

City of Philadelphia
Economic Opportunity Plan
Schuylkill Yards

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I. Introduction and Definitions

The City of Philadelphia strongly encourages the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged ("DBEs") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in all aspects of Schuylkill Yards (the "Project") located in the area bounded by 30th Street, Chestnut Street, 31st Street, Market Street and 32nd Street to Arch Street ("the Site") which may include financial investment, design, construction, and operations.¹ In support of this objective, the City of Philadelphia will require that Brandywine Realty Trust (the "Owner") commit to this Economic Opportunity Plan ("EOP" or "Plan"). This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with the Project at the Site. This Plan shall be a part of and incorporated into the resulting agreement(s) with the owners of Schuylkill Yards.

The Owner hereby verifies that all information submitted to the Office of Economic Opportunity ("OEO") in response to this Plan is true and correct and takes notice that the submission of false information is subject to the penalties of 18 PA C. S. Section 4904, relating to unsworn falsification to authorities and 18 PA C. S. Section 4107.2 (a)(4), relating to fraud in connection with minority business enterprises or women's business enterprises.

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply efforts of firms that are certified as M/W/DSBEs by an OEO-approved certifying agency will be eligible to receive credit as a Best and Good Faith Effort.² In order to be counted, certified firms must successfully complete and submit to the OEO an application to be included in the OEO Registry which is a list of registered M/W/DSBEs maintained by the OEO and available online at www.phila.gov/oeo/directory.

For this Plan, the term "Best and Good Faith Efforts," the sufficiency of which shall be in the sole determination of the City, means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by M/W/DSBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are rebuttably presumed met when commitments are made within the M/W/DSBE participation ranges established for the Project and a commitment is made to employ a diverse workforce as enumerated herein.

II. Project Scope

This Economic Opportunity Plan is being provided in connection with the development of Schuylkill Yards, a multi-year development encompassing 14 acres of underutilized land that is bounded by 30th Street, Chestnut Street, 31st Street (extended), Market Street, and 32nd Street to Arch Street (extended), excluding all portions of the rail yard.

Schuylkill Yards is intended to create a new dynamic mixed use center for Philadelphia's innovation economy providing office, residential and retail space, as well as classroom and laboratory space, and create a unique urban gateway to West Philadelphia that will be diverse, open and inviting to everyone.

III. Goals

A. M/W/DSBE Participation Ranges

¹ Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.

² A list of "OEO approved certifying agencies" can be found at www.phila.gov/oeo

As a benchmark for the expression of "Best and Good Faith Efforts" to provide meaningful and representative opportunities for M/W/DSBEs in the Project, the following participation ranges have been established. These participation ranges represent, in the absence of discrimination in the solicitation and selection of M/W/DSBEs, the percentage of MBE, WBE and DSBE participation that is reasonably attainable through the exercise of Best and Good Faith Efforts. These percentages relate to the good faith estimated cost of the entire Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g., MBE and WBE and DSBE or WBE and DSBE) will only be credited toward one participation range as either an MBE or WBE or DSBE. The ranges are based upon an analysis of factors such as the size and scope of the Project and the availability of MBEs, WBEs, and DSBEs to participate in this development.

The following contract goals have been set for the Project:

Contracts	Minority Owned	Female Owned	DSBE	Total
Construction	25-30%	10-15%	BGFE	35-45%
Professional services	15-20%	5-15%	BGFE	20-35%

B. Employment Goals

The Owner agrees to exhaust its Best and Good Faith Efforts to employ minority persons, by race and ethnicity, and females in its workforce of apprentices and journeypersons at the following levels:

Race/Ethnicity	Laborer hours	Skilled hours	All hours
African American	30%	18%	22%
Hispanic	27%	10%	15%
Asian	3%	2%	4%
Total hours by sub-category	60%	30%	
Total hours			41%

Women		
Laborer hours	Skilled Hours	Total hours
5%	25-30%	10-15%

Apprentices	
Minority	50%
Female	7%

Local Residents
50%

The Owner will be required to submit to the City, no later than seven (7) days before the starting date of work on any such contract, a Workforce Diversity Goal Plan which shall include specific availability and utilization strategies for meeting the Workforce Diversity goals. The City's Labor Standards Unit shall have the responsibility of administering oversight of these Workforce Diversity Goals including evaluating the sufficiency of the Workforce Diversity Goal Plan, and monitoring the successful Bidder's Best and Good Faith Efforts towards realization of the goals throughout the duration of the contract.

