



December 7, 2015

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FHWA, Colorado Division
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Mr. Cater:

In its letter dated October 27, 2015, FHWA's Office of Program Administration granted CDOT conditional approval to use local labor hiring preferences on the Central 70 Project. CDOT was very pleased to receive this conditional approval and is providing this additional information in anticipation of receiving full approval.

Final approval was conditioned upon the resolution of two questions.

1. We would ask that CDOT provide an estimate of the actual use of local residents on a few completed Federal-aid projects of similar size and scope (if such projects/information is available). Perhaps CDOT's workforce needs assessment will provide such information, but it would be good to know what is typically achieved without preferences.

CDOT has not historically tracked local employment participation on its projects. However, CDOT has obtained data about local residents that have been referred to two projects in the Denver area through the Workforce Initiative Now (WIN) Program. The WIN Program is a collaborative workforce partnership that provides workforce development services for transportation construction projects. The WIN Program has referred employees to contractors on two federal-aid projects: CDOT's U.S. 36 Express Lanes Phase 2 Project and the Regional Transportation District (RTD)'s Eagle P3 Project. Additionally, CDOT has obtained some local participation data on another Denver-area federal-aid project, the U.S. 6 Bridge Replacement. The following data serves as an estimate of the actual use of local residents on three projects that did not utilize local labor hiring preferences.

U.S. 36 Express Lanes Phase 2¹

The U.S. 36 Express Lanes Phase 2 Project is a public-private partnership involving about 15 miles of improvements between Denver and Boulder, Colorado. The project, with an estimated cost of \$208.4 million, includes the addition of an express lane in each direction and the reconstruction of two general purpose lanes in each direction.

¹U.S. 36 Express Lanes Phase 2 website <https://www.codot.gov/projects/US36ExpressLanes/88th-to-table-mesa>



The WIN Program worked with seven contractors on the project. Those contractors hired 38 total workers referred by the WIN Program. Of those 38 workers, 11 were from zip codes adjacent to the project area. Those adjacent zip codes are:

80022 Commerce City
80026 Lafayette
80224 West Denver / Federal Heights
80229 Thornton
80234 Broomfield
80241 Thornton
80249 Commerce City
80301 East Boulder

Eagle P3 Project²

Although it is a transit project, Eagle P3 has several similarities to the Central 70 project. Eagle P3 is a public-private partnership with a cost of \$2.2 billion and includes 36 miles of new commuter lines. The project's East Line to Denver International Airport is located near the Central 70 project area.

Contractors on the project hired 56 workers referred by the WIN Program. Of those 56 workers, 37 were from local zip codes that were targeted for recruitment by the WIN Program. Those local zip codes are:

80003 Arvada
80011 Central Aurora
80204 Central Denver- La Alma / Sun Valley
80205 NE Denver -Curtis Park / Five Points / Swansea
80207 Park Hill
80211 North Denver / West Highland
80214 Central Denver / Capitol Hill
80216 North Denver / Globeville
80219 South West Denver / Westwood
80221 West Denver / Sherrelwood
80239 Far NE Denver/ Montbello
80249 Far NE Denver / Green Valley Ranch

U. S. 6 Bridge Replacement³

The U.S. 6 Bridge Replacement is a \$98 million design-build project in Denver. The project includes replacing six existing bridges and building six new bridges. CDOT obtained data from the Kraemer International, the project's prime construction contractor. Kraemer hired 18 people from nearby zip codes. Those zip codes are:

80204 Central Denver- La Alma / Sun Valley
80211 Central Aurora
80214 Central Denver / Capitol Hill

² Eagle P3 Project website http://www.rtd-fastracks.com/ep3_2

³ U.S. 6 Bridge Replacement project website <https://www.codot.gov/projects/US6Bridges>



80219 South West Denver / Westwood
80223 West Denver / Ruby Hill
80226 Lakewood

Additionally, a local job fair was held in the local community on January 22, 2014. Contractors on the project hired 17 job fair participants. While the residency of these individuals are not known, outreach for the job fair targeted local residents living in areas adjacent to the project.

The number of local residents employed on Central 70 will be compared to the three federal-aid projects described above. CDOT is currently soliciting proposals for a Community Job Readiness and Workforce Needs Assessment that will allow CDOT to identify the geographic scope for Central 70's local hire preferences. Proposals are due to CDOT by December 17, 2015 and the needs assessment is expected to be completed by April 1, 2016⁴. The needs assessment will include a description of the local area's potential labor force and an estimate of total workforce hours on the project that could be fulfilled by local residents. The needs assessment will also include strategies for obtaining local employment above what was seen on U.S. 36 Express Lanes Phase 2, U.S. 6 Bridge Replacement, and Eagle P3.

2. Under Workplan Section E4, CDOT needs to describe and quantify how the proposed contracting requirement would lead to increases in the effectiveness and efficiency of Federal funding funds. It would be helpful for the application to address how the requirement will enhance the purpose of the federally funded project. It should describe how the requirement will facilitate community support for the project and how it will enhance overall workforce development for the projects and future projects.

