

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: March 23, 2011
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 11-19
2009/10 Annual Diversity in Contracting and Workforce Training Report

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

None – information only.

SUMMARY

In order to keep the Board apprised of the results of PDC's Business and Workforce Equity Policy a report has been prepared providing information and analysis about results for Fiscal Year 2009/2010 (Attachment A). Highlights of the report include:

- This year's M/W/ESB utilization total was \$25,949,267, equaling 23.0 percent of the \$113,074,449 in PDC funded projects, above the 20 percent goal. This is the first report reflecting the new formula used under the PDC Business and Workforce Equity Policy adopted by the Board on April 28, 2010 (Resolution 6787) for the majority of the projects. For construction, the new formula sets the basis for the goal against the entire project. Using the previous formula of the PDC funding, the M/W/ESB utilization results would have been 34.58 percent.
- Because of the downturn in the economy, the hours worked on PDC projects decreased significantly from last year's 1,104,455 hours to 445,204 hours. However, the Workforce Training and Hiring Program (WTHP) goal of 20 percent apprentice participation on PDC funded projects was surpassed again this year. Of the 445,204 hours worked, 86,500 hours were worked by state registered apprentices, equaling 23 percent. Of the total apprentice hours, 29,000 (29 percent) were worked by minorities and females. This is a 7 percent increase from last year.

The figures above do not include the South Waterfront Project. The M/W/ESB first and second tier subcontractor utilization on the South Waterfront project was \$14,501,841, equating to 8.49 percent of the project construction costs of \$170,901,034 and 184,051 apprentice hours equating to 23.68 percent of the total project hours of 777,499. Also, minorities and females worked 47 percent of the apprentice hours on the covered projects compared to 40 percent last year.

BACKGROUND

For Fiscal Year 2009-2010, PDC established the following goals:

- Minority, Women and Emerging Small Business – Construction 20.0%
- Minority, Women and Emerging Small Business – Personal Services 25.0%
- Minority, Women and Emerging Small Business – Flexible Services 30.0%
- Workforce Training and Hiring Program – (apprentice hours) 20.0%
- Workforce Hours – Minority 26.0%
- Workforce Hours – Women 07.0%

The Construction Minority, women and emerging small business (M/W/ESB) utilization for Fiscal Year 2009/2010 exceeded the 20 percent goal. This year's M/W/ESB utilization total was \$24,023,598 equaling 22.58 percent.

The Personal Services M/W/ESB utilization was \$1,925,670 equaling 28.72 percent surpassing the 25 percent goal.

There were 177 active Flexible Services contract for the fiscal year. Of these contracts, 65 were with M/W/ESB firms equaling 37.62 percent which exceeded the goal of 30 percent.

The Workforce Equity Program results were 86,566 (19 percent) of total hours were worked by Minorities and 13,739 (3 percent) hours were worked by Female Caucasians. These results were below the established goals.

The Workforce Training and Hiring Program (WTHP) goal of 20 percent apprentice hours on PDC funded projects was surpassed again this year. A total of approximately 445,000 hours were worked on PDC supported projects by contractors subject to the Workforce Training and Hiring Program requirements this Fiscal Year with approximately 86,500 of those hours worked by state registered apprentices, equaling 23 percent of the total project hours.

This Fiscal Years' report also covers the M/W/ESB, WTHP and Workforce Diversity efforts underway in the South Waterfront Central District within the North Macadam Urban Renewal Area. The M/W/ESB subcontractor utilization target of 20 percent of the construction costs was not reached. However there was a total of \$14,501,841 (8.49 percent) committed to M/W/ESB firms for South Waterfront projects.

A total of 777,499 hours were worked on South Waterfront projects. A total of 184,051 hours were worked by state registered apprentices, equaling more than 24 percent of the total project hours. The South Waterfront project workforce program goal for 2009/2010 was 18 percent minority hours and 12 percent female hours of all hours worked. Minority hours were 28 percent of the hours worked, exceeding the 18 percent goal. However, female hours were below the goal with nearly 7 percent, an increase from last year's 6 percent.

Overall, the 2009/2010 report is positive in light of the severe economic downturn during the past couple of years. Even though the dollars and hours have decreased significantly, the percentages have remained fairly even.

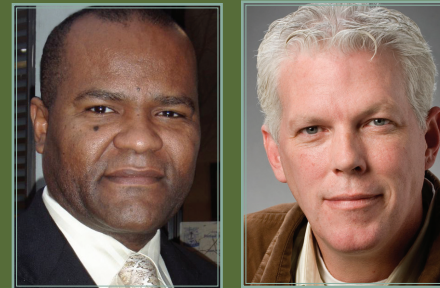
ATTACHMENTS:

- A. 2009/2010 Annual Diversity in Contracting and Workforce Development Report

PORTLAND DEVELOPMENT COMMISSION



PDC
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Diversity in Contracting and Workforce Development Report 2009-2010

Section One: PDC Leadership

Section Two: Efforts Currently Under Way

Section Three: Fiscal Year 2009/2010
Business and Workforce
Equity Program Results

Section Four: Business and Workforce Equity

Section Five: South Waterfront Central District

Section Six: Accomplishments and
Acknowledgments

*Report Interviews and photos: Tevlin Strategic Communications
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Dear Mayor Adams, City Council, PDC Board Members, and Citizens:

I am pleased to present you with our annual Diversity in Contracting Report for fiscal year 2009-2010 covering July 1, 2009 through June 30, 2010. PDC continues to very aggressively strive for both contracting equity and workforce diversity. However, I will acknowledge up front that the downturn in the economy has decreased the number of contracting opportunities. Also, the number of workforce hours on PDC projects has decreased by more than 50 percent from previous years. This being said, staff has made extraordinary efforts to maintain the balance of utilization with Minority-Owned, Women-Owned and Emerging Small Businesses (M/W/ESBs) as well as the diversity achieved on the workforce side of PDC-funded construction projects. Of course, this could not have been accomplished without the dedication and participation of the Developers, Contractors and the M/W/ESB community. No accomplishment can be realized without the support of many passionate individuals. The accomplishments to date are notable, but we realize there is still a lot of work ahead and I look forward to bringing more opportunity to our M/W/ESB firms.

The highlights of this report include:

- Overall contract commitment to M/W/ESB firms was \$25,949,267 or 22.95 percent. There was a decrease in percentage base mostly on the use of a new formula for establishing the basis for the percentage which will be explained in more detail in the report. Under the old formula, the percentage of M/W/ESB utilization would have been 34.58 percent.
- A total of 179 different M/W/ESB construction and personal services firms were utilized on PDC-funded projects.
- The workforce hours on PDC-sponsored projects decreased from 1,078,595 hours to 445,204. However, the percentage of the hours for Minorities and Women increased slightly.
- There were 777,499 hours worked on the South Waterfront Project which is a slight increase from the 693,884 hours worked last year. Of these hours 35.45 percent were worked by Minorities and Women. This is an outstanding accomplishment.
- Apprentices worked 101,684 hours on PDC-funded projects during 2009-2010 which is a significant decrease from the 249,615 hours last fiscal year. However, the ratio of percent of apprentice hours to all hours worked remained the same at 23 percent.
- Apprentices worked 184,051 hours on the South Waterfront Project representing 24 percent of the total hours.

I encourage you to read the pages of this report which tell the personal stories of several of the minority men and women who are helping build our city. They are inspiring in their dedication to their professions and to making Portland a great place to live and work. I am extremely proud of the partnerships we have forged with both the largest contractors in town as well as the smallest. I feel confident that everyone is working together in the spirit of making sure everyone has an opportunity to participate in public contracting opportunities. As we move forward through this rough economic environment, I am constantly encouraged and energized by the optimism and determination shown by our M/W/ESB contractors and apprentices.

