease providing Developer the right to construct Horizontal Improvements within the Project after Port approval of Phase Submittals and issuance of necessary Regulatory Approvals. Developer will enter into contracts with Contractors and Consultants to construct all Horizontal Improvements allowed under the Master Lease.

The DDA also sets forth a process for the conveyance of Option Parcels by Parcel Leases to Vertical Developers. When a Vertical Developer is selected, the Port and the Vertical Developer will enter into a Vertical DDA that provides the procedures for the Port's delivery of a 99-year Parcel Lease to the Vertical Developer and sets forth the rights and obligations for the Vertical Developer's construction of Vertical Improvements and Deferred Infrastructure. Vertical Developers will enter into contracts with Contractors and Consultants to construct the Vertical Improvements allowed in the Vertical DDAs. Upon completion of the Vertical Improvements, the applicable Parcel Lease, between the Port and the Vertical Developer, shall govern the operation and use of the Vertical Improvements.

II. Purpose of the Workforce Development Plan. This Workforce Development Plan sets forth the employment and contracting requirements for the construction and operation of the Project (as defined in the DDA). This Workforce Development Plan has been jointly prepared by the Port and Developer (on behalf of itself and each Vertical Developer), in consultation with others including OEWD and other relevant City Agencies.

The purpose of this Workforce Development Plan is to ensure training, employment and economic development opportunities are part of the development and operation of the Project. This Workforce Development Plan creates a mechanism to provide employment and economic development opportunities for economically disadvantaged persons and San Francisco residents. The Port and Developer agree that job creation and equal opportunity contracting opportunities in all areas of employment are an essential part of the redevelopment of Pier 70. The Port and Developer agree that it is in the best interests of the Project and the City for a portion of the jobs and contracting opportunities to be directed, to the extent possible based on the type of work required, and subject to collective bargaining agreements, to local, small and economically disadvantaged companies and individuals whenever there is a qualified candidate.

This Workforce Development Plan identifies goals for achieving this objective and outlines certain measures that will be undertaken in order to help ensure that these goals and objectives are successfully met. In recognition of the unique circumstances and requirements surrounding the Project, the Port, OEWD and Developer have agreed that this Workforce Development Plan will constitute the exclusive workforce requirements for the Project.

This Workforce Development Plan requires:

- Developer or Vertical Developers to fund certain OEWD job readiness and training programs run by CityBuild and TechSF.
- Developer or Vertical Developer shall include in all leases, subleases or other occupancy contracts provisions that require all Permanent Employers that occupy more than 25,000 gsf to enter into a First Source Hiring Agreement (in the forms attached hereto as Attachment A-1 and Attachment A-2) that will require participation in the City's Workforce System towards the hiring goals of Chapter 83 hiring goals applicable to Covered Operations for First Source referrals and, where applicable, partnership with TechSF. Developer shall also include in such leases, subleases or other occupancy contracts provisions that require Lessees and Service Providers to identify a single point of contact and contact OEWD's Business Services team to discuss its obligations under the First Source Hiring Agreement.
- On an annual basis, Developer shall provide First Source program and contact information to Permanent Employers that occupy less than 25,000 gsf, so they may avail themselves of referral services offered by OEWD.
- Developer and Vertical Developers of projects that are not otherwise covered by local hire requirements to enter into a First Source Hiring Agreement for construction (in the form of Attachment A-3 attached hereto).
- Developer and Vertical Developers to meet the hiring and apprenticeship goals applicable to certain construction work for Local Residents and Disadvantaged Workers for Covered Projects as set forth in Attachment B (Local Hiring Requirements).
- Developer and Vertical Developers to meet the utilization and outreach goals applicable to certain construction work for Local Business Enterprises in accordance with the requirements set forth in Attachment C (LBE Utilization Plan).
- Developer to meet the outreach goals applicable to the initial leasing of retail space suitable for use by local diverse small businesses.

The foregoing summary is provided for convenience and for informational purposes only. In case of any conflict between this Workforce Development Plan and the *[DDA][Vertical DDA]*, the provisions of this Workforce Development Plan shall control.

III. Workforce Development Plan.

A. DEFINITIONS

The following terms specific to this Workforce Development Plan have the meanings given to them below or are defined where indicated. Other initially capitalized terms are defined in the **Appendix Part B** or in other Transaction Documents as specified in **Appendix Part C**. This Workforce Development Plan and all Workforce-Development Plan-specific definitions will prevail over any other Transaction Document in relation to the rights and obligations of Developer's and Vertical Developers with respect to workforce development. All references to the DDA or Vertical DDA, as applicable, include this Workforce Development Plan unless explicitly stated otherwise.¹

“Commercial Activity” means retail sales and services, restaurant, hotel, education and office uses, technology and biotechnology business, and any other non-profit or for-profit commercial uses permitted under the SUD that are conducted within a Vertical Improvement.

