A state-led program to encourage more women and minorities to pursue the employment and business opportunities created by the construction of a major sporting and events stadium.

The U.S. Bank Stadium (the Stadium) is the centrepiece of Minnesota’s redevelopment plan and has a strong social inclusion agenda aimed at benefitting local communities. The Stadium is owned and operated by the Minnesota Sports Facilities Authority (the Authority), which was also responsible for its design and build.

The project aims to maximise economic, fiscal and social benefits for the State of Minnesota (the State) and its communities. Several initiatives that aimed to promote an inclusive agenda were implemented throughout its design, construction and operation, and were set out in an Equity Plan.

The Equity Plan was developed following a mandate by the State, which aimed to ensure its socially inclusive values and vision were reflected in the design and construction of projects. It is part of wider efforts to increase social inclusiveness and reduce discrimination and disparity. On completion of the Stadium, the Equity Plan was extended by the Authority to cover the operations phase.

The Equity Plan includes pragmatic goals to integrate women, minorities and low-income residents into the workforce, and women- and minority-owned businesses into the design and construction activities of the project. Specifically, the Equity Plan outlines how to provide employment and equal access to labour market opportunities, and establishes goals for contracts to be awarded to capable, available and willing women- and minority-owned businesses (refer to Table 1: Target goals and additional achievements of the Equity Plan). Veterans and low-income residents were also included in employment initiatives, with much of the engagement led by specialised employment assistance firms.

<table>
<thead>
<tr>
<th>Businesses</th>
<th>Target goals</th>
<th>Additional achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority-owned</td>
<td>9%</td>
<td>Veteran-owned</td>
</tr>
<tr>
<td>Women-owned</td>
<td>11%</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Workforce</th>
<th>Target goals</th>
<th>Additional achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority</td>
<td>32%</td>
<td>Veterans</td>
</tr>
<tr>
<td>Women</td>
<td>6%</td>
<td>Low-income residents</td>
</tr>
</tbody>
</table>

Table 1: Target goals and additional achievements of the Equity Plan

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1 Minnesota’s redevelopment plan is based around the MPLS Plan. The Minneapolis Plan for Sustainable Growth, which was unanimously adopted by the Minneapolis City Council on October 2, 2009.
## Project Overview

### Key words
Construction, job creation for women and members of minority communities, performance monitoring

### Sector
Leisure facility

### Background
The State of Minnesota is one of the most progressive states in the United States (US) with high standards of living and civic participation. It has set ambitious goals for the inclusion of more women, ethnic minorities, veterans and lower income residents in large infrastructure developments. They are aimed at ensuring all members of the community have access to procurement opportunities during the design, construction and operation phases.

### Size
Budget: USD 975 million

### Stage
Construction complete. The Stadium has been hosting events since 2016.

### Why of interest
- Transparent state regulations to increase the involvement of women and minority groups in urban development projects
- Robust governance and monitoring processes extended to all contractors
- Transparent web-based reporting system used to monitor integration of target groups
- Establishment of a Task Force for daily monitoring and supervision
- Oversight Committee to manage the execution of the Equity Plan with monthly meetings for all stakeholders

### Project objectives
- Achieve the highest possible distribution of benefits to target women, minorities and low-income residents in Minnesota
- Reduce discrimination, social inequality and disparity in large infrastructure projects
- Make every effort to ensure contractors and subcontractors, vendors and concessionaires employ women, members of minority communities and lower socioeconomic residents when hiring
- Work with employment assistance firms to recruit, hire, and retain female, minority and low-income workers during the construction phase

### Project Lifecycle Assessment

#### Project preparation
- A detailed study titled the Disparity Study was conducted in 2010 to identify the status of discrimination against small, minority- and women-owned businesses in Minnesota.

#### Project procurement
- Design and construction contracts included a specific percentage of work to be awarded to the target groups.

#### Construction
- Ensuring all aspects of the Equity Plan were implemented, in particular supervision and monitoring of contractors and vendors.

#### Project monitoring and evaluation
- Web-based database for monitoring and collecting data.
  The Equity Oversight Committee reported monthly on performance against goals.
Project Description

The U.S. Bank Stadium is an indoor, multi-purpose venue located in the City of Minneapolis, Minnesota, the second largest economic centre in the Midwest of the United States (US). It is the home stadium of the professional American football team, the Minnesota Vikings, which is part of the National Football League (NFL). The Stadium is designed to reflect the climate, culture and vision of the city. The facility hosts major national and international events that bring economic, fiscal and social benefits to the State.