Patrick Quinton
Executive Director



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SECTION ONE: PDC LEADERSHIP

I Board of Commissioners

PDC is governed by a volunteer Board of Commissioners who are approved by City Council and report directly to Portland's Mayor. The Board is authorized by the City Charter to administer the business activities of the agency.



**Commissioner Scott Andrews,
Board Chair**

On August 13, 2008, Portland City Council approved Scott Andrews as PDC Commissioner, replacing Sal Kadri on PDC's board. He was elected Chairman in June 2009. Scott is president, Melvin Mark Properties. Melvin Mark Properties is one of Oregon's leading commercial real estate companies, leasing and managing more than three million square feet of space. Scott supervises

all leasing activity for Melvin Mark Properties and Melvin Mark Brokerage Company. He also oversees the company's corporate marketing efforts and directly leases Crown Plaza and Union Bank Tower, two Class A buildings in downtown Portland.

Scott believes in being involved in the community in which you work and live. He is past President of the Multnomah Athletic Club and Past President and Chairman of the Board of the Oregon Sports Authority.

He has served as Chair of the Portland Business Alliance and currently serves as Chairman of Mall Management, Inc. He sits on the Board of Directors for LifeWorks Northwest. He's a veteran soccer and basketball coach and has served on the Board of Directors for Cystic Fibrosis (he was named Board Member of the Year), Planned Parenthood and Portland Youth Soccer Association.

Commissioner John Mohlis

John Mohlis, first appointed to PDC's Board of Commissioners in January 2007, has been reappointed to a consecutive three-year term commencing July 1, 2009. John is the Executive Secretary of the Oregon State Building and Construction Trades Council, an umbrella organization for approximately 30,000 union construction workers in Oregon. John is also a member of the Portland-Vancouver Regional Economic Development District.

Mr. Mohlis began his own apprenticeship as a bricklayer in 1978 after attending the University of Iowa for one and a half years.

John serves as an Advisory Committee member of CROET, the Center for Research on Occupational and Environmental Toxicology at Oregon Health & Science University. He is also a member of the multi-agency Blue Ribbon Committee overseeing the Harbor Redevelopment Initiative – an effort to reclaim industrial brownfield sites along Portland's harbor. Mr. Mohlis was former Mayor Tom Potter's fifth appointment to the five-member PDC Commission, which is made up of volunteers nominated to serve three-year terms. John's three-year term as a PDC Commissioner will be up in January 2012.



Commissioner Charles Wilhoite

Charles Wilhoite is a managing director of Willamette Management Associates, a firm specializing in financial consulting, economic analysis and business valuation services. Before joining Willamette Management Associates in 1990, Mr. Wilhoite was a senior auditor for KPMG Peat Marwick, an international accounting and consulting firm. He is a Certified Public Accountant/Accredited in Business Valuation, a Certified Management Accountant and an Accredited Senior Appraiser in business valuation.

Mr. Wilhoite is active in his community and serves on the board of directors of The Urban League, The Portland Business Alliance, Jesuit High School, The Oregon Children's Foundation and the Portland State University Foundation. He is a member of the Portland Fire and Rescue Bureau Advisory Committee; the Portland Chapter of the National Association of Black Accountants and the Citizens' Crime Commission. Mr. Wilhoite had been serving as chair of the Mayor's Charter Review Commission, overseeing a diverse group of citizens who have undertaken the first comprehensive review of the city's charter since 1922. Charles holds a BS in accounting and a BS in finance from Arizona State University. His term as a PDC Commissioner began August 1, 2006 and he is the fourth appointment to PDC's board by Mayor Tom Potter.





Commissioner Steven Straus

Steven Straus is President of Glumac, a sustainable (MEP) engineering firm, founded in 1971 by Dick Glumac. In 1976, the firm incorporated as Glumac & Associates and in 2000, when the offices joined as one corporation, Steven became president of the company. The firm now has offices in Sacramento, Portland, Irvine, Los Angeles, Seattle, Silicon Valley and Las Vegas.

Since graduating from Berkeley in 1981, Steven has been passionate about environmental issues and design. Steven now leads a firm where all principals and associate principals are LEED® Accredited Professionals and are focused on making a real impact on conserving our natural resources. Mr. Straus was appointed to the PDC Board by Mayor Sam Adams and was sworn in on April 22nd, 2009.



Commissioner Aneshka Dickson

Aneshka Colas-Dickson is vice president and chief financial officer of Colas Construction, Inc. a Portland-based residential and commercial construction company. Colas Construction is a family-owned, general contracting firm that specializes in mixed use, affordable housing, tenant improvements, and commercial construction projects that has grown steadily since its founding in 1997.

Colas Construction is a member of the National Association of Minority Contractors (NAMC), Association of General Contractors (AGC) and Oregon Association of Minority Entrepreneurs (OAME). Aneshka is a licensed real estate broker, a certified New Home Sales professional and a member of the National Association of Realtors.

II Interview:

WITH PDC'S NEWEST COMMISSIONER Aneshka Dickson



A sense of responsibility defines Aneshka L. Colas-Dickson.

Maybe it's being the eldest child of a hard-working immigrant father who founded the family business. Maybe it's being a wife, and a mother of three. Or maybe it's being the one who signs the checks as Portland-based Colas Construction Inc.'s (COLAS) vice president and chief financial officer.

More likely, it's all three. Responsibility runs thick in the veins of the Portland Development Commission's newest – and, at 33, its youngest – commissioner. First comes her family, then business. But, when family and business are intertwined, the two can be hard to pull apart. Many family dinners are eaten sitting around the company conference room table. She has worked at COLAS since she earned her degree in accounting and business administration from the Charles H. Lundquist College of Business at the University of Oregon in 2000.

But her sense of responsibility extends beyond family and business to a wider community, particularly the small minority contractors whom she often hires on construction projects. COLAS was not immune from the economic ills that sickened the economy and brought most construction to a halt. But the company still managed to pay its subs – even if it meant borrowing against retirement savings. Part of what kept her going during those lean times – many times at the office until 1 or 2 in the morning – was her belief that she had to be there for the small business subcontractors depending on COLAS. After all, their families were depending on them, too.

She did not seek the commission seat. People would have understood had she turned it down, given her workload and commitments. But when it was offered to her and she did her due diligence on the commission, she began to see the position as an opportunity to realize her vision for building an all-inclusive workforce on a larger scale than could be achieved solely in her role at COLAS.

Since being appointed in September 2010, she has studied the agency, reading PDC project briefings and backgrounders, talking to staff, taking field tours, attending board and sub-committee meetings. She's come away with an upbeat early assessment, calling the agency's direction positive and its staff hard-working. "The goals of job creation and social equity are at the forefront of every conversation we have in the organization," she says.

Still, she's keenly interested in helping to change PDC's reputation within the minority contracting community. And she's fresh enough in her commission role to still refer to the agency as "they" rather than "we."

SECTION TWO: EFFORTS CURRENTLY UNDER WAY

I Business and Workforce Equity Policy Implemented

The Business and Workforce Equity Policy (Policy) was adopted by the PDC Board on February 27, 2008 by Resolution 6561. The Policy was amended on January 29, 2009 by Resolution 6667 and again on April 28, 2010 by Resolution 6787. Prior to the new Policy, the total PDC Contract Commitment figure used to set the Minority, Women and Emerging Small Business (M/W/ESB) participation goal was the amount of the project funded by PDC. Once the new Policy was in place, the basis for the goal on all new projects became the entire construction cost of the project. The projects that had begun under the old requirements continued under those programs until completion. Projects established after February 2008, contained the new Policy language and have been captured in this 2009/2010 Report. While this is a great step forward, the construction figures have shifted and the new formula has increased the construction dollar basis for the goal, thereby decreasing the percentages reported for utilization. The good news is that PDC now must work with Developers and Contractors to reach a more aggressive utilization goal. The bad news is that this effort may continue to be less attainable in the current economic environment.