“Commercial Tenant” means a tenant, subtenant or other occupant that enters into a lease, sublease or other occupancy contract for a Covered Operation.

“Construction Contractor” means a construction contractor hired by or on behalf of Developer or a Vertical Developer who performs Construction Work on the 28-Acre Site or other construction work otherwise covered under the LBE Utilization Plan or First Source Hiring Agreement for Construction.

“Construction Work” means, as applicable, (a) the initial construction of all Horizontal Improvements required or permitted to be made to the 28-Acre Site to be carried out by Developer under the DDA, (b) the initial construction of all Vertical Improvements to be carried out by a Vertical Developer under a Vertical DDA, and (c) initial tenant improvement work for all Vertical Improvements other than light industrial, arts activities or standalone affordable buildings. For the avoidance of doubt, Construction Work for Vertical Improvements shall not include any repairs, maintenance, renovations or other construction work performed after issuance of the first certificate of occupancy for a Vertical Improvement.

“Covered Operations” means (i) Commercial Activity which results in the expansion of entry and apprentice level positions that is located within a newly constructed Vertical Improvement or an addition, or alteration thereto, where the Vertical Improvement (or addition or alteration thereto) contains more than 25,000 gross square feet in floor area, and (ii) the operation of a Residential Project containing more than 25,000 square feet or more than 10 Residential Units. Covered Operations does not include (a) any operations or activities conducted by tenants, subtenants or owners of Residential Units, (b) Residential Projects containing less than 25,000 square feet or fewer than 10 dwelling units, (c) Vertical Improvements containing less than 25,000 square feet and (d) tenants, subtenants and other

occupants within a Vertical Improvement that contains less than 25,000 gross square feet of sublease space.

“Disadvantaged Worker(s)” is defined in Attachment C attached here

“Final, Binding and Non-Appealable” means 90-days after the subject approval, or if a third party files an action challenging the approval during such 90-day period, thirty days after the final judgment or other resolution of the action or issue.

“FSHA” means the City’s First Source Hiring Administration.

“FSHA Operations Agreement” means a First Source Hiring Agreement for Business, Commercial, Operation and Lease Occupancy of the Building, for Permanent Employers or for Permanent Tech Employers, as more particularly described in Section D.2. hereof.

“Internship” shall mean A learning and career preparation method that occurs within the context of a course or program. Internships include careers exploration and direct experience and include guidance by staff, mentors, employers, and peers. An intern obtains a good understanding of the requirements of the occupation and an overview of all aspects of their chosen industry, and develops college and career readiness and success skills, such as critical thinking, problem-solving, collaboration and communication.

“Lessee” shall mean a Tenant, business operator and any other occupant of a commercial office building. Lessee shall include every person tenant, subtenant, or any other entity occupying the building for the intent of doing business in the City and County of San Francisco and possessing a Business Registration Certificate with the Office of Treasurer.

“Local Business Enterprise(s)” means a firm that has been certified as an LBE as set forth in Administrative Code Chapter 14B (Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance).

“Local Resident(s)” is defined on Attachment C attached hereto.

“OEWD” means the City’s Office of Economic & Workforce Development.

“Permanent Employer” shall mean each employer in a Covered Operation.

“Permanent Tech Employer” shall mean a Permanent Employer that (i) employs primarily Technology Occupations and Technology-Enabled Occupations, and (ii) occupies more than 25,000 gsf within the Project.

“Prevailing Rate of Wages”. The Prevailing Rate of Wages as defined in Section 6.1, and established under subsections 6.22(e)(3) and 6.22(f), of the Administrative Code.

“Prevailing Wage Covered Project” means Construction Work within the 28-Acre Site with an estimated cost in excess of the Threshold Amount.

“Referral” shall mean a member of the Workforce System who has participated in an OEWD workforce training program.

“Registered Apprenticeship” shall mean a work experience that combines formal job-related technical instruction with structured on-the-job learning experiences. Apprentices are hired by employer at outset of training program, and the training program is pre-approved by the US Department of Labor (USDOL) or California Division of Apprenticeship Standards (DAS). Registered Apprentices receive progressive wages commensurate with their skill attainment throughout an apprenticeship training program. Upon successful completion of all phases of on-the-job learning and related instruction components, Registered Apprentices receive nationally recognized certificates of completion issued by the USDOL or DAS.