The Stadium is owned and operated by the Minnesota Sports Facilities Authority, which was also mandated to design and build the facility. Initial redevelopment proposals started in 2007. In 2012, funding was approved by the Minnesota State Legislature and the Minneapolis City Council. Construction started in 2013, followed by the opening of the Stadium in 2016.

The 66,200-seat stadium has a 12,300 m² (137,000 ft²) floor area, plus six club spaces that seat up to 65,400 fans, expanding to 72,000 for concerts and other major events. The seven-level stadium includes two general admission concourses, 116 suites, 8,000 club seats, 430 concessions stands, gift shops, restaurants and the Vikings Football museum.

The Minnesota Vikings provided USD 477 million to finance the Stadium, the State put forward USD 348 million, and USD 150 million was funded through a hospitality tax in Minneapolis. The City of Minneapolis will pay a total of USD 678 million, including financing costs, over the 30-year life of the Stadium, which covers operations and construction costs.

The Authority was mandated by the State to promote the involvement of women and members of minority communities in the design and construction of the project, as described in the Minnesota Statutes - 473J.12 Employment (as outlined below in the Policy regulation and standards section). An Equity Plan was formulated by the Authority to apply the law to the design and construction of the project. After the completion of the Stadium, the Equity Plan was extended to include the operations phase.

The purpose of the Plan is to implement the Authority’s statutory mandate to promote the employment of women, members of minority communities and low-income residents, create an employment program, hold a job fair, establish goals for construction contracts to be awarded to women- and minority-owned businesses, and establish workforce utilisation goals as required by the Minnesota City Council. The Equity Plan includes a transparent procurement, management and monitoring process that enables contractors, vendors and other organisations to be held accountable for meeting agreed targets.

Construction required 4.5 million work hours and created 7,500 construction jobs. Of those jobs, 36% were positions held by minorities, 9% by women, and 4% by veterans. In addition, 90% of the construction budget (a total of USD 400 million) was allocated to local businesses, of which 16% were owned by women, 12% were minority-owned and 1% were businesses owned by veterans.

This work illustrates a number of Action Areas, including project planning, development and delivery with a particular focus on women and minorities. Specifically, women, minorities and low-income residents were hired during the design and construction of the Stadium, through the Equity Plan’s procurement framework. The appointed architect and contractor had specific goals to meet in relation to working with target groups. In addition, women- and minority-owned businesses were employed under direct supervision of the Authority to complete stadium construction works. The inclusivity focus has been mandated by law so there is also a regulatory context, linked to the Action Area on policy, regulation and standards. Although not specifically elaborated on in this case study, governance and capacity building is another Action Area the Equity Plan addresses, with a leadership team set up to ensure outcomes were achieved.

2 Minorities refer to African Americans, Hispanics, Asian/Pacific Islanders, Native Americans and other non-Caucasians.

To reduce social inequity, the City of Minneapolis has, over the decades, promoted the inclusion of women- and minority-owned businesses in public contract and construction activities. To provide guidance on targets that project implementing authorities must follow, a Disparity Study has been conducted. See The State of Minority- and Women-Owned Business Enterprise: Evidence from Minneapolis (NERA Economic Consulting, 2010)
Key Practices Identified and Applied

Statement of the issue in relation to inclusion and brief introduction

In the past, the State has tried to understand and remedy discrimination against minority- and women-owned businesses as part of contract and procurement activities undertaken by the City of Minneapolis. Based on a detailed study, titled the Disparity Study, it was identified that ‘minorities and women are substantially and significantly less likely to own their own businesses. This results from marketplace discrimination in comparison to what would be expected based upon their observable characteristics, including age, education, geographic location and industry. The study finds that these groups also suffer substantial and significant earnings disadvantages relative to comparable non-minority males, whether they work as employees or entrepreneurs’. Such disparities are symptoms of discrimination in the labour force, stifling opportunities for minorities and women to progress on equal terms. The disparities reflect more than societal discrimination, as they demonstrate the nexus between discrimination in the job market and reduced entrepreneurial opportunities for minorities and women.

How inclusivity has been addressed

The identified practice is the establishment of an Equity Plan to ensure women, minorities and low-income residents were integrated into the workforce, and women- and minority-owned businesses had the chance to bid for design and construction contracts on a major public project.

The Equity Plan, which defines and governs all inclusivity aspects in relation to the project, is examined in this case study to identify how inclusivity has been promoted in this project.

The State has introduced a number of initiatives and regulations to tip the balance back in favour of women and minorities. An example is an ordinance issued for a Small and Underutilised Business Program to assist small, minority- and women-owned businesses in finding new opportunities.

