

Mayor's order to push developers to hire contractor businesses owned by minorities, women

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CHICAGO — Chicago's Department of Planning Development and the Chicago Plan Commission will soon be operating under a new guideline that will monitor the participation and hiring of "Minority and Women-Owned Business Enterprises" (W/MBEs) with respect to certain complex or large proposed construction projects in the city.

With an executive order issued on August 16, Chicago Mayor Rahm Emanuel spelled out the details that will require developers to submit plans that would include any intended and actual employment of M/WBEs in the proposed design, engineering and construction of any city development projects. The new guidelines require mandatory participation from all applicants seeking to undertake a project that would stretch the limits of zoning codes in the city.

The legal definition of planned development will be of interest, Donna Pugh, an attorney with Chicago law firm Foley & Lardner who is familiar with the new rulings, told the *Cook County Record*.

"A Planned Development is in order when the developer takes on a large project," Pugh said. "When very tall or large buildings are being considered, or when construction involves multiple uses in a single building, the project will require a great amount of relief from the zoning code. The process involves more opportunities for input from (aldermen), the Department of Planning and Development, and the surrounding community. It offers a bit of flexibility for the developer."

Pugh said prospective developers wishing to undertake such projects in the future would need to be in line with what is known as the "26-and-six standard" outlined by the mayor.

"It's the city's goal to award 26 percent of the annual dollar value of a construction contract to Minority Owned Business Enterprises and 6 percent to Women Owned Business Enterprises," she said, also noting the executive order will encourage, but not require, all projects seeking a planned development to meet these same goals.

Also on the agenda is a requirement that would offer 50 percent of total hours in terms of construction work to Chicago residents. The number of hours varies depending on the project.

Pugh said the three-stage process for minority hiring and participation will require developers to outline goals ahead of being added to the Chicago Plan Commission agenda. Developers will then file for approval from the Department of Planning and Development, followed by applying for a Certificate of Occupancy from the Department of Buildings.

Pugh said her firm was not aware of similar strategies or policies currently employed by another major city in the U.S. and could not comment on the possibility of any challenges that may be forthcoming. However, she did offer advice for businesses and developers in light of the new executive order.

“With any guideline of this type, the monitoring and tracking will certainly incur expense and I would encourage any developer seeking planned development to research the city of Chicago MWDBE [Minority, Women and Disadvantaged Business Enterprise] business directory, which is available on the city’s website,” she said. “It will give developers a chance to familiarize themselves with the certified M/WBEs relevant to their project.”