“TechSF” shall mean a program which has been established by the City and County of San Francisco and managed by the Office of Economic and Workforce Development, to provide training, education and job placement assistance services to jobseekers, and connects local employers to a qualified workforce in order to help all involved benefit from the growth of the local technology industry, Technology-Enabled Occupations and Technology Occupations across all sectors. For the purposes of this document, this term will refer to any successor programs, which provide similar services.

“Technology-Enabled Occupations” shall mean occupations that require skills related to Information, Media and ICT Literacy as highlighted in California’s Digital Literacy definition, “[one’s capacity] for using digital technology, communications tools, and/or networks in creating, accessing, analyzing, managing, integrating, evaluating, and communicating information in order to function in a knowledge based economy and society.” Technology-Enabled Occupations require the ability to analyze, access and work with common computing and communications devices, operating systems, networking systems and applications. These occupations require the ability to understand and use ICT computing, communications and information technologies; use technologies for advance research, analysis and administrative operations. These occupations also require the ability to create, interpret and work with an increasing variety of digital media.

“Technology Occupations” shall mean positions that require core competencies in information and communication technology (ICT) systems and solutions. These occupations develop and deploy technologies and infrastructures to both support their enterprise and product users. Additionally, technology occupations require skills in research, design, development and analysis of custom technological products; including but not limited to software, web, application, and cloud-based products. Technology occupations also include positions that are related to the sales, marketing and engineering of these technology-based products. Technology occupations typically occur in the major industry clusters as defined by the North American Industry Classification System (NAICS): Software Publishers; Wired Telecommunications; Wireless Telecommunications; Satellite Communications; Data Processing, Hosting and Related Services; Internet Publishing and Broadcasting and Web Search Portals; and Computer Systems Design. Major technology occupation clusters as identified by the Bureau of Labor Statistics include but are not limited to: information support and services; network systems; program and software development; and web and digital communications.

“**Threshold Amount**” as defined in Section 6.1 of the San Francisco Administrative Code.

“**Work Experience**” shall mean any Experience which combine an on-the-job learning component with related classroom instruction designed to maximize the value of on-the-job experiences. Work Experience Education is classified in the California Education Code as General, Exploratory, or Vocational. General work experience exposes students to the world of work; exploratory work experience also allows students to experience a variety of careers; and vocational work experience allows students to explore a career interest in greater depth.

B. WORKFORCE JOB READINESS AND TRAINING FUNDS.

1. **Application.** Developer will provide OEWD with \$1 Million in funding to support the job training and readiness programs run by CityBuild and TechSF as more particularly set forth in this **Section B.1** (all funds required under this Section B.1, the “**Job Readiness and Training Funds**”). The funding requirements under Section B.2 and B.3 will be binding on Developer and its successors and assigns under the DDA. The funding requirements under Section B.4 will be binding on Developer or may be assigned to the applicable Vertical Developers under the terms of their Parcel Leases, as provided thereunder.
2. **CityBuild Program.** The Project will pay a total of **\$250,000** across the three Phases of development in accordance with this Section B.2 that the City will use to fund CityBuild programs.
 - a. Purpose and Amount. The Project will pay the City a total of \$250,000 that the City will use to fund CityBuild programs run by OEWD’s Workforce Development Division. , allocated by amount and program in the City’s discretion. Funds will be allocated by amount and program in OEWD’s discretion, but such programs may include the CityBuild Academy, an 18-week pre-apprenticeship training program that prepares citywide residents for entry into the trades; the Construction Administration & Professional Service Academy, an 18-week program offered at City College of San Francisco that prepares San Francisco residents for entry-level careers as professional construction office administrators; or the CityBuild Women’s Mentorship Program, a volunteer program that connects women construction leaders with experienced professional and mentors.
 - b. Manner and Timing of Payment. Developer will pay the CityBuild program funds in accordance with the following schedule:
 - i. Phase 1: Developer will pay the City \$83,333 within fifteen days after the Phase 1 Approval become Final, Binding and Non-Appealable.