The case study examines the Equity Plan, as well as the management and monitoring structure that was put in place to ensure the agreed targets were met. A bespoke web-based reporting platform is of particular interest, as it is an innovative, transparent and effective way of monitoring contractual obligations in relation to agreed inclusivity targets.

Figure 1. Provided by Alex Tittle, Equity Director for the Minnesota Sports Facilities Authority

This case study also analyses how the Authority complies with and applies state law to integrate women and minorities in the workforce and involve businesses owned by women and minorities in the design and construction of the Stadium.

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5 Ibid. The study provides the evidentiary records necessary for the city’s consideration of renewed race- and gender-conscious policies.
6 The Small and Underutilised Business Program intends to redress discrimination in the marketplace and create opportunities for minority- and women-owned business enterprises.
**Implementation**

The Authority developed the Equity Plan to define its project-specific inclusivity targets under the following law:

2017 Minnesota Statutes - 473J.12 EMPLOYMENT.

- **Subdivision 1. Hiring and recruitment**

In the design, development, construction, management, operation, maintenance, and capital repair, replacement, and improvement of the stadium and stadium infrastructure, the authority shall make every effort to employ, and cause the National Football League (NFL) team, the construction manager and other subcontractors, vendors, and concessionaires to employ women and members of minority communities when hiring. In addition, the authority shall contract with an employment assistance firm, preferably minority-owned, or owned by a disabled individual or a woman, to create an employment program to recruit, hire and retain minorities for the stadium facility. The authority shall hold a job fair and recruit and advertise at Minneapolis Urban League, Sabathani, American Indian Opportunities Industrialization Centre (OIC), Youthbuild organizations, and other such organizations. Further, goals for construction contracts to be awarded to women- and minority-owned businesses will be in a percentage at least equal to the minimum used for city of Minneapolis development projects, and the other construction workforce will establish workforce utilization goals at least equal to current city goals and include workers from city zip codes that have high rates of poverty and unemployment.

In compliance with the above legislation, the Authority applied inclusivity targets to integrate women and minorities in the workforce and involve businesses owned by women and minorities in the design and construction of the Stadium. As demonstrated in the table below, the project exceeded its required targets, achieving greater integration of women and members of minority groups, as well as integrating veterans and low-income residents.

Whilst these figures may seem quite modest, it is reported that no other project in Minnesota history has achieved this level of diversity.

<table>
<thead>
<tr>
<th>Businesses contracted</th>
<th>Target goals</th>
<th>Achieved goals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9% Minority-owned</td>
<td>12% (USD 109 million) Minority-owned</td>
</tr>
<tr>
<td></td>
<td>11% Women-owned</td>
<td>16% (USD 139 million) Women-owned</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1% (USD 13 million) Veteran-owned</td>
</tr>
<tr>
<td>Workforce hired</td>
<td>32% Minority</td>
<td>36% (1.3 million hours) Minority</td>
</tr>
<tr>
<td></td>
<td>6% Women</td>
<td>9% (340,000 hours) Women</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4% (150,000 hours) Veterans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>386 Low-income residents</td>
</tr>
</tbody>
</table>

Table 2: Goals achieved by the Equity Plan after completion of the Stadium
SECTION 4

PROJECT PLANNING, DEVELOPMENT
AND DELIVERY

Implementation

The Equity Program\(^6\) consists of separate Equity Plans for the Design, Construction, Operations and Capital Improvements for the Stadium.

The Equity Plan (Construction) establishes the project’s inclusivity targets, employment programs and management and oversight bodies, as detailed below.

Inclusivity targets

The Authority’s participation goals for construction-related services were based on the Disparity Study\(^9\) and the gap analysis (see below). The Authority had a legislative mandate to establish and meet goals for the percentage of Stadium construction contracts that would be awarded to capable women- and minority-owned businesses. This percentage was at least equal to the minimum used for City of Minneapolis development projects. The calculation of the goals by the Authority was established using the following:

\(^{•}\) the National Economic Research Associates, Inc. for the City of Minneapolis report: The State of Minority- and Women-Owned Business Enterprise: Evidence from Minneapolis, dated October 21, 2010 (also referred to as the Disparity Study);

\(^{•}\) registrations of businesses confirmed to be minority- or women-owned; and

\(^{•}\) relative local disparity. Using the 2010 census as a baseline, local disparity is based on the total number of local construction or related firms to the total number of construction firms.

The goals for the integration of women- and minority-owned businesses in the project and the project workforce utilisation goals included in the Equity Plan are shown in Table 2 above.

Gap analysis

The Authority’s Equity Plan Team (the Team) worked with union groups to undertake a gap analysis to examine the projected labour requirements, and the availability, capacity and willingness of the actual workforce in the Minneapolis metropolitan region. By working with the unions, the Team ensured the targets set out in the Plan were realistic and achievable.