Other Business and Workforce Equity Policy changes included:

- More Aggressive M/W/ESB Utilization Goals for both Construction and Personal Services
- M/W/ESB Utilization Goals for Intergovernmental Agreements (IGAs)
- Workforce Diversity Goals for PDC-Funded Construction Projects to Include IGAs
- Contractual Remedies for Non-Compliance

II Disparity Study Commissioned

PDC was an active participant in the first and last Disparity Study completed in May 1996 using data from July 1, 1991 through June 30, 1994. The study concluded that none of the ten agencies that were members of the Disparity Study consortium kept detailed data in many areas. However, the data and the anecdotal information that was collected concluded that there were grounds for implementing programs to assist M/W/ESBs to receive public construction opportunities. There was also evidence that barriers existed in the apprenticeship programs for minorities and women construction workers.

In response to the study, the City of Portland established the M/W/ESB Good Faith Effort program, the Workforce Training and Hiring program, the Sheltered Market program and other procedural changes in an effort to be more inclusive of M/W/ESBs and to work toward a more diverse workforce on City construction projects. PDC adopted the City programs with a few changes necessary to address the contracts let by PDC and the Developers PDC works with.

The Federal Supreme Court decision in *City of Richmond v. J.A. Croson Co.* outlines the requirements for a Disparity Study as support for any race and gender specific programs. This decision indicated that programs developed from a Disparity Study must be subject to periodic review and have a sunset date. With this requirement, PDC needs to review the effect of the programs that were put in place more than ten years ago. Also, updated data may give PDC the ability to develop more effective programs and better utilize PDC resources in this area.

In June 2009, through a competitive process conducted by PDC and the City of Portland, BBC Research and Consulting (BBC) was selected for the Disparity Study project. BBC is a Denver-based economic research firm that has completed more than 60 disparity studies for cities, states and other government agencies throughout the country. BBC's subcontracting plan includes Portland firms of Group AGB, Ltd., F.M. Burch & Associates, Inc., and Montesi & Associates.

Significant data has now been collected regarding the availability of minority-owned and women-owned construction and construction-related personal services firms within the Portland area. Marketplace conditions for these firms have been examined and a summary of anecdotal interviews has been provided. The full Disparity Study Report draft is anticipated to be completed in early 2011 to be shared with the Portland Community prior to finalization.

JONATH COLÓN

When Jonath Colón talks about how disadvantaged, minority, women and emerging small businesses can succeed – or fail – they would do well to heed his advice. With more than 20 years of experience as an entrepreneur, vendor-diversity program professional and business consultant, Colón knows his stuff.

Colón serves as a business development coordinator for the Hispanic Metropolitan Chamber of Oregon. In that role, he provides technical assistance to small businesses, helping them with such things as setting up business structures and systems, marketing and bidding. He also runs his own firm, Montesi & Associates, a consulting company that offers vendor diversity, outreach, affirmative marketing business development, and project management services for public and private-sector clients.

You could say that he's made the business of helping M/W/ESB firms – and the companies and agencies that seek them out – his business.

The native Puerto Rican is in demand both for his knowledge of what it takes to succeed in small business, as well as for analyzing, designing, consulting, managing and auditing vendor diversity programs in the public and private sectors. In fact, his firm recently served as one of three local subcontractors on the City of Portland and PDC's new M/W/ESB utilization disparity study, interviewing nearly 30 different small businesses about their perspectives and experiences.

His insights into success factors for M/W/ESB firms spring from years of observing and assisting them, as well as from his own entrepreneurial experiences. Some of his observations just make common sense. For example, he advises firms to create a healthy mix of private and public-sector clients, with no one sector comprising more than 30 percent of business.

Another sensible tip is to research the market. "It's important to figure out, one, who buys your services; two, are they in the market to buy your services; and three, is it a (public) agency you actually want to work with? There's this notion that government buys everything. The reality is that it does not."

Some of his ideas go against the grain of common practice. Chief among these is his belief that too many M/W/ESBs base their prices on what their competitors charge. That's a race to the bottom, he says. Companies shouldn't waste time bidding on low-price work. Instead, they should find those agencies with adequate budgets. "You have to know your costs and what you have to charge in order to make a profit."

Sadly, he's seen too many M/W/ESBs fail. The biggest reason: Business owners who try to do everything alone in the mistaken belief that they'll make more money. "Too many people go into a business when in reality all they are doing is creating a job. They overwork themselves to the point where they can't produce anything of quality. You're much better off making less money but keeping your reputation and getting more contracts than trying to do everything yourself. Because you can't."

From his perspective, local government agencies in Portland, including PDC, are doing a good job of bettering their M/W/ESB efforts. No doubt, policies will take time to bear fruit. But he's more concerned about making sure those policies remain vigorously monitored and enforced. "A good policy is only as good as you police the loopholes," he says.

Still, he remains upbeat about the progress that has been made. And he suggests it might be helpful to put that progress into a larger geographic context.

"When we look at it from a regional or state standpoint, this is the only place where something positive is happening. Yes, in the context of what we're looking at, sometimes we don't go far enough. But we should also acknowledge and appreciate the people who are honestly attempting to do something. Could we do better? Absolutely. But, that said, we've come a long way."



**MONTESI &
ASSOCIATES**
Jonath Colón

III Minority Evaluator Program

PDC worked with the Alliance of Minority Chambers and the City of Portland to establish the Minority Evaluator Program (MEP) which was adopted by the PDC Board of Commissioners on January 27, 2010 through Resolution 6775. The Program became effective March 1, 2010 and a Memorandum of Understanding was signed by PDC and the Alliance of Minority Chambers on March 26, 2010. Through this program, at least one MEP panelist shall be on the evaluation panel for all solicitation evaluations where a "short list" or final award recommendation is made.

The MEP applies to the following solicitations:

- Personal Services over \$100,000
- Materials over \$100,000
- Other Services over \$100,000
- Construction Services solicited through an RFP process
- Development Agreements
- Disposition and Development Agreements
- Other Contractor/Developer solicited projects

IV Community Partnering

PDC has worked diligently with various communities to promote inclusion in PDC contracting opportunities and to foster diversity in the workforce of the contractors and firms we work with. Many organizational changes have taken place in the past few years to make community partnering second nature on all PDC's efforts. Below is a list of some of the community organizations PDC actively supports:

- African American Chamber of Commerce of Oregon
- Construction Apprenticeship and Workforce Solutions, Inc.
- Evening Trades Apprenticeship Program
- Hispanic Metropolitan Chamber of Oregon
- Irvington Covenant Community Development Corporation
Constructing Hope
- Metropolitan Contractor Improvement Partnership
- Minority Business Opportunity Committee/Business Diversity Institute

- Oregon Association of Minority Entrepreneurs
- Oregon Native American Chamber of Commerce
- Oregon Tradeswomen, Inc.
- Philippine American Chamber of Commerce of Oregon
- Portland Business Alliance
- Portland YouthBuilders
- South Waterfront Project Apprenticeship Agreement Oversight Committee
- Turner School of Construction Management
- Native American Youth and Family Center



MAURICE RAHMING About six months into his term as president of the National Association of Minority Contractors of Oregon, Maurice Rahming began to realize he'd been wrong. Wrong about what he thought his members needed. Wrong about what he thought his top priority should be.

That realization went straight to the heart of achieving equity in the marketplace for minority contractors. And it changed the focus of Rahming's presidency.