- ii. Phase 2: Developer will pay the City \$83,333 within fifteen days after the Phase 1 Approval become Final, Binding and Non-Appealable.
 - iii. Phase 3: Developer will pay the City \$83,333 within fifteen days after the Phase 1 Approval become Final, Binding and Non-Appealable.
- 3. **CityBuild Services.** The Project will pay a total of **\$100,000** that will be used to remove barriers to permanent employment.
 - a. Purpose and Amount. The Project will pay \$100,000 to fund the delivery of services to assist individuals, interested in entering CityBuild or the trades, with addressing barriers to employment. The services will offer case management and supportive services (driver license, housing, union dues, tools, uniform/boots). The resources will be primarily for Bayview Hunter’s Point neighborhood residents and surrounding areas. The participants will be assessed for their appropriateness to work in construction and will be provided services to assist them with entering a career in construction. These funds will be distributed directly to Young Community Developers. The participants will be assessed for their appropriateness to work in construction and will be provided services to assist them with entering a career in construction.
 - b. Manner and Timing of Payment. Developer will make the payment directly to Young Community Developers within fifteen days after the Phase 1 Approval become Final, Binding and Non-Appealable.
- 4. **TechSF Bridge Training for BVHP/Dogpatch Communities & Targeted End Use Jobs.** The Project will pay \$650,000 associated with commercial-office development in Phase 1 and in future Phases, in accordance with this Section.
 - a. Purpose and Amount. The Vertical Developers of the first commercial-office project in Phase 1 and the Vertical Developer of the first commercial-office project to be developed in any subsequent Phase will be required to pay funds to the City that will be used by OEWD to support moderate-skilled job training and education programs that prepare individuals in the Bayview Hunter’s Point neighborhood residents and surrounding areas in zip codes 94124, 94107, 94103, 94102, 94110, 94134, 94115, and 94112 and other disadvantaged citywide residents for technology (e.g. IT administrator, data scientist, etc.) and technology-enabled (e.g. office administration) Office Skills positions for tenant’s new employee hiring and incumbent employee advancement offered through the TechSF initiative or OEWD-identified partners. Tech SF will customize technology training based on the types of tenant leasing space within the Phase, which may include Office Skills, Advanced Manufacturing or Biotech technology training.

- b. Manner and Timing of Payment.
 - i. Phase 1: The Vertical DDA for the first office-commercial project in Phase 1 will require the Vertical Developer to pay to the City \$325,000 as a condition to issuance of the First Construction Document for the Vertical Improvements.
 - ii. Phase 2 or 3: The Vertical DDA for the first office-commercial project to be proposed in Phase 2 (or the first office-commercial project to be proposed in Phase 3 if no office commercial project is proposed for Phase 2) will require the Vertical Developer to pay to the City \$325,000 as a condition to issuance of the First Construction Document for the Vertical Improvements.
- c. Accounting. Developer and Vertical Developers will have no right to challenge the appropriateness of or the amount of any expenditure, so long as it is used in accordance with the provisions of this **Section B.4**. The Job Readiness and Training Funds may be commingled with other funds of the City for purposes of investment and safekeeping, but the City shall maintain records as part of the City's accounting system to account for all the expenditures for a period of four (4) years following the date of the expenditure, and make such records available upon Developer's request.
- d. Board Authorization. By approving the DDA and form of Vertical DDA, including this Workforce Development Plan, the Board of Supervisors authorizes the City (including OEWD) to accept and expend the Job Readiness and Training Funds paid by the Developer as set forth herein. The Board of Supervisors also agrees that any interest earned on any the Job Readiness and Training Funds shall remain in designated accounts for use by OEWD for workforce readiness and training consistent with this Exhibit B4 and shall not be transferred to the City's general fund.

C. CONSTRUCTION WORK

1. **Application**. Developers, Vertical Developers and Construction Contractors shall comply with the applicable provisions of this **Section C.1** (the "**Construction Workforce Requirements**") that are requirements of the DDA, with respect to Developer and of the Vertical DDA with respect to Vertical Developers.
2. **Local Hiring Requirements**. Developer, all Vertical Developers and Construction Contractors (and their subcontractors regardless of tier) must comply with the Local Hiring Requirements set forth on Attachment B attached hereto with respect to Covered Projects (as defined therein).
3. **First Source Hiring Program for Construction Work**. Developer, with respect to any Horizontal Improvements that are not subject to the Local Hiring Requirements, and each Vertical Developer with respect to each Vertical Improvement that is not subject to the Local Hiring Requirements, will enter into

a Memorandum of Understanding with the City's First Source Hiring Administration in the form attached hereto as Attachment A-3 under which, each Developer and Vertical Developer must include: (i) in their contracts with Construction Contractors for Construction Work that is not subject to the Local Hiring Requirements, a provision in the form attached thereto as Exhibit A and Exhibit A-1 and (ii) in their leases for commercial space at the Project that is subject to Chapter 83, a provision in the form of Exhibit B and B-1 thereto applicable to Construction Work performed under the lease that is not subject to the Local Hiring Requirements; and to provide a signed copy of the relevant exhibits to the FSHA.