\(^6\) U.S. Bank Stadium Equity Program, (Minnesota Sports Facilities Authority, 2018b)


The gaps identified were small, which proved the targets were based on actual demand and supply. The outcome of the analysis drove the activities of the various employment assistance programs (see below) and demonstrated that the unions were able to provide the workforce for the project.

Targeted Business Program

The Targeted Business Program set a goal of 11% and 9% of construction contracts to be awarded to women- and minority-owned Minnesota-based businesses respectively. The program defined:

\(^{•}\) how the goals should be met;

\(^{•}\) the parameters to be respected by the construction manager;

\(^{•}\) the obligation to act in good faith to meet the goals;

\(^{•}\) the requirements for reporting and monitoring;

\(^{•}\) the assistance to be provided by the Authority; and

\(^{•}\) the consequences if the construction manager failed to meet the goals or failed to make an effort, in good faith, to achieve them.

Veterans Inclusion Program

The Veterans Inclusion Program aimed to ensure veterans had every opportunity to participate in the project, either through direct employment or as the owners of a small business awarded construction contracts.

Workforce Program

This program set a goal for the number of women and people from a minority community included in the workforce, which was 6% and 32% respectively.

Employment assistance firms

The Authority engaged employment assistance firms to recruit, hire and retain workers from the target groups. The firms, many of them owned by women, minorities or people with a disability, worked with the Authority to ensure the project team had the skills and experience it needed to meet its business and inclusion targets.

Job fairs

The Equity Plan Team and the employment assistance firms held job fairs to promote inclusive work opportunities. They worked with organisations such as the Minneapolis Urban League, Summit Academy Opportunities Industrialisation Centre (OIC), Sabathani American Indian Opportunities Industrialization Centre (OIC), and Youthbuild, which help minorities gain new skills and pursue employment opportunities.
Construction Manager Equity Review Panel

The Construction Manager Equity Review Panel (the Panel) is comprised of ten members who provide advisory recommendations regarding a potential construction manager’s experience and commitment to targeting businesses and workforce programs as set out in the Plan. The Panel’s recommendation is included in the hiring decision. A 60-minute interview is conducted and the construction manager is required to answer questions in relation to:

- their experience and accomplishments on projects that had clear goals for the business and workforce;
- the skills and experience of team members who would be involved in executing the Equity Plan;
- references from public agencies that can validate past experience; and
- a detailed description of strategies that will comply with the Equity Plan, including plans for events, outreach activities, and innovative ideas to reduce the barriers for small businesses and increase the participation of minorities and women.

Stadium Equity Oversight Committee

The Authority established the Stadium Equity Oversight Committee (the Committee) to facilitate communication with the community regarding the Plan and issues associated with the development of the Stadium, and to help ensure accountability and transparency.

The Committee is comprised of representatives from the Authority, Minnesota Vikings Football, the employment assistance firms, the construction manager, the construction manager Equity Review Panel and various government departments.

Monthly meetings of the Committee were held, which were open to the general public. Discussions were conducted regarding the execution of the Plan and related issues, and recommendations regarding the Plan were formulated by the Committee for presentation to the Authority.

The Committee’s staff representatives prepared reports that measured progress against achievement of agreed goals specifically with regard to roles performed by minority groups and other targeted groups. The main goal was to share, in a transparent manner, the performance and implementation of the Plan among all stakeholders.

Supervision and monitoring

As outlined above, specific goals and reporting obligations were set out in the Equity Program. Contractors, subcontractors and vendors had to comply with the Authority’s requests to submit data in an electronic format.

Data was submitted to the Authority, as well as to the City of Minneapolis, the Minnesota Department of Human Rights, and other governmental agencies, as directed by the Authority.

Non-compliance, or intentional or reckless false reporting of workforce data, good faith efforts regarding achievement of workforce goals, or the commercially useful function of reported workforce labour by the construction managers, contractors, subcontractors and vendors shall subject them to prosecution and the application of penalties under the Minnesota False Claims Act.

A robust monitoring approach with a web-based database

Contractors, subcontractors and vendors complied with the agreed targets to include businesses owned by women and minorities. On a monthly and cumulative basis throughout the project, contractors, subcontractors and vendors were required to provide certified payrolls for every person who worked on the project, in addition to:

- total hours of employment on the project;
- total hours of employment of women;
- total hours of employment of minorities; and
- employee zip (or post) codes.

A bespoke web-based tool was used for reporting. It provided a platform for all contractors, subcontractors and vendors to share information related to performance requirements on a daily basis. The following inputs were required:

- personal information, such as name, address and phone number;
- ethnicity;
- certification (minority business enterprise, women business enterprise, veteran, etc.).