When he took on the leadership role at NAMCO, Rahming assumed what his members needed was more training to increase their capabilities. After all, that's what he'd always been told they needed. But then he and his team began meeting with contractors, checking off items as they went down a list of types of training, certifications and other qualifications for doing business. "After doing this and seeing the number of contractors with checks in the boxes, that's when we went, 'What's going on here?' They'd already taken every bit of training available to them."

But if the members didn't need training, then what did they really need?

"What they didn't have were true opportunities," says Rahming, president and general manager of O'Neill Electric, a minority-owned Portland company specializing in electrical design, construction and project management. "There was always one way or another of keeping them out. That was

the big aha moment for me."

Based on this new insight, Rahming decided to refocus his work at NAMCO. His new focus: How to get his members more opportunities to do projects, in particular, larger, publicly funded work. But that focus also led to a new question for Rahming: Why weren't his members getting those opportunities?

NATIONAL ASSOCIATION OF MINORITY CONTRACTORS, OREGON

Maurice Rahming, President

As NAMCO did more research, it discovered its members had a Catch-22 problem. They could only win larger public contracts if they could show they had done larger projects. But the big general contractors, with tons of experience, always won because of their experience. And the cycle repeated.

There were other problems. Some general contractors were claiming 20 percent or higher M/W/ESB contractor utilization on projects. But when NAMCO dug deeper, it found that some contractors brought in

to meet the utilization goals had gone out of business upon project completion. Had the M/W/ESB contractors been created simply to fulfill the letter of the law, with no concern for building a legitimate firm's capacity?

Rahming has his opinions. One is that large general contractors simply are protecting their competitive turf. "The larger contractors will say ... they can't find the capacity. But it's in their best interests never to find capacity. The City will tell the general contractor to do outreach. But generals will not choose viable competitors, so that (qualified contractor) is never able to expand. That is the biggest issue I'm seeing with our membership."

One solution, Rahming says, is to make the general contractor identify the M/W/ESB subcontractors to be utilized at the time the proposal is due, not after the contract has been awarded. That would induce general contractors to choose more capable subs.

"Too often, things like outreach are an afterthought to the general contractor," Rahming says. "In order for it to work, the outreach goal has to be embedded right up front. 'Mr. General Contractor, don't tell me you're going to get 20 percent utilization – show me where you're getting 20 percent, who you're using to get that 20 percent.' Don't wait until two weeks before the proposal is due, when 85 percent of the project is already allocated."

NAMCO also would like to see the owner/developer conduct post-project exit interviews with M/W/ESB subcontractors. Then, the public agency could use those interviews to guide the selection of a general contractor for the next project. "The true measures of success are not (M/W/ESB utilization) dollars out the door. They are, are those subs still in business, profitable? Did they learn anything? Will they continue to bid the general contractor's work because of the positive experience?"

Rahming knows that public agencies are aware of these issues. "Their challenge is how to prevent it from happening in the future," he says.

His goal in his time remaining at NAMCO is to continue to work to level the playing field for his members. He won't be satisfied until that happens.

"I give myself mixed reviews," he says about what he's achieved so far. "My original assessment about the importance of training turned out not to be issue as much as it was about opportunities. And that's a tougher road.

"My top goal is to have the contractors who I know are capable of the work actually having the real opportunity to do that work. To prove to the agencies that, yes, we're here, and yes, we're capable. We can provide you with a good product, good service at a good price."

PDC advertises contracting opportunities through a variety of media outlets, websites and public venues:

Local Newspapers

- Asian Reporter
- Daily Journal of Commerce
- El Latino de Hoy
- El Hispanic News
- NAMCO Newsletter
- OAME Newsletter
- Portland Observer
- The Oregonian
- The Skanner

Internet Access

- PDC M/W/ESB Assistance: www.pdc.us/mwesb/mwesb.asp
- Construction Trades Information for Minorities and Women: www.pdc.us/mwesb/mwesb_construction.asp

Internet posting of all contracting opportunities over \$25,000

- PDC Contracting Page: www.pdc.us/login/welcome.asp
- State of Oregon ORPIN System: www.oregon.gov/DAS/SSD/SPO/ORPIN-Contact-info.shtml

Advertising contracting opportunities in local minority newspapers and periodicals not only fulfills the goal of minority contractor solicitation, but also supports minority media publications. Work with organizations such as the Oregon Association of Minority Entrepreneurs (OAME) provides a networking forum for M/W/ESB input that often also serves as a progress report for outreach activities. PDC's website has increased visibility in the M/W/ESB community. The website has enabled PDC to better circulate information to the community as well as provide public access to State of Oregon certification and availability information from the State of Oregon for targeted outreach efforts. All of these tools further PDC's M/W/ESB program goals.

V Financial Products for Small Business Development

PDC has updated the financial products used to assist Emerging Small Businesses to grow and prosper to make them more user friendly. Some of these tools are listed below.

Development Tools:

- Storefront/Signage and Lighting
- Development Opportunity Services
- Commercial Property Development
- Community Livability Grant
- Green Grant

Loan Programs:

- Lower interest rates starting at Prime.
- Up to one year of interest only payments.
- Working Capital and Equipment loans up to \$150,000.
- Physical improvement loans up to \$2 million.
- For acquisition, most programs require applicant to occupy 50 percent or more of property being financed. If borrower leases the space in which the improvement will be constructed, it must occupy at least 75 percent of the leased space.
- Rehab project in an Urban Renewal Area may receive a loan of up to \$2 million for non-owner occupied.

For more information regarding these financial products, contact Fred Atiemo, PDC Senior Business and Industry Manager, atiemof@pdc.us.



A facelift to an Emerging Small Business on North Greeley Ave. was made possible with a Storefront/Signage and Lighting Improvement Grant. It also received a Green Features Grant.



SECTION THREE: FISCAL YEAR 2009/2010 BUSINESS AND WORKFORCE EQUITY PROGRAM RESULTS

I Business Equity Program Statistics

Overall Utilization

This report details “utilization results” – contracting statistics – for Minority, Women and Emerging Small Business (M/W/ESB) on PDC-owned and PDC-supported construction projects, PDC’s personal services expenditures as well as the results of PDC’s workforce diversity and apprenticeship training efforts. The South Waterfront contracting and workforce diversity/apprenticeship training results are discussed in Section Four of this report.

The combined construction and personal service M/W/ESB utilization results for fiscal year 2009/10 totaled \$25,949,267, or 22.95 percent of contracting dollars. As discussed in Section II, the increase in the basis for the M/W/ESB utilization goal for 2009/2010 was due to a change in the formula attributed to the new Business and Workforce Equity Policy implementation. Prior to the new Policy, the basis for the M/W/ESB utilization goal was the amount of the project funded by PDC. Once the new Policy was in place,

the basis for the goal on all new projects became the entire construction cost of the project. This new calculation increased the basis for the goal for 2009/2010 thereby decreasing the utilization percentage.

Using the previous formula of the PDC funding, the total basis for the goal would have been \$69,467,773 with the same \$25,949,267 going to M/W/ESBs for a utilization of 34.58 percent.

	FY2008/2009	FY 2009/2010
Total Contract Commitments	\$100,981,127	\$113,074,449
% M/W/ESB Utilization	35.2%	22.95%
Dollars Committed to M/W/ESB	\$35,504,251	\$25,949,267

A total of 179 different M/W/ESB construction and personal service firms are included in this fiscal year report, with the exception of the South Waterfront M/W/ESB contract utilization. Fifty-four (54) of the 179 firms are Minority Business Enterprise (MBE) certified, 54 are Women Business Enterprise (WBE) certified, and the remaining 71 are Emerging Small Business (ESB) certified. Approximately 70 percent of the M/W/ESB firms in this report are construction contractors. As outlined in the table below, for combined construction and personal services commitments, MBE utilization dipped slightly with WBE utilization dropping more than 10 percent while ESB utilization grew. This shift between WBE and ESB dollars was partially due to the types of services utilized during the year.