4. **Local Business Enterprise Requirements.** Developer, all Vertical Developers and their respective Contractors and Consultants (as defined in Attachment C) shall comply with the Local Business Enterprise Utilization Program set forth in Attachment C hereto.
5. **Obligations; Limitations on Liability.** Developer and each Vertical Developer shall use good faith efforts, working with the OEWD or its designee, to enforce the applicable Construction Workforce Requirements with respect to its Construction Contractors (as defined above), Contractors and Consultants (as defined in Attachment C), and each Construction Contractor, Contractor and Consultant, as applicable, shall use good faith efforts, working with OEWD or its designee, to enforce the Construction Workforce Requirements with respect to its subcontractors and subconsultants (regardless of tier). However, Developer and Vertical Developers shall not be liable for the failure of their respective Construction Contractors, Contractors and Consultants, and Construction Contractors, Contractors and Consultants shall not be liable for the failure of their respective subcontractors and subconsultants.
6. **Prevailing Wages.**
 - a. Prevailing Wages. Subject to any collective bargaining agreements in the building trades, Developer, all Vertical Developers and Construction Contractors (and their subcontractors regardless of tier) must (A) pay, and shall require its respective Construction Contractors (and subcontractors regardless of tier) to pay, all persons performing work on a Prevailing Wage Covered Project no less than the applicable Prevailing Rate of Wages, and (B) comply with, and require its Contractors and Subcontractors to comply with, the provisions of Administrative Code subsections [6.22\(e\)\(5\)](#), (6), (7) and subsection [6.22\(f\)](#) for any Prevailing Wage Covered Project .
 - b. Enforcement. City's Office of Labor Standards Enforcement ("OLSE") enforces labor laws adopted by San Francisco voters and the San Francisco Board of Supervisors. The Port designates OLSE as the agency responsible for ensuring that prevailing wages are paid and other payroll requirements are met in connection with the Work.

D. PROJECT OPERATIONS

1. **Application.** Covered Operations within the Project will be subject to the applicable First Source Hiring Requirements (including TechSF) and Retail Marketing Requirements set forth in this **Section D.1** (collectively, the “**Operations Workforce Requirements**”). The Operations Workforce Requirements will be binding on Vertical Developers entering into Parcel Leases.
2. **First Source Hiring Program for Operations.**
 - a. First Source Hiring Agreements. Port and Developer will ensure that the Parcel Lease for each Option Parcel will require the Vertical Developer as tenant thereunder to comply with the operational requirements of the then-current Administrative Code Chapter 83 (“**Chapter 83**”) in accordance with this Workforce Development Plan (subject to limitations on Changes to Existing City Laws as provided in Section 5. of the Development Agreement). Compliance with Chapter 83 will be achieved by the following:
 - i. Vertical Developer will include in all leases, subleases or other occupancy contracts for Covered Operations (each, a “**Commercial Lease**”), a requirement that the Commercial Tenant enter into a FSHA Operations Agreement in the form attached hereto as Attachment A-1.
 - ii. Vertical Developer will require the applicable party to provide a signed copy of each FSHA Operations Agreement within 10 business days of execution of the Commercial Lease.
 - iii. With the execution of each applicable Commercial Lease, Vertical Developer will provide information and require Lessee to notify OEWD Business Services.
 - b. First Source Hiring Agreements for Permanent Tech Employers. The purpose of the FSHA Tech Operations Agreement is to facilitate job training and education opportunities for participants in the TechSF Program. In addition to the First Source Hiring Agreements above, Port and Developer will ensure that the Parcel Lease for each Option Parcel will require the Vertical Developer as tenant thereunder to :
 - i. If Vertical Developer is a Permanent Tech Employer, provide hiring executive(s) contact information to OEWD Business Services for itself, and enter into a FSHA Tech Operations Agreement in the form of Attachment A-2;
 - ii. Vertical Developer will include in all lease, subleases or other occupancy contracts for Covered Operations (each, a “**Commercial Lease**”), a requirement that the Commercial Tenant

to enter into the FSHA Tech Operations Agreement in the form in Attachment A-2; and

- iii. Provide contact information for any Commercial Tenant that is a Permanent Tech Employer. Vertical Developer will provide the executive(s) contact information within 10 days of execution of, or, if available, prior to execution of the applicable Commercial Lease, and will provide updated contact information annually thereafter.
- iv. With the execution of each applicable Commercial Lease with a Permanent Tech Employer, Vertical Developer will provide information related to TechSF and require Lessee to notify OEWD Business Services staff. Vertical Developer will only be required to provide information as supplied to it by OEWD Business Services staff. If no information is supplied by OEWD Business Services staff, then this subsection will be deemed complete.

