

City of Minneapolis
Request for Committee Action

To: Committee of the Whole
Date: 9/22/2015
From: Community Planning & Economic Development
Prepared by: David Frank, Director, Economic Policy and Development
Presented by: David Frank
File type: Action
Subcategory: RFP

Subject:

Request for Proposals (RFP) for minimum wage increase evaluations both citywide and in Hennepin and Ramsey Counties.

Description:

Authorizing issuance of a Request for Proposals for comprehensive economic analysis of a citywide minimum wage increase, and separately the impacts of a minimum wage increase in Hennepin and Ramsey Counties.

Previous Actions:

In April 2015, the Minneapolis City Council passed a *Supporting a Strong Economy and Working Families* resolution which directed staff to, among other things: *Develop a recommendation for a study of the effects of establishing a minimum wage regionally and locally, including scope, funding, and development of such study, no later than third quarter 2015.* The result of the staff directive is the attached RFP.

Ward/Neighborhood/Address:

Not Applicable

Background/Analysis:

Minimum wage in the United States is currently \$7.25, however, cities and municipalities across the United States have been debating and in some cases increasing their local minimum wage rate. The most recent examples of local minimum wage increases are in Seattle, San Francisco, and Los Angeles, with proposed increases in a number of other cities. The City of Minneapolis is proposing to study the economic impacts of a citywide minimum wage increase, and separately the impacts of a minimum wage increase in Hennepin and Ramsey Counties, on both the geography of Minneapolis as well as the entire metro area, with the intention of evaluating the effects and implications of both a \$12.00 minimum wage phased in over five years and a \$15 minimum wage phased in over five years. Further, once the minimum wage rate has been reached, the hourly rate would increase annually indexed to inflation. Note: while the national minimum wage is \$7.25, in the State of Minnesota for employers with revenue in excess of \$500,000.00 per year, the rate is \$9.00 with an additional fifty cent increase in August 2016, before moving to an annually adjusted minimum wage rate based on the inflation rate beginning in 2018.

Financial Review:

Additional appropriation required.

\$150,000.00

- Future budget impact anticipated.**
- Approved by the Permanent Review Committee.**
- Meets Small and Underutilized Business Program goals.**

Attachments:

1. RFP for the *Evaluation of a Citywide Minimum Wage Increase*