Total M/W/ESB Commitments	\$35,504,251	35.2%	\$25,949,267	22.95%
MBE	\$11,408,886	32.1%	\$ 7,886,074	30.4%
WBE	\$11,745,727	33.1%	\$ 5,379,546	20.7%
ESB	\$12,349,636	34.8%	\$12,683,647	48.9%
		100%		100%

Construction Utilization

A total of 25 construction projects with M/W/ESB utilization goals are included in this fiscal year's report. The vast majority, 18, of the projects in this year's report are construction loan projects which is typical for our fiscal year report. The construction loan projects can generally fall into two categories: Housing and commercial tenant improvements. Sixteen of the construction loan projects were for the creation or rehabilitation of low-income, affordable, permanent supportive and market-rate rental housing, one of which is a mixed use project that includes commercial retail space. A total of 778 individual housing units will be created or rehabilitated when these 16 projects are completed, significantly contributing to the area's housing stock and helping to provide a range of housing options, particularly for low-income families and special-needs individuals.

Two of the construction loan projects in this year's report were projects unrelated to housing. In addition to the M/W/ESB contracting and apprentice training leveraged on these two projects through PDC's business finance and commercial redevelopment loan programs, numerous additional public benefits have been achieved. PDC's assistance will help ensure the retention and creation of quality jobs in the Central Eastside URA and will help bring to fruition a "living building" community center in the Interstate URA. PDC's business finance efforts helped make many of these projects possible.



	FY 2008/2009	FY 2009/2010
Total PDC Construction Expenditures	\$94,333,567	\$106,370,181
Total M/W/ESB Construction Expenditures	\$33,309,486 (35.31%)	\$24,023,597 (22.58%)
MBE	\$10,806,240 (11.46%)	\$7,565,868 (7.11%)
WBE	\$10,314,975 (10.93%)	\$4,267,212 (4.01%)
ESB	\$12,188,271 (12.92%)	\$12,190,517 (11.46%)

Villa De Suenos

PENNY PAINTER

Whether it's a woman trying to break into the trades, a minority owner growing a business, or a Native American youth escaping a life of poverty, Penny Painter understands their difficulties and disappointments – along with their dreams and victories.

She understands because she's been all three: a Native American woman who rose from poverty through the trades into business ownership and beyond.

Now a Workforce Development Specialist, Painter loves her job with Cooper Zietz Engineers, a native American-owned Portland firm specializing in construction project management, cost control, project scheduling, quality control, constructability review and feasibility analysis for military, civil works and public infrastructure projects. Painter is a jack-of-all-trades, coordinating workforce development initiatives along with inspection work including roads, buildings, and safety and health programs.

But there was a time when her life didn't seem so promising. "If you'd have told me 25 years ago I'd be sitting in an engineering office doing workforce development, I would have laughed out loud," she says.

A native Klamath from Southern Oregon, Painter grew up one of six children in a desperately poor family. As a child, she got only one pair of shoes a year for school. When the shoes wore out, the toes were cut out to wear for sandals. She didn't know indoor plumbing until the family moved into Portland. She remembers that day still: "I ran out to my mother screaming, 'There's a bathroom – inside the house!'"

Driven by her passion to make a better life for her three daughters, she started working construction in 1978, cleaning job sites – and felt privileged to do it. She watched the tools and trucks while the men went to lunch at the tavern. Soon after, she started working with tools, equipment and materials. In 1980, she formed her own general contracting

business, working her way up to a journeyman carpenter, and eventually took her business from roofing and siding to building custom additions and homes. But after 18 years of long hours, she closed her business to devote more time to raising her children. Painter earned her GED, started taking community college courses and a couple of years later landed a role as the job developer and employer-apprenticeship liaison for Oregon Tradeswomen.

Five years ago, Painter joined Cooper Zietz Engineers. Her first assignment was to manage the Native American Employment Initiative under a contract with the Oregon Department of Transportation. That work led to other contracts, including flexible service projects with the Portland Development Commission to provide outreach and technical assistance to disadvantaged firms.

She loves helping the hard workers lay a strong foundation. She tells them: Get a business plan together; do a SWOT (strengths, weaknesses, opportunities and threats) analysis; make sure licenses, bonding and certifications are in order. Get connected to government agency and private contractor pre-qualification lists. Don't do everything themselves – delegate. Network, but do it strategically. Identify the top three businesses they want to build a relationship with and work till they get their foot in the door. Then don't let go.

She's blunt about those few who complain about not getting jobs, yet don't have a business plan, a bookkeeper or earnings records to show. The job's too big? Form a team, or join one, and go after the project. "I have learned that contractors don't care what race, color or sex you are," Painter says. "They just care if you have the capacity and can do the job."

She'd be the last to say things are perfect. But women and people of color have greater access to private- and public-sector work than ever, she says. And she firmly believes a woman can do anything she wants. Her own life is testament to that. She's happy she can help others follow in her footsteps – and beyond.

"I know the working guy, the one who puts on their tool belt and tromps through the mud to get the job done. That's who I was. That's where I started out," she says. Then she recalls what an Indian elder once told her: "Never forget where you came from. The minute you do, it's all for nothing."

That elder had nothing to worry about in Penny Painter.



**COOPER ZIETZ
ENGINEERS, INC.**
Penny Painter

MBE Construction Participation by Ethnicity

Of this year's \$24,023,597 M/W/ESB construction commitments, Minority firms account for total of \$7,565,868 or 31.5 percent. Hispanic American-owned firms accounted for 13.96 percent of total M/W /ESB utilization and just over 44.3 percent of MBE utilization at \$3.4 million. The next highest utilization total went to African American-

Construction Contracting by Ethnicity				
	FY2008/2009	% of M/W/ESB	FY2009/2010	% of M/W/ESB
Total M/W/ESB Commitments	\$33,309,486		\$24,023,598	
African American	\$6,975,708	(20.94%)	\$2,682,767	(11.17%)
Asian American	\$1,126,740	(3.38%)	\$1,495,815	(6.23%)
Hispanic American	\$2,422,674	(7.27%)	\$3,354,596	(13.96%)
Native American	\$79,054	(0.24%)	\$32,690	(0.14%)
Total MBE Expenditures	\$10,806,241	(32.44)	\$ 7,565,868	(31.49%)

owned businesses at \$2.7 million or 11.17 percent of the total M/W/ESB utilization. Forty-three (43) different MBE-certified firms worked on or have contracts to work on PDC-supported construction projects for this fiscal year. Of those, seventeen (17) are African American-owned, twenty (20) are Hispanic American-owned, four (4) are Asian American-owned and two (2) are Native American-owned.

Construction through Intergovernmental Agreements

Construction through Intergovernmental Agreement Expenditures for 2009/2010			
		PDC Investment	M/W/ESB Utilization
Total Construction	\$216,075,360	\$74,942,381	
City of Portland	\$7,592,627	\$10,008,381	\$1,425,816
PSU	\$69,477,042	\$ 2,000,000	\$8,544,917
HAP	\$34,138,786	\$35,500,000	\$6,557,666
ODOT	\$104,866,905	\$27,434,000	\$21,888,522
Total	\$216,075,360	\$74,942,381	\$38,416,921

PDC funds many construction projects through Intergovernmental Agreements (IGAs) with the City of Portland and other local government agencies. These IGAs include the M/W/ESB and Workforce requirements consistent with other PDC-supported projects. The figures below represent seven separate IGAs that were active during fiscal year 2009/10. Through these IGAs, \$38,416,921 was committed to M/W/ESB construction firms. This equates to 51.27 percent of PDC's investment.