3. Local Diverse Small Business Retail Marketing Program.

- a. Application. Developer, working with its Vertical Developer Affiliates, the Port of San Francisco and OEWD will implement a program that provides opportunities for diverse and local small businesses to become part of the future revitalization of Pier 70 in accordance with this Section D.3 implemented.
- b. Program Goals. Developer, working with its Vertical Developer Affiliates, the Port of San Francisco and OEWD will implement a program that provides opportunities for diverse and local small businesses to become part of the future revitalization of Pier 70 designed to (i) attract and support diverse small businesses in retail, PDR, arts and commercial spaces within the 28-Acre Site, with a specific focus on District 10 entrepreneurs and businesses, and to (ii) leverage resources available through existing local, state and federal programs delivered through local partner organizations (e.g. OEWD, Neighborhood Economic Development Organizations). Developer, working with its Vertical Developer Affiliates, will seek to incorporate 5% local small diverse businesses within traditional retail and PDR spaces in the project, excluding parcel E4.
- c. Marketing Program.
 - i. Using its best available information, Developer will provide in each Phase Submittal, the projected commercial space available in the Phase and a general overview of retail, PDR, arts and commercial spaces that could be available for sublease within the applicable Phase to local diverse small businesses. To the extent feasible, the information will include the items described below, at

a conceptual level, with the understanding that the description will be based on Developer's best projections at the time, but will be subject to change as the Phase is developed:

- (1) Potential type of use: retail, services, PDR, restaurant, etc.;
 - (2) Type of space: new construction, rehabilitated space, floor to ceiling heights, likely mechanical systems, loading access, parking availability;
 - (3) Approximate size of spaces
 - (4) Location: building parcels and street/park frontage locations;
 - (5) Projected timing: timing for delivery of core and shell space availability and anticipated lease sign target date prior to the delivery of core and shell; and
 - (6) Contact: Name of broker or Developer contact for any follow up questions.
- ii. Developer will provide Port and OEWD with an update to the information described above within six to eight months after the initial Phase Submittal if the information provided with the Phase Submittal has changed materially.
- iii. During each Phase, Developer will coordinate with OEWD and real estate brokers with the goal of identifying small businesses that might lease space within Vertical Improvements in the Phase by complying with the following process:
- (1) From and after the applicable Phase Approval, Developer provide information on the potential leasing opportunities to OEWD. OEWD to coordinate businesses, entrepreneurs, and Neighborhood Economic Development Organizations ("NEDO") about potential opportunities.
 - (2) OEWD/Small Business Services will provide support through during lease negotiations with local diverse small businesses identified through this marketing program and engage 1-2 NEDOs that serve small businesses with specific focus on those based in District 10. It is anticipated that OEWD will require each NEDO to provide the following services:

- (a) Initial consultation to determine potential businesses and entrepreneurs to conduct outreach about potential opportunities at the 28-Acre Site.
 - (b) Consultation with entrepreneurs and businesses necessary to successfully locate their business at the 28-Acre Site. This could include services typically provided by NEDOs such as business plan support, small business financing, loan applications, understanding bank underwriting criteria, and training in basic financial management concepts, including, building equity, maintaining adequate working capital, managing growth and other issues critical to the growth and financial stability of the businesses.
 - (c) NEDOs will identify businesses/entrepreneurs that are eligible and interested in leasing space at Pier 70.
 - (d) NEDOs will share information on outreach events and conversations with OEWD and Forest City.
 - (e) Provide support through during lease negotiations with local diverse small businesses identified through this marketing program.
- iv. Developer, working through its Vertical Developer Affiliates, will specifically consider neighborhood-serving retail and services that could potentially sublease space subject to Parcel Leases between Port and Vertical Developer Affiliates, including grocery stores, dry cleaners, hardware, after-school programs, recreation and activity spaces, and similar neighborhood-serving businesses.
 - v. Developer, through its Vertical Developer Affiliates, will engage brokers to manage the overall marketing and outreach strategy for leasing of commercial, retail, and neighborhood spaces within Option Parcels taken down by Vertical Developer Affiliates, including the Building 12 Market Hall. When entering into such contracts with brokers, Developer will emphasize the goals of the small business program and the marketing information prepared by Developer at the beginning of each Phase and will require the applicable broker(s) to engage with the businesses that OEWD/NEDOs have identified in step 1 for the potential spaces available.
- d. Sublease Commitments. Developer, working through its Vertical Developer Affiliates, will use good faith efforts to market new sublease space coming on the market with the initial opening of each Vertical Improvement to diverse local small businesses that it identifies through the