IV. Equity Ownership

The Philadelphia Code 17-1603 requires that each Economic Opportunity Plan include information concerning the Equity Ownership (as defined) of (1) the contractor, developer and/or recipient of financial assistance required to submit the Plan; (2) participants (as defined) engaged by the contractor, developer and/or recipient of financial assistance; and (3) the eventual owner or owners of the project or contract to which the Plan relates; and requiring periodic reports for the purpose of updating Equity Ownership information; all under certain terms and conditions.

Identify the current equity owners of the project: Brandywine Realty Trust, a Maryland investment trust ("BRT"). BRT is a publicly traded company (NYSE: BDN). As of June 30, 2016, no shareholder of BRT owns more than 15% of the outstanding shares of BRT.

If the project is privately owned, the following individuals will become the anticipated Equity Owners upon completion. Brandywine Realty Trust, a Maryland investment trust ("BRT"). BRT is a publicly traded company (NYSE: BDN). As of June 30, 2016, no shareholder of BRT owns more than 15% of the outstanding shares of BRT.

Following the completion of the project, the project owner is responsible for meeting the reporting guideline identified in the Philadelphia Code.³

³ Per The Philadelphia Code 17-1603: *Continuing Reporting Requirements.*

(i) Within 30 days of each anniversary of the date that the Plan is finally certified, the contractor, developer and/or recipient of financial assistance shall file with the Chief Clerk of Council and the certifying agency an addendum to the original Plan that provides the Equity Ownership information required in subsection (g)(.2), updated so that it is accurate as of the anniversary date. This requirement shall continue until the project is completed.

(ii) The final EOP report required pursuant to § 17-1604(2)(a) shall include updated Equity Ownership information that is accurate as of the date of the final report.

(iii) After the final EOP report has been filed, the owner or owners of the completed project shall have a continuing obligation to file a Statement of the owner's or owners' Equity Ownership within 30 days of each anniversary of the date that the

V. Diversity Practices

In compliance with Chapter 17-1603, the Economic Opportunity Plan shall contain a statement from the contractor, developer, and/or recipient of financial assistance summarizing past practices by identifying and describing examples of processes used to develop diversity at any/all levels of its organization including, but not limited to, Board and managerial positions. This statement shall also summarize strategic business plans specific to current or past practices of M/W/DSBE utilization on government and non-government projects and procurement.

1. Describe employment and recruitment policies used to achieve diversity in your workforce.

Brandywine Realty Trust is an equal opportunity employer and is committed to a fostering a culture of Diversity and Inclusion. We are continuously looking for ways to expand diversity both internally with our employee base, and externally with our suppliers, contractors, and vendors. Brandywine welcomes and values the uniqueness of each individual, regardless of race, religion, marital status, veteran status, genetic information, age, national origin, disability, gender, sexual orientation or any legally protected class.

Brandywine posts all job openings on our website <http://www.brandywinerealty.com>; on external job boards such as Linked-in, and Monster.com, which includes posting to multiple affiliated diversity websites and job boards (i.e., AfricanAmericanCareers.com, asianlife.com, military.com, hiredisability.com, etc.). We post all of our job openings with the local chambers such as The African American Chamber of Commerce, and the Greater Philadelphia Hispanic Chamber of Commerce. Our recruitment team is tasked with screening applicants and ensuring that qualified minority and female candidates are included in the interview process. Additionally, we include minorities and females on the internal interview team in all cases where possible. When utilizing staffing agencies, we request to see and interview qualified women and minority candidates for all jobs that we place with an agency.

In an effort to foster an inclusive working environment, Brandywine provides training to employees and new hires on Inclusion and Managing a Respectful Workforce.