These numbers are not included in the overall construction figures.

Personal Services Prime Consultant Contracting

A Personal Services Contract is a contract for specialized skills, knowledge or unique resources in the application of highly-technical or scientific expertise, or the exercise of professional, artistic or management discretion or judgment. Such services include, but are not limited to, the services of architects, engineers, surveyors, attorneys, auditors and other licensed professionals, artists, designers, computer programmers, performers, consultants and property managers.

Personal Services contracting with M/W/ESB firms decreased slightly from the previous year. Fifty-four (54) different M/W/ESB personal

service providers worked for PDC in fiscal year 2009/10 for a total of \$1,925,670 or 28.72 percent, surpassing the 25 percent goal.

Flexible Services Contracts are a subset of the Personal Services Contracts and are contracts that are used for services that have a repetitive requirement and are usually for a three-year period. Flexible Services Contracts allow PDC to use the services of a provider on an as-needed basis. In FY 2009/10, PDC administered 177 flexible services contracts, of which 65 contracts were awarded to M/W/ESB firms – 37.62 percent M/W/ESB utilization for Flexible Services. This surpasses the goal of 30 percent.

M/W/ESB Utilization for Personal Services		
Total Personal Services Expenditures	FY2008/2009 \$6,647,560	FY2009/2010 \$6,704,268
M/W/ESB Expenditures	\$2,194,765 (33.0%)	\$1,925,670 (28.72%)
MBE	\$ 602,646 (9.1%)	\$320,206 (4.78%)
WBE	\$1,430,752 (21.5%)	\$1,112,334 (16.59%)
ESB	\$161,367 (2.4%)	\$ 493,130 (7.36%)



BILL HART

Mention architecture and architects, and some may think of iconic structures and big personalities, like Frank Gehry's amorphous Experience Music Project in Seattle, or Michael Graves' post-modern and controversial Portland Building.

But there is a quieter kind of architecture. It's one that's more about appropriately blending into its surroundings and working for the people who live there or use it. And it's created by architects who care less about their icons than about their communities.

Such an architect is Bill Hart. Hart is co-founder and principal, along with Brian Carleton, of Carleton

Hart Architecture. The two founded the firm in 1994 with the goal of involving owners and residents more in

the design of their buildings. From the firm's open, ground-level offices on the North Park Blocks in Portland, Hart and Carleton shepherd the work of 22 staff on projects ranging from affordable

housing to community and cultural centers, churches, historic preservation of landmark buildings, commercial renovation, recreation facilities and mixed-used developments.

While their work wins design awards, the principals measure their success more on how they add value to the lives of the people who live and work in their buildings.

"We're not interested in creating an architectural monument that's a static element," Hart says. "We're interested in creating something that works with people, that enhances their lifestyle, and one that allows folks to interact with opportunities for meaningful dialog, activities and sharing."

About half of the firm's portfolio is in affordable housing – a niche that Hart believes his firm leads in the Northwest in terms of thoughtful design and integration of sustainable elements. In fact, green or sustainable design – green roofs, solar energy and water conservation, for example – has been a strength of Hart's since the 1970s. Examples abound of Carleton Hart's work for local private, non-profit and public-sector clients. Among its designs are the Clara Vista Townhomes in Northeast Portland, banquet facilities at the Persimmon Country Club in Gresham, and McCallister Village in Vancouver, Wash.

In Portland, the firm would like to win contracts for larger planning or feasibility studies instead of the smaller design projects it has done through PDC's Storefront Improvement Program. The company also is chasing new markets in the Northwest as well as new opportunities such as light manufacturing and adaptive commercial renovations.

CARLTON HART ARCHITECTURE, PC

Bill Hart

II Workforce Equity Program Statistics

More than 445,000 hours were worked during this fiscal year, which is a significant drop (59 percent), when one considers that more than 1,000,000 hours had been worked during each of the last two fiscal years. This is likely a reflection on the current status of the construction industry and the economy, in general. The table below represents the Workforce goals.

The Workforce goals for fiscal year 2009/2010 were 26 percent Minority participation and seven percent Female participation. Of the total hours worked on PDC-funded projects, there were 86,566 Minority hours (19 percent) worked and 13,739 non-Minority Female hours (three percent). The Minority percentage increased slightly from last year and the non-Minority Female percentage remained the same.

During fiscal year 2009/10, workforce participation was monitored on 29 projects, with more than 100 subcontractors subject to the Workforce Training and Hiring program requirements.

Workforce Goals

Fiscal Year	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Female	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
Minority	25.5%	26%	26.5%	27%	27.5%	28%	28.5%	29%	29.5%	30%

Workforce Training and Hiring Program

The Workforce Training and Hiring program is administered for the Portland Development Commission by the City of Portland, Bureau of Purchases.

The goal of the Workforce Training and Hiring program is to ensure that PDC does business with contractors whose workforce reflects the diversity of the workforce found in the City of Portland. One method for increasing the diversity of the City's construction trades workforce is by requiring apprenticeship training on PDC projects. The training requirements offer a vehicle for women, minorities, and disadvantaged individuals, who have been historically underutilized, to gain access to training and employment in the construction trades.



Worker on Pearl Family Housing Project.

Construction Activity

Projects that reported hours during fiscal year 2009/10.

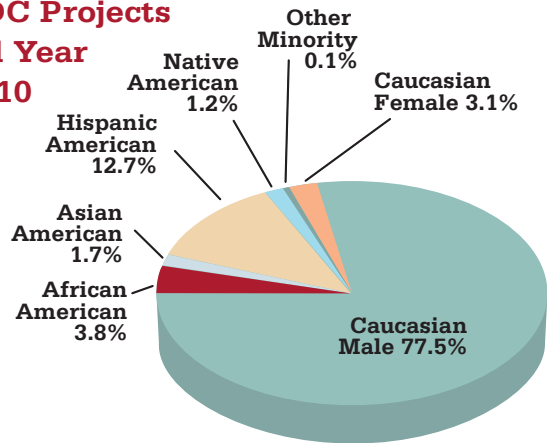
Project Name	Prime Contractor
MAX Retail Improvements	Cedar Mill Construction
UPS Conveyor Installation	Material Handling Systems
MLK & Beech Street	B&G Builders
Eastgate Station	Walsh Construction Co.
Admiral Apts.	Walsh Construction Co.
Walnut Park Apts.	LMC
Bingo Site Enviro Clean-up	Anderson Environmental
Solaicx Phase 3	Solaicx, Inc.
Hewitt Place Townhomes	LMC
Upshur House Apartments	Walsh Construction Co.
Project Name	Prime Contractor
Waterfront Park Improvements	Brown Contracting
UPS Hub Expansion	Robinson Construction
Rose Quarter Housing	Howard S. Wright
Clifford Apartments	Walsh Construction Co.
Oregon Electric TI	Lease Crutcher Lewis
Roselyn Apts.	Walsh Construction Co.
Pearl Family Housing	Walsh Construction Co.
PSU Wet Lab TI	JE Dunn Northwest
EcoFlats	Siteworks
Villa de Suenos	LMC
Bridge Meadows	Walsh Construction Co.
Fessenden/Exeter Greenplexes	Terraforma Building, Inc.
The Glen	Seabold Construction
June Key Delta House	Colas Construction
Rose Wood Apartments	Team Construction
Woolsey Commons	Orange Splot

Key Highlights

- The percent of Caucasian Female apprentice participation increased 3% and Minority Male apprentice participation increased 5%;
- Apprentice participation remained at 23% of total hours, for the second year in a row.

A total of 777,499 hours were worked on projects within the South Waterfront Central District, which will be discussed separately.