marketing program described in **Subsection D.3.c** above, at fair market rents and subject to then-existing market conditions. In order to provide time for the small business to develop, Developer will provide a mutual option to extend after the initial lease term. The initial term and option to extend would be a minimum of 8 years. In its evaluation of potential subtenants hereunder, Developer, acting through its Vertical Developer Affiliates, will consider the history and past success of the proposed retail subtenant and its business, as well as the type of business, its ability to enhance the overall Project, and its long term viability. Each such potential subtenant must meet standard experience and financial qualifications associated with investment reporting, including (i) the proposed programmatic layout; (ii) its long term proforma and business model; and (iii) financial qualifications, which may include reasonable guarantees of performance.

E. GENERAL PROVISIONS

- 1. Enforcement.** OEWD shall have the authority to enforce the Construction Workforce Requirements and the Operations Workforce Requirements. The Port and OEWD staff agree to work cooperatively to create efficiencies and avoid redundancies and to implement this Workforce Development Plan in good faith, and to work with all of the Project's stakeholders, including Developer and Vertical Developers, Construction Contractors (and their subcontractors) and Permanent Employers, in a fair, nondiscriminatory and consistent manner.
- 2. Third Party Beneficiaries.** Each contract for Construction Work and Covered Operations shall provide that OEWD shall have third party beneficiary rights thereunder for the limited purpose of enforcing the requirements of this Workforce Development Plan applicable to such party directly against such party.
- 3. Flexibility.** Some jobs will be better suited to meeting or exceeding the hiring goals than others, hence all workforce hiring goals under a Construction Contract will be cumulative, not individual, goals for that Construction Contract or Permanent Employer. In addition, Developer and Vertical Developers shall have the right to reasonably spread the workforce goals, in different percentages, among separate Construction Contracts or Permanent Employers so long as the cumulative goals among all of the Construction Contracts or Permanent Employers at any given time meet the requirements of this Workforce Development Plan. The parties shall make such modifications to the applicable First Source Hiring Agreements consistent with Developer and Vertical Developers' allocation. This acknowledgement does not alter in any way the requirement that Developer, Vertical Developers, Construction Contractors and Permanent Employers comply with good faith effort obligations to meet their respective participation goals for the Construction Work and Covered Operations.
- 4. Exclusivity.** In recognition of the unique circumstances and requirements surrounding the Project, the Port, OEWD and Developer have agreed that this

Workforce Development Plan will constitute the exclusive workforce requirements for the Project. Without limiting the generality of the foregoing, if the City implements or modifies any workforce development policy or requirements after the date of this Workforce Development Plan, whether relating to construction or operations, that would otherwise apply to the Project and Developer asserts that such change as applied to the Project would be prohibited by the Development Agreement (including an increase in the obligations of Developer, any Vertical Developer, or their contractors under any provisions of the DDA or any Vertical DDA), then the parties shall resolve the issue through the Dispute Resolution procedures of Section III.F below..

F. DISPUTE RESOLUTION.

1. **Meet and Confer.** In the event of any dispute under this Workforce Development Plan (including, without limitation, as to compliance with this Workforce Development Plan), the parties to such dispute shall meet and confer in an attempt to resolve the dispute. The parties shall negotiate in good faith for a period of 10 business days in an attempt to resolve the dispute; provided that the complaining party may proceed immediately to the Arbitration Provisions of Attachment D (Dispute Resolution) hereto, without engaging in such a conference or negotiations, if the facts could reasonably be construed to support the issuance of a temporary restraining order or a preliminary injunction.
2. **Arbitration.** Disputes arising under this Workforce Development Plan may be submitted to the provisions of Attachment D (Dispute Resolution) hereof if the meet and confer provision of Section F.1 above does not result in resolution of the dispute.

Attachment A-1

Form of First Source Hiring Agreement for Operations

Attachment A-2

Form of First Source Hiring Agreement for Tech Operations

[see attached]

Attachment A-3

Form of First Source Hiring Agreement for Construction

[see attached]

Attachment B

Local Hiring Requirements

[see attached]

Attachment C

LBE Utilization Plan

[see attached]

Attachment D

Dispute Resolution

1. Arbitration

Any dispute involving the alleged breach or enforcement of this Workforce Development Plan (excluding disputes relating to the First Source Hiring Agreement and the applicable City ordinances, which shall be resolved in accordance with their respective terms) shall be submitted to arbitration in accordance with this **Attachment E**.