2. Provide the race, gender, and residential (local) status of your:

	Total	Minority	Non-Minority	Male	Female	Phila. Resident	Greater Phila.
A. Directors	8	1	7	7	1	1	4*
B. Management	82	7	75	47	35	14	68
C. Gen. Workforce	209	23	186	119	90	33	176

*Three (3) Board of Trustee Members live outside of Pennsylvania.

3. Identify your organization's methods of solicitation and utilization of Minority, Woman and Disabled Businesses (M/W/DSBEs). Please be specific in describing outreach and any procurement policies that are focused on creating or sustaining business relationships with M/W/DSBEs.

Brandywine uses some combination of the following to ensure adequate solicitation and utilization of M/W/DSBEs on its projects:

final EOP report is submitted. The Statement shall be accurate as of the relevant anniversary date, and shall be filed with the Chief Clerk of Council and the certifying agency. No Statement shall be required if the completed project is not privately-owned.

- Engage Diversity Consultant (DC) at onset of project
- Setup Oversight Committee by selecting a Chairperson and including a Union Labor Leader
- Require bidding Construction Managers (CM) to provide EOP history for previous projects over past 3 years
- Selected CM, in consultation with DC, prepare bid list
- CM and DC prepare and implement strategy for bid announcement
- CM, DC & BDN prepare bid packages with a goal towards smaller packages and phased work to allow for more inclusion opportunity.
- Hold meeting with Union Business Agents to introduce them to the project, review the EOP and review the bid list for their trades
- CM to include the EOP as both a bid and contract document
- BDN, CM & DC to emphasize EOP requirements during the sub trade pre-bid meetings.
- Require Potential Subcontractor to bring all minority vendors to De-scope/Pre-award meeting to explain their role. CM, DC & BDN will be present
- BDN will not sign CM award letter without the EOP commitments being stated by each sub for both employment and contractual spending
- After the subcontract is awarded, kick-off meetings will be held with the sub and the EOP will be a top priority agenda item. These meetings will be held prior to the sub mobilizing. The subs Roadman or hiring individual must attend the meeting and review the proposed trade worker project staffing in consideration of the EOP
- The onsite workforce will be monitored weekly by DC to check for crew composition. The results of these site visits will be given to CM in real time to address low participation numbers with the violating subs
- Certified payrolls are to be submitted to DC from CM, these are the official documents used to create the monthly report
- The monthly report will be reviewed at monthly EOP meetings that include DC, CM and BDN. Good and bad trends will be to be discussed and the CM shall send letters and arrange meetings with subs who are not performing in accordance with the goals. DC, CM and BDN would attend these meetings

4. What percentage of your company's total spend with vendors and suppliers is attributable to M/W/DSBEs? Please include a list of the largest M/W/DSBEs used by your organization in the last 12 months.

Brandywine has averaged 37% project spend on its projects in the City of Philadelphia.

A list of M/W/DSBEs used by Brandywine on its last project are listed below:

- MBE
 - Aviman Management, LLC
 - Decision Distribution America
 - Forming Concepts
 - Harold Carmichael & Associates
 - *Hispanic Ventures, Inc.*
 - Jackson Installations
 - Larry McCrae
 - Len Parker Associates, Inc
 - Manna Supply

- Mid Atlantic Construction
 - *MJK Electrical, LLC*
 - Reedbird Steel
 - Rodriguez Construction
 - Tierra Construction Services
 - Torrado Construction Co Inc.
- WBE
 - AerDux Incorporated
 - Bayshore Rebar, Inc.
 - CA Weisse Sales
 - Central Metals, Inc
 - *Circle Wallcovering, Inc.*
 - Delta BJDS
 - EC Fence & Iron Works
 - Guthrie Glass and Mirror, Inc
 - Labe Sales, Inc
 - Labov Plumbing & Heating Supply
 - Majek Fire Protection
 - North Star Electrical Supply
 - P. A. Fly
 - Poverty Ridge
 - *Queen Appliances*
 - Restoration Solutions, LLC
 - Ritter Contracting, Inc
 - Roma Steel SJA
 - *Thomas Building Group, Inc.*
 - Tracorp
 - Turtle & Hughes
 - Union Electric Contracting Co
- DsBE
 - Paramount Electrical Services Swipes

A. Identify the type of goods or services purchased.	Various construction goods and services
B. Amount of the contract.	Aggregate amount \$73 million
C. Indicate if any of these M/W/DSBEs are listed in the City of Philadelphia's Office of Economic Opportunity Registry.	All
D. Are these companies certified as M/W/DSBEs? Do you rely on any particular certifying agency?	All are certified by various certifying agencies

E. If there is no previous M/W/DSBE utilization, the Plan shall contain a statement that explains the reason for the lack of M/W/DSBE participation in past contract(s) or project(s).	N/A
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5. Describe any initiatives made by your organization to increase investment and promote equity ownership by minorities and women.