Total Hours Worked on PDC Projects Fiscal Year 2009/10



Apprenticeship Participation

During fiscal year 2009/2010, apprentices worked 101,684 hours, or approximately 23 percent of total hours. Apprentices managed to maintain their current level of participation, despite the recession, which is encouraging considering they are usually the first to be laid off. It's unknown whether or not the same will hold true next year, as the construction industry continues to shed jobs; however, training opportunities continued in nearly every construction trade this fiscal year, with the largest apprentice utilization occurring in the following trades: tile setters, electricians, sheet metal workers, and roofers.

This fiscal year, women and minority apprentices worked more than 29,000 hours, or 29 percent of total apprentice hours, which is about a seven percent increase over last fiscal year. While all trades experienced varying levels of minority participation, female participation continues to be low or non-existent in several trades. The percent of minority and female apprentice participation, for trades with over 1,000 apprentice hours, is listed below:

Apprenticeship Participation

Reporting Period 7/1/09 Through 6/30/10

Trades	Minority	Women	Trades	Minority	Women
Brick Mason	0%	0%	Carpenters	18%	3%
Cement Masons	23%	4%	Drywall	24%	0%
Electricians	14%	21%	Floor Coverers	36%	0%
Glaziers	0%	0%	Laborers	41%	46%
Ironworkers	40%	0%	Roofers	16%	0%
Painters	44%	34%	Tile Setters	17%	8%
Plumbers	18%	0%	Operators	20%	0%

Project Workforce Hours

	FY2008/2009	% of Hours	FY2009/2010	% of Hours
Total PDC Project Workforce Hours	1,078,595		445,204	
Minority Hours Worked	196,550	18%	86,556	19%
Caucasian Females	28,000	3%	13,739	3%
Total Apprenticeship Hours (all apprentices)	249,615	23%	101,684	23%
Minority and Female Apprenticeship Hours	54,053	22%	29,211	29%
Minority Male Apprentice Hrs as a % of Apprentice Hours	35,733	14%**	19,242	19%**
Minority Female Apprentice Hours	2,333	<1%**	471	<1%**
Caucasian Apprentice Female Hours	15,988	6%**	9,498	9%**

We continue to see sporadic apprentice shortages in several trades, however, given the downturn in the economy, many contractors are limiting hiring of new employees, and instead are choosing to retain as much of their current workforce as possible. As a result, there haven't been as many new hiring opportunities for apprentices. Below are results for the past six years.

	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY09/10
Total Apprentices	23.43%	22.02%	23.05%	23.14%	22.84%
Minority and Female Apprentices	5.64%	6.98%	6.44%	5.01%	6.56%

III Detailed Activity Reports

- Overall M/W/ESB Utilization
- Total Construction-Contracting Dollars
 - Development Agreement
 - Contracting Dollars
 - Direct Bid Contracting
 - Enterprise Zone - Contracting Dollars
 - Loan Construction - Contracting Dollars
- Construction Contracting by Ethnicity
 - Development Agreement - Contracting by Ethnicity
 - Direct Bid Projects - Contracting by Ethnicity
 - Enterprise Zone - Contracting by Ethnicity
 - Loan Contracting by Ethnicity
- Personal Services Contracting Report



PDC Overall M/W/ESB Utilization

Reporting Period 7/1/09 Through 6/30/10

Contracting Type	Total PDC Portion or Basis for Goal*	Majority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
Construction	\$106,370,181	\$86,561,792	\$12,190,517	11.46%	\$4,267,212	4.01%	\$7,565,868	7.11%	\$24,023,597	22.58%
Professional Services	\$6,704,268	\$4,778,598	\$493,130	7.36%	\$1,112,334	16.59%	\$320,206	4.78%	\$1,925,670	28.72%
Totals	\$113,074,449	\$91,340,390	\$12,683,647	11.22%	\$5,379,546	4.76%	\$7,886,074	6.97%	\$25,949,267	22.95%

*For some PDC loan funded projects PDC's loan amount exceeds the construction costs. For these projects the figure represented here will be the projects' construction costs.

PDC Total Construction – Contracting Dollars

Reporting Period 7/1/09 Through 6/30/10

Project Type	Total Project	Total PDC Portion or Basis for Goal*	Majority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
Development	\$9,158,564	\$9,158,564	\$4,614,523	\$318,950	3.48%	\$934,742	10.21%	\$743,976	8.12%	\$1,997,668	21.81%
Direct Bid Projects	\$13,576,304	\$13,576,304	\$1,279,213	\$5,104,275	37.60%	\$1,149,471	8.47%	\$156,247	1.15%	\$6,409,993	47.21%
Enterprise Zone	\$92,193,284	\$4,822,306	\$32,467,103	\$121,046	2.51%	\$198,547	4.12%	\$0	0.00%	\$319,593	6.63%
Intergovernmental Agreements	\$69,477,042	\$2,000,000	\$30,955,815	\$2,103,919	105.20%	\$5,622,012	281.10%	\$446,838	22.34%	\$8,172,769	408.64%
Loan Construction	\$81,700,615	\$78,813,007	\$48,200,953	\$6,646,246	8.43%	\$1,984,452	2.52%	\$6,665,645	8.46%	\$15,296,343	19.41%
Totals	\$196,628,767	\$106,370,181	\$86,561,792	\$12,190,517	6.20%	\$4,267,212	4.01%	\$7,565,868	7.11%	\$24,023,597	22.58%

*For some PDC loan & Development Agreement funded projects PDC's loan amount exceeds the construction costs. For these projects the figure represented here will be the projects construction cost.

PDC Development Agreement – Contracting Dollars

Reporting Period 7/1/09 Through 6/30/10

Project Type	Total Construction	Land Sale Value	Basis for M/W/ESB Goal	Majority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
MLK & Beech Street Project	\$9,158,564	\$900,000	\$9,158,564	\$4,614,523	\$318,950	3.48%	\$934,742	10.21%	\$743,976	8.21%	\$1,997,668	21.81%
Totals	\$9,158,564	\$900,000	\$9,158,564	\$4,614,523	\$318,950	3.48%	\$934,742	10.21%	\$743,976	8.21%	\$1,997,668	21.81%

PDC Direct Bid Projects – Contracting Dollars

Reporting Period 7/1/09 Through 6/30/10

Project Name	Total PDC Dollars	Majority Firms	ESB	%	WBE	%	MBE	%	M/W/ESB	Total %
MAX Retail Improvements	\$1,332,085	\$256,329	\$320,974	24.10%	\$0	0.00%	\$0	0.00%	\$320,974	24.10%
Waterfront Park Improvements	\$10,620,901	\$330,369	\$4,511,832	42.48%	\$1,112,438	10.47%	\$87,514	.82%	\$5,711,784	53.78%
PSU Business Accelerator Wet Lab TI	\$1,105,608	\$582,037	\$257,717	23.31%	\$19,498	1.76%	\$58,556	5.30%	\$335,771	30.37%
Bingo Site Environmental Cleanup	\$517,710	\$110,478	\$13,752	2.66%	\$17,535	3.39%	\$10,177	1.97%	\$41,464	8.01%
Totals	\$13,576,304	\$1,279,213	\$5,104,275	37.60%	\$1,149,471	8.47%	\$156,247	1.15%	\$6,409,993	47.21%

PDC Enterprise Zone – Contracting Dollars

Reporting Period 7/1/09 Through 6/30/10

Project Type	Enterprise Zone Total Construction	Tax Abatement Utilization Basis	Majority Firms	ESB	%	WBE	%	MBE	%	M/W/ESB	Total %
UPS* Conveyor Installation & UPS Hub Expansion	\$88,972,978	\$4,360,330	\$29,246,797	\$121,046	2.78%	\$198,547	4.55%	\$0	0.00%	\$319,593	7.33%
Solaicx** Phase 3 & 3.5	\$3,220,306	\$461,976	\$3,220,306	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Totals	\$92,193,284	\$4,822,306	\$32,467,103	\$121,046	2.51%	\$198,547	4.12%	\$0	0.00%	\$319,593	6.63%

*\$901,491 in M/W/ESB utilization was achieved on an earlier phase of the UPS project, exceeding the M/W/ESB goal.