The arbitration shall be submitted to the American Arbitration Association, San Francisco, California office (“AAA”) which will use the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. If there is a conflict between the Commercial Rules of the AAA and the arbitration provisions in this Program, the arbitration provisions of this Program shall govern. The arbitration shall take place in the City and County of San Francisco.

2. Demand for Arbitration

The party seeking arbitration shall make a written demand for arbitration (“***Demand for Arbitration***”). The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying the entities believed to be involved in the dispute; (2) a copy of the notice of default, if any, sent from one party to the other; (3) any written response to the notice of default; and (4) a brief statement of the nature of the alleged default.

3. Parties’ Participation

All persons or entities affected by the dispute (including, as applicable, OEWD, the Port, Developer, Vertical Developers, Construction Contractor (and subcontractor) and Permanent Employer) and shall be made Arbitration Parties. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such affected person or entity as an Arbitration Party; provided that, upon request by any party, the arbiter may dismiss such party if it is not reasonably affected by the dispute.

4. OEWD Request to AAA

Within seven (7) business days after service or receipt of a Demand for Arbitration, OEWD shall transmit to AAA a copy of the Demand for Arbitration and any written response thereto from an Arbitration Party. Such material shall be made part of the arbitration record.

5. Selection of Arbitrator

One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the Arbitration Parties in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator

within seven (7) business days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be the arbitrator's agreement to: (i) submit to all Arbitration Parties the disclosure statement required under California Code of Civil Procedure Section 1281.9; and (ii) render a decision within thirty (30) days from the date of the conclusion of the arbitration hearing.

6. *Setting of Arbitration Hearing*

A hearing shall be held within ninety (90) days of the date of the filing of the Demand for Arbitration with AAA, unless otherwise agreed by the Arbitration Parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

7. *Discovery*

In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05 as it may be amended from time to time.

8. *California Law Applies*

California law, including the California Arbitration Act, Code of Civil Procedure Part 3, Title 9, §§ 1280 through 1294.2, shall govern all arbitration proceedings in any Employment and Contracting Agreement.

9. *Arbitration Remedies and Sanctions*

The arbitrator may impose only the remedies and sanctions set forth below:

a. Order specific, reasonable actions and procedures to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance with the Workforce Development Plan.

b. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the applicable sections of the Workforce Development Plan, or from granting extensions or modifications to existing contracts related to services covered by the applicable sections of the Workforce Development Plan, other than those minor modifications or extensions necessary to enable completion of the work covered by the existing contract.

c. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any Arbitration Party to comply with any of the requirements in this Workforce Development Plan. Contracts may be continued upon the condition that a program for future compliance is approved by OEWD. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars (\$50,000.00) or ten percent (10%) of the base amount of the breaching party's contract, whichever is less, provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first willful breach of the Workforce

Development Plan unless the breaching party has failed to cure after being provided written notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent uncured willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, “*willful breach*” means a knowing and intentional breach.

d. Direct any Arbitration Party to produce and provide to OEWD any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

10. *Arbitrator’s Decision*

The arbitrator will normally make his or her award within twenty (20) days after the date that the hearing is completed but in no event past thirty (30) days from the conclusion of the arbitration hearing; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party and shall also copy all Arbitration Parties by email (if email addresses are provided).

11. *Default Award; No Requirement to Seek an Order Compelling Arbitration*

The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) the person or entity received actual written notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

12. *Arbitrator Lacks Power to Modify*

Except as expressly provided above in this Attachment C, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Workforce Development Plan or to negotiate new agreements or provisions between the parties.

13. *Jurisdiction/Entry of Judgment*

The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The prevailing Arbitration Party(ies) shall be entitled to reimbursement for the arbitrator’s fees and related costs of arbitration. If a subcontractor is the losing party and fails to pay the fees within 30 days, then the applicable Construction Contractor (for whom that subcontractor worked) shall pay the fees. Each Arbitration Party shall pay its own attorneys’ fees, provided, however, those attorneys’ fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator’s decision may be entered in any court of competent jurisdiction.

14. Exculpation

Except as set forth in **Section 13** above, each Arbitration Party shall expressly waive any and all claims against OEWD, the Port and the City for costs or damages, direct or indirect, relating to this Workforce Development Plan or the arbitration process in this Attachment E, including but not limited to claims relating to the start, continuation and completion of construction.