A local hiring preference for the Central 70 Project would make a significant contribution toward the effectiveness and efficiency of this Federal-aid project. In particular, this requirement would:

Contribute to Federal objectives of providing ladders of opportunity and developing future highway construction workforce

Central 70's proposed local labor hiring preferences are intended to provide ladders of opportunity to residents of the environmental justice community in Central 70's project area. Because of the presence of a large environmental justice area, Central 70 represents a unique opportunity for CDOT and FHWA to advance the mission of the Federal On-the-Job Training Program and to promote Equal Employment Opportunity by recruiting minorities, women, and other disadvantaged individuals in this area. There are high concentrations of Hispanic or Latino populations in five out of seven neighborhoods along the I-70 corridor. Overall, 48 percent of the project study area is Hispanic or Latino; a percentage considerably higher than Denver average of 32 percent. There is also a 23 percent African-American minority concentration in the study area; compared to 10 percent for Denver overall. In addition, several neighborhoods along the project area have high concentrations of low-income households, including Globeville (53.4%), Elyria and Swansea (44.4%) and Northeast Park Hill (43.7%).

⁴These dates are revised from the October 2015 application and reflect the new timing of the RFP development for Central 70.



Contribute to the overall objective of the Central 70 Project and build community support:

A local hiring preference would also contribute to the overall objectives of the Central 70 Project, which include promoting "corridor-wide economic and community vitality and "enhancing community values and project benefits."⁵

In fact, community members and local leaders have already expressed a desire for innovative workforce initiatives that lead to local employment opportunities. Provided below are several comments received on the I-70 Supplemental Draft Environmental Impact Statement on the importance of local workforce opportunities.

"Hello. I'm an ironworker; a native Colorado resident. And I understand that everybody is negative against this project, but I'm in support of it due to it's going to bring a lot of high-paying jobs to our area, which will help build our economy. And what everybody is not realizing is that I-70 is falling apart, and sooner or later it is going to have to be rebuilt. So whether you face it now or face it ten years from now, it's still going to happen. So I would suggest that everybody get on board with this and realize that this is in our best interest rather than when it falls apart and we lose five or six, seven people to a car accident when it collapses, whether it's somebody driving on top or below it. So that's my view on it. And please help Colorado Workforce build a stronger Colorado. Thank you."

--Jimmy Cordova, Resident

"Include job training and employment goals in all contracts for companies receiving contracts on the project. EIS should include provisions to assist in employment opportunities for local low income and minority populations. Examples include an employment outreach plan and program using jobs fairs as done by CDOT for current US 6 reconstruction; working with local job skills building and placement entities; as well as programs similar to the RTD WIN program. Hiring should be 20-25% from the local community, 80216, and 80205. Subcontractors should have detailed local hiring plan, including training and education as stated above."

--City of Denver, Department of Public Works

"Job training and apprenticeship programs, similar to those established by FastTracks should be implemented. Hiring should prioritize applications made by local residents."

--Harriet Mullaney, Resident

"Commitment to sourcing 30% of hiring needs from local residents and giving first priority to local businesses for project-related contracts. Potential mitigation for adverse impacts....should include access to workforce training and middle skill level jobs and by supporting existing businesses wherever possible-thus injecting much needed capital into the local neighborhood economy. This should be accomplished by implementing targeted outreach education and workforce training programs at locations within the affected GES area, focusing on local residents and giving first priority to local businesses for project-related contracts."

--Urban Land Conservancy

⁵ The goals of the Central 70 project are provided in the Draft RFP available at <https://www.codot.gov/programs/high-performance-transportation-enterprise-hpte/projects/i-70/i-70-east-1/requestforproposals-rfp>



Contribute to the project's workforce needs

The Central 70 Project is the largest project in CDOT history with a projected needed workforce of approximately 4,000 people. Colorado's strong economy and low employment rate could pose a challenge to identifying enough workers over the 4-5 year duration of the project. Recent statistics from the Colorado Department of Labor and Environment found that the September 2015 unemployment rate for metro Denver is 3.2 percent, the lowest rate measured since May 2001. By pairing a local hiring preference with workforce development services, Central 70 will be in effect growing its own workforce to support the project.

CDOT has already taken the first steps toward implementing the actions set forth in the Department's October 2015 application. In early November, CDOT hosted a roundtable event where local workforce development experts and community representatives discussed strategies for promoting development of the local workforce for the Central 70 Project. This roundtable was followed by the issuance of a Request for Proposals for an assessment of existing skill sets and educational attainments of employment-aged residents of the environmental justice area, anticipated employment and skill needs of Central 70 employers, and critical skill gaps common among likely job-seekers.

Contribute to workforce development for future Federal-aid projects in Colorado

CDOT anticipates that local labor hiring preferences will aid the Central 70 Developer in meeting its OJT goal on this project and result in a stronger and more capable local workforce for future federal-aid projects. Colorado is a rapidly growing state, with a 40% increase in population expected over the next 20 years. As congestion continues to grow and the condition of the state's highway infrastructure declines, CDOT is working to implement a robust construction program. Through the implementation of its RAMP⁶ program, CDOT is working to bring 18 projects (totaling more than \$450,000,000) to construction across the metro area. These include major projects along C-470 (\$300M) and I-25 N (\$79M). By building a local workforce with experience in the construction industry, the Central 70 project also will be helping to provide a workforce for future projects across the metro area and the state.

I trust this information is responsive to your request. Upon receipt of full approval, CDOT will amend the work plan as needed. The Central 70 Team looks forward to receiving full approval and to implementing a local hire program for this critical project.

If you have any questions, please feel free to contact me at 303 512 5900.

/S/ Anthony R. DeVito

Anthony R. DeVito Project Director

cc: Chris Horn

⁶ <https://www.codot.gov/programs/RAMP>