VI. Responsiveness

A. The owner shall identify M/W/DSBE commitments and other agreements evidencing their intent to use Best and Good Faith efforts to employ minority persons and females at the levels stated herein. The identified commitments constitute a representation that the M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Owner has entered into legally binding commitments or other legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the dollar/percentage amounts set forth. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern.

B. M/W/DSBE commitments are to be memorialized in a written subcontract agreement. Letters of intent, quotations, contracts, subcontracts and any other documents evidencing commitments with M/W/DSBEs become part of and an exhibit to the Agreement resulting from the RFP.

C. OEO will review the owner's commitments for the purpose of determining whether Best and Good Faith Efforts have been made. OEO reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project.

VII. Compliance and Monitoring of Best and Good Faith Efforts

A. The owner agrees to cooperate with OEO in its compliance monitoring efforts, and to submit, upon the request of OEO, documentation relative to its implementation of the Plan, including the items described below:

- Copies of signed contracts and purchase orders with M/W/DSBE subcontractors
- Evidence of payments (cancelled checks, invoices, etc.) to subcontractors and suppliers to verify participation; and
- Telephone logs and correspondence relating to M/W/DSBE commitments.
- To the extent required by law, the Owner shall ensure that its on-site contractors maintain certified payrolls which include a breakout of hours worked by minority and female apprentices and journeypersons. These documents are subject to inspection by OEO.

B. Prompt Payment of M/W/DSBEs

The owner agrees and shall cause its contractors to ensure that M/W/DSBEs participating on the Project receive prompt payment for their work or supply effort within five (5) days after receipt of payment from the project owner.

C. Oversight Committee

For this Project, in the sole discretion of the City, an oversight committee may be established consisting of representatives from the Owner, representatives of the building trades, the construction manager, and the City which may include the Project site's district councilperson, OEO, and appropriate community organizations ("Committee"). The Committee will meet regularly to provide advice for the purpose of facilitating compliance with the Plan.

D. Reporting

The owner agrees to file an annual report with the City of Philadelphia and City Council concerning the performance of the Economic Opportunity Plan through the duration of the Project. In addition, during construction, the Owner will provide "snapshot" reports containing updates for certain categories of information contained in its annual report on a monthly basis during construction. Snapshot reporting will include: (i) utilization of M/W/DSBEs, and (ii) the hiring and employment of minorities and females. All reports (quarterly & annually) provided to the City under this section will also be provided to the Office of Economic Opportunity.

VIII. Remedies and Penalties for Non-Compliance

The owner agrees that its compliance with the requirements of this Plan is material to the Agreement. Failure to comply with the Plan may constitute a substantial breach of the Agreement and is subject to the remedies and penalties contained therein or otherwise available at law or in equity. Notwithstanding the foregoing, no privity of contract exists between the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither the Owner nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

IX. Additional Programs

A. GROW PHILADELPHIA CAPITAL

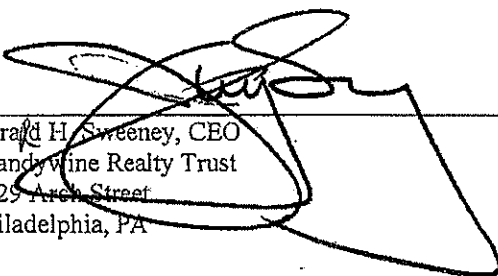
In Partnership with Brandywine Realty Trust and Councilwoman Jannie Blackwell, the Grow Philadelphia Capital program will be established as a capacity building initiative (the "Initiative") to provide capital directly to the City of Philadelphia's Minority Enterprises. The Initiative will accelerate growth, enhance employment opportunities for citizens and drive economic development in communities. By leveraging capital investments, the Initiative will build the capacity of small minority businesses in Philadelphia. Program details are outlined and attached hereto as Exhibit A.

