

FC Cincinnati Stadium Construction and Economic Inclusion

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When Cincinnati's Horseshoe (now Jack) Casino was built on Broadway Commons, owner Dan Gilbert committed to an economic inclusion plan for its construction that was **widely considered** a successful effort to achieve inclusion goals on a private construction project.

What *is* an economic inclusion goal, you might ask? It isn't our forte at Orange and Blue Press either, but we dug a little deeper into what this means and what to expect if (fingers crossed) construction begins on a stadium.

In essence, an economic inclusion goal as it relates to construction ensures opportunity and inclusion in the development effort, especially by women and minority-owned businesses. Specific minimum goals are set to ensure these groups have a suitable stake.

The city of Cincinnati, in fact, has a **Department of Economic Inclusion** that certifies minority and women-owned businesses and **sets inclusion goals** for development efforts funded by the city.

In a recent interview on **Eric Kearney's Rise to Shine** radio program, Jeff Berding discussed FC Cincinnati's potential stadium construction and the economic inclusion that would be part of the plan.

"We will have inclusion. ... We want to meet the goals consistent with or better than the casino. We have outlined an inclusion plan consistent with that."

The casino, whose construction completed about 5 years ago, targeted a 20 percent inclusion goal for MBE/WBE participation. MBE stands for "Minority Business Enterprise", and WBE stands for "Women Business Enterprise". A firm is considered an MBE, for example, if it is 51% owned and controlled by a minority group, and a WBE if 51% owned and controlled by women.

The general contractor for the casino's construction was **Messer**. They received a fee for managing the overall project and issued subcontracts for a portion of the work, rather than self-performing all of the construction. An inclusion percentage was measured by

determining how many dollars of all subcontracts issued went to minority-owned or women-owned firms or suppliers.

An inclusion percentage can also be measured based on the fee paid to the general contractor. In the case of the casino, **Messer partnered with three minority-owned firms**: TriVersity, D.A.G., and Jostin, who received part of the management fee and were responsible for driving equitable inclusion rates with the subcontractors.

The overall project achieved a 37 percent construction contract inclusion rate, well exceeding the goals set.

FC Cincinnati wants to emulate and possibly even improve on the casino's successful plan in their efforts to build a soccer-specific stadium in the Queen City. Although the media is focused on the stadium location efforts in the West End, all three sites are still in play. This inclusion policy will apply regardless of which location is selected.

“The inclusion plan will be consistently administered regardless of the site. ... We need this inclusion program to lift people up. ... We need to extend opportunity consistently in this community.”

Conclusion

Building a new stadium in Cincinnati is a complex and multi-faceted proposition. The baggage of past stadium deals makes this task even harder. While some FC Cincinnati fans are frustrated with the seemingly slow progress, the club seems committed to putting the stadium where it will work for the business AND do the most good for the community. Yes, FC Cincinnati is a business and hopes to make profits in the long-term based on the growth of soccer in the US. However, in the near term, they are looking to make a substantial investment in one of our communities, backed by the most philanthropic family in the city's history, and supported by a Community Benefits Agreement authored by our city's leaders.

FC Cincinnati should not necessarily be applauded simply for making economic inclusion a goal. That is really an expectation today for large construction initiatives, even if most of the funding is private. However, they are making inclusion a business priority and setting goals similar to those of the casino makes their intentions clear. We wanted to shed a little light on economic inclusion goals and underline this as an example of the club trying to do things the right way.

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