Figure 2: Example of workforce participation provided by Alex Tittle, Equity Director for the Minnesota Sports Facilities Authority
benefits realised

identifying benefit

The Equity Plan generated:

• USD 139 million in revenue for women-owned businesses;
• USD 109 million for minority-owned businesses; and
• USD 13 million in revenue for veteran-owned businesses.

This exceeded the previously set inclusivity target goals.

In relation to workforce goals, minority groups were employed on the project for a total of 1.3 million hours (exceeding the initial goal of 32% by an additional 4%) and women spent more than 300,000 hours in the workforce (a 9% share versus the 6% target).

386 workers were hired from marginalised neighbourhoods to increase access to labour opportunities for lower income residents in Minneapolis.

The project helped to address social inequality and discrimination in the labour force, which has stifled opportunities for minorities and women to progress on equal terms. A number of affirmative and proactive initiatives introduced by the Authority have helped to overcome some of the challenges to social equality.

How communities are targeted

Communities were supported through:

• employment assistance firms reaching out to relevant individuals and businesses;
• a number of government agencies helping businesses to become certified and eligible to participate in procurement activities;
• non-profit business support organisations helping to develop strategies to reduce the barriers for businesses and create effective communication activities;
• the Equity Plan Team attending meetings and explaining the Targeted Business Program to interested stakeholders;
• support offered to bidders and their subcontractors to help them identify suitable businesses owned by women and minorities;
• ‘meet and greet’ sessions held to introduce construction managers to small businesses owned by women and minorities;
• pre-bid meetings held during the bidding process to answer questions about the Equity Plan;
• providing a ruling on hiring and contracting issues, based on the requirements and procedures set out in the Equity Plan;
• ensuring contractors and vendors approached the employment and sub-contracting processes in good faith; and
• the identification and pre-selection of lower income residents using zip codes (post codes) to ensure local workers were included in the hiring and sub-contracting process.

benefits realised

<table>
<thead>
<tr>
<th>Identified benefit</th>
<th>Benefit description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job creation and equal access to labour market opportunity</td>
<td>The Equity Plan generated:</td>
</tr>
<tr>
<td></td>
<td>• USD 139 million in revenue for women-owned businesses;</td>
</tr>
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</tr>
</tbody>
</table>
Lessons Learned

Success factors

Strong leadership and a robust governance structure ensured all programs were well managed, implemented and monitored. The Committee played a key role in engaging with stakeholders and governance structures. The Team led the day-to-day operations and implementation of the Plan with the construction managers, contractors and vendors.

Strong partnerships and a collaborative approach underpinned the successful integration of women- and minority-owned businesses into the day-to-day operational environment. The Team created a forum to openly discuss any challenges and the requirements of the Equity Plan, which, in turn, made collaboration on a micro and macro level much easier.

Transparent web-based reporting tools enabled the Team to monitor the progress of the target groups working at the Stadium each day.

Key challenges

An effective engagement strategy helped contractors, subcontractors and vendors to develop a common understanding of the requirements of the Equity Plan. However, it took time to familiarise people with the new way of monitoring and reporting progress and achieving consistency throughout the process.

Business leaders had to create a culture that would support the Equity Plan’s more inclusive approach but it takes time to change people’s attitudes and behaviour. It would have been easy to fall back into former practices so a consistent approach was required.

Stakeholders

Key beneficiaries | Role
--- | ---
Women- and minority-owned businesses | Groups targeted by the Authority and any contractor or vendor to be contracted for work related to the U.S. Bank Stadium.
Women and minorities | Target groups to be hired by the Authority for work related to the U.S. Bank Stadium.
Low-income residents | Workers hired and trained from targeted zip codes (or post codes) in Minneapolis.
Veterans | Hired workers or contracted business owners who have served in the armed forces.
People with disabilities | Hired workers or contracted business owners who are registered as having a disability in the State of Minnesota.

Institutional stakeholders and partners | Role
--- | ---
The Minnesota Sport Facilities Authority | The Minnesota Sport Facilities Authority was created in 2012 to design and construct a new multi-purpose stadium. After completion, the Authority took over the ownership and operation of the Stadium.
Various government departments | A number of government entities are involved in this project including the City of Minneapolis, the Minnesota Department of Labor and Industry, the City of Minneapolis Office of Civil Rights, the Minnesota Department of Human Rights, and the Minnesota Department of Administration.
References

01. Equity Oversight Committee. (2016). *Equity Oversight Committee Meeting Brief.*


Interviews