B. APPRENTICESHIP PROGRAM

In Partnership with Brandywine Realty Trust and Councilwoman Jannie Blackwell, the Apprentice Program will create apprenticeships training programs that allow job seekers residing in West Philadelphia zip codes to learn specialized skills for various trades. Program details are outlined and attached hereto as Exhibit B.

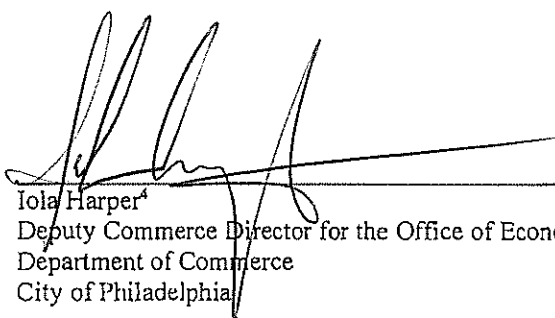
C. LOCAL SOURCING INITIATIVE

In Partnership with Brandywine Realty Trust and Councilwoman Jannie Blackwell, the Local Sourcing Initiative will create opportunities for West Philadelphia vendors, who have been screened by Brandywine, to promote their business to Brandywine tenants. Program details are outlined and attached hereto as Exhibit C.



Gerald H. Sweeney, CEO
Brandywine Realty Trust
2929 Arch Street
Philadelphia, PA

6/12/17
Date



Iola Harper⁴
Deputy Commerce Director for the Office of Economic Opportunity
Department of Commerce
City of Philadelphia

6/12/17
Date

⁴ Pursuant to Section 17-1603 (2) of The Philadelphia Code, the representative of the City of Philadelphia's Office of Economic Opportunity, the "certifying agency", certifies that the contents of this Plan are in compliance with Chapter 17-1600.

Exhibit A

GROW PHILADELPHIA CAPITAL

In Partnership with Brandywine Realty Trust and Councilwoman Jannie Blackwell

To establish **Grow Philadelphia Capital**, a capacity building initiative (the "Initiative") to provide capital directly to the City of Philadelphia's Minority Enterprises. The Initiative will accelerate growth, enhance employment opportunities for citizens and drive economic development in communities. By leveraging capital investments, the Initiative is designed to build the capacity of small minority businesses in Philadelphia.

Sec. 1. Brandywine Realty Trust will contribute \$500,000 as seed capital to the Initiative. Brandywine will not seek any return on or of this contribution.

Sec. 2. For every construction-related contract with a value of greater than \$300,000, Brandywine shall contribute one tenth of one percent (.1%) of the gross contract into the Initiative. Brandywine shall use commercially reasonable efforts to require its contractors and subcontractors to agree to a reduction in the payments on their contracts for non-performance of the EOP goals. Any funds obtained through this reduction in payments from projects at the following locations will be contributed to the initiative

3001 Market Street
3025 Market Street
3001 JFK Blvd
3003 JFK Blvd
3025 JFK Blvd

Sec. 3. Oversight of the Initiative shall be by an oversight board managed by The Enterprise Center, a 26 year old non-profit whose mission is to cultivate and invest in minority entrepreneurs to inspire working together for economic growth in communities. The "Oversight Board" will consist of a representative or designee of each of the following: The Enterprise Center, Brandywine, the Office of Councilwoman Blackwell, and the City of Philadelphia's Office of Economic Opportunity. The Oversight Board shall review and monitor progress of the Initiative and establish and revise general priorities for the Initiative investments (the "Investments").

Sec. 6. The operation of the Initiative shall be managed by The Enterprise Center Capital Corporation, an affiliate of The Enterprise Center by a Loan Review Committee (the "Committee") constituted and with such responsibilities as follows:

- (a) The number of initial Members shall be not more than seven or fewer than five (5) persons, appointed by the Oversight Board. The Members shall be representatives of established lending organizations, foundations, venture capital firms and/or other persons with demonstrated expertise to make the Investments. No Member shall have any interest in the firms receiving Investment funds,

- (b) All Investments will be made solely by the Committee. Neither the Oversight Board, nor any of its members shall participate in the selection of Investments. The Committee shall monitor the Investments and hire and supervise any consultants, if any. The Committee shall serve three (3) year staggered terms with the ability to be renewed by the Oversight Board for an additional three (3) year term.
- (c) The Committee shall establish a nominating committee to be comprised of the three (3) Members to identify and nominate, on a timely basis, Members to fill any vacancy. Any such new Member shall be elected by a majority vote of the current Committee.
- (d) The Committee shall adopt Standard Operating Procedures with respect to its on-going Investment responsibilities.

Sec.7. No later than April 30th of each year, the Committee will submit a written report with financial statements to the Oversight Board indicating Fund balances and the status of each Investment. The Oversight Board will review such submission and approve all reports on the Initiative's activities.

Sec. 8. Upon the submission of the Committee's second annual report to the Oversight Board, such Board shall conduct a review of the performance of the Initiative, to be completed within sixty (60) days of such submission. If such performance is not satisfactory to the Oversight Board, it shall make recommendations to the Committee. If such recommendations are not adopted by the Committee within 3 months, the Oversight Board may replace any Committee Member or Members and/or The Enterprise Center Capital Corporation or recommend to the Oversight Board that it terminate the Initiative. In such case, any uninvested amounts in the Initiative will be transferred to an approved entity.

Sec. 9. It is a priority of the Initiative to provide loans and other instruments at as low a cost to the borrower as possible. In order to meet this goal, the Initiative will have a maximum rate of 1%. Any interest received will remain within the Initiative and be used solely to support Initiative programs. All expenses of this Initiative shall be paid solely from the balances. The Initiative may receive grants to support operations, consultants and any overhead associated in Investments.

Sec. 10. Fiscal impact statement.

Sec. 11. The Initiative will have a term of 5 years.

Exhibit B

Apprenticeship Training Program

Brandywine Realty Trust will sponsor and support an Apprenticeship Training Program. By design, the program will prepare community residents for union entrance exams, provide interviewing skills, identify pre-apprenticeship opportunities, and help to secure apprenticeship positions in the various trade unions.

The program will include direct outreach through a number of methods in the target zip codes which coincide with Federal Promise Zone and ones recognized as areas of high poverty utilizing barber shops, community centers, libraries and other popular locations. Individuals interested in the program will be invited to orientation meetings. These face to face meetings will allow potential participant to hear firsthand the objectives and requirements of the program. During this session, the participants will be asked to fill out program applications.

Candidates will be provided with math training, mock interview training and mentorship to support their entry into the skilled trade unions. The instructors in the program include volunteer members of the building trades and members of the private sector who share common goals in training for success. The fifteen (15) week program will provide books, tests, printed material and other items as needed for the candidates to be successful.

The candidate's requirements to be eligible for the program match the unions' and include:

1. Being 18 years of age,
2. Having earned a high school diploma,
3. Possessing a valid driver's license and
4. Being drug free (the candidates are randomly drug tested during the course of the program)

There will be homework requirements, tests and field trips to actual construction sites as part of the curriculum. There is no cost to the candidate to participate in the program however, the candidate cannot be successful if they do not attend the sessions which will be held two (2) evenings per week.

Construction Apprenticeship Preparatory Program (CAPP) will be the service provider for this program. CAPP is an educational program addressing the employment disparity existing in the construction industry. CAPP has proven success with placing candidates in the Philadelphia skilled trade unions. CAPP was founded and is operated by retired Local 98 electrician, Walter McGill.

Exhibit C**LOCAL SOURCING INITIATIVE****Program Details**

This Initiative is to support businesses throughout West Philadelphia. Participating vendors—providing goods and services such as printing, furniture, signage, transportation and more—operate within our surrounding neighborhoods and have been pre-qualified by the Initiative's partners. Through a Brandywine Realty Trust sponsorship, Brandywine Realty Trust's tenants are eligible for a 10% discount on goods and services provided by the participating vendors.