**\$413,202 in M/W/ESB utilization was achieved on an earlier phase of the Solaicx project, exceeding the M/W/ESB goal.



PDC Loan Construction – Contracting Dollars

Reporting Period 7/1/09 Through 6/30/10

Project Type	Total Construction	PDC Invested Amount	Basis for M/W/ESB Goal	Majority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
3935 N Williams/Ecoflats	\$1,112,857	\$740,000	\$1,112,857	\$838,523	\$274,335	24.65%	\$0	0.00%	\$0	0.00%	\$274,335	24.65%
Rose Quarter Housing	\$13,988,083	\$10,840,475	\$10,840,475	\$10,533,771	\$648,180	5.98%	\$0	0.00%	\$0	0.00%	\$1,297,186	11.97%
Roselyn Apartments	\$878,856	\$878,856	\$878,856	\$387,071	\$100,206	11.40%	\$70,713	8.05%	\$35,131	4.00%	\$206,050	23.45%
Clifford Apartment Renovation	\$2,102,224	\$2,500,000	\$2,102,224	\$1,042,607	\$52,115	2.48%	\$146,385	6.96%	\$253,579	12.06%	\$452,079	21.50%
Pearl Family Housing	\$29,053,278	\$19,000,000	\$29,053,278	\$20,171,604	\$2,061,546	7.10%	\$798,179	2.75%	\$456,334	1.57%	\$3,316,059	11.41%
Admiral Apartments	\$4,628,078	\$3,700,000	\$4,628,078	\$1,965,821	\$98,696	2.13%	\$14,790	0.32%	\$929,291	20.08%	\$1,042,777	22.53%
Eastgate Station	\$8,953,128	\$2,636,170	\$8,953,128	\$4,647,799	\$647,246	7.23%	\$54,540	0.61%	\$1,833,747	20.48%	\$2,535,533	28.32%
Bridge Meadows	\$7,208,514	\$1,745,725	\$7,208,514	\$3,043,797	\$696,063	9.66%	\$105,839	1.47%	\$934,063	12.96%	\$1,735,965	24.08%
Fessenden/Exeter Greenplexes	\$791,636	\$1,100,000	\$791,636	\$400,058	\$364,289	46.02%	\$0	0.00%	\$27,289	3.45%	\$391,578	49.46%
The Glen	\$1,052,950	\$3,200,000	\$1,052,950	\$449,610	\$208,392	19.79%	\$26,106	2.48%	\$83,270	7.91%	\$317,768	30.18%
Hewitt Place Town Homes	\$2,023,006	\$650,000	\$2,023,006	\$785,572	\$157,822	7.80%	\$0	0.00%	\$493,719	24.41%	\$651,541	32.21%
June Key Delta House	\$626,500	\$434,658	\$626,500	\$288,926	\$42,000	6.70%	\$0	0.00%	\$99,800	15.93%	\$141,800	22.63%
Oregon Electric TI	\$1,040,000	\$350,000	\$1,300,000	\$468,251	\$33,502	2.58%	\$119,750	9.21%	\$82,832	6.37%	\$236,084	18.16%
Rosewood Apartments	\$540,600	\$937,000	\$540,600	\$283,637	\$55,780	10.32%	\$7,648	1.41%	\$49,145	9.09%	\$112,573	20.82%
Upshur House Apartments	\$1,824,986	\$430,000	\$1,824,986	\$834,004	\$47,252	2.59%	\$54,508	2.99%	\$288,091	15.79%	\$389,851	21.36%
Villa De Suenos	\$2,472,398	\$2,825,000	\$2,472,398	\$777,265	\$15,160	0.61%	\$2,838	0.11%	\$587,609	23.77%	\$605,607	24.49%
Walnut Park	\$2,241,050	\$1,641,000	\$2,241,050	\$1,282,637	\$66,343	2.96%	\$0	0.00%	\$360,743	16.10%	\$427,086	19.06%
Woolsey Commons	\$1,162,471	\$1,872,000	\$1,162,471	\$0	\$1,077,319	92.67%	\$0	0.00%	\$85,152	7.33%	\$1,162,471	100.00%
Totals	\$81,700,615	\$55,480,884	\$78,813,007	\$48,200,953	\$6,646,246	8.43%	\$1,984,452	2.52%	\$6,665,645	8.46%	\$15,296,343	19.41%

PDC Construction Contracting by Ethnicity

Reporting Period 7/1/09 Through 6/30/10

Project Name	Total M/W/ESB	African American	%	Asian American	%	Hispanic American	%	Native American	%	Other Minority	%	Total MBE Utilization	% of Total
Development	\$1,997,668	\$551,488	27.61%	\$192,488	9.64%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$743,976	37.24%
Direct Bid Projects	\$6,409,993	\$6,269	0.10%	\$58,556	0.91%	\$81,245	1.27%	\$10,177	0.16%	\$0	0.00%	\$156,247	2.44%
Enterprise Zone	\$319,593	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Loan Construction	\$15,296,343	\$2,125,010	13.89%	\$1,244,771	8.14%	\$3,273,351	21.40%	\$22,513	0.15%	\$0	0.00%	\$6,665,645	43.58%
Total PDC Construction Funding	\$24,023,597	\$2,682,767	11.32%	\$1,495,815	6.31%	\$3,354,596	14.15%	\$32,690	0.14%	\$0	0.00%	\$7,565,868	31.92%

PDC Development Agreement – Contracting by Ethnicity

Reporting Period 7/1/09 Through 6/30/10

Project Name	African American	Asian American	Hispanic American	Native American	Other Minority	Total MBE Utilization
MLK & Beech	\$551,488	\$192,488	\$0	\$0	\$0	\$743,976
Totals	\$551,488	\$192,488	\$0	\$0	\$0	\$743,976

PDC Direct Bid Projects – Contracting by Ethnicity

Reporting Period 7/1/09 Through 6/30/10

Project Name	African American	Asian American	Hispanic American	Native American	Other Minority	Total MBE Utilization
Bingo Site Environmental Cleanup	\$0	\$0	\$0	\$10,177	\$0	\$10,177
MAX Retail Improvements	\$0	\$0	\$0	\$0	\$0	\$0
PSU Business Accelerator Wet Lab TI	\$0	\$58,556	\$0	\$0	\$0	\$58,556
Waterfront Park Improvements	\$6,269	\$0	\$81,245	\$0	\$0	\$87,514
Totals	\$6,269	\$58,556	\$81,245	\$10,177	\$0	\$156,247



Painter at Woolsey Commons

PDC Enterprise Zone – Contracting by Ethnicity

Reporting Period 7/1/09 Through 6/30/10

Project Name	African American	Asian American	Hispanic American	Native American	Other Minority	Total MBE Utilization
UPS Conveyor Intallation & UPS Hub Expansion	\$0	\$0	\$0	\$0	\$0	\$0
Solaicx Phase 3 and 3.5	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

PDC Loan Contracting by Ethnicity

Reporting Period 7/1/09 Through 6/30/10

Project Name	African American	Asian American	Hispanic American	Native American	Other Minority	Total MBE Utilization
3935 North Williams / Ecoflats	\$0	\$0	\$0	\$0	\$0	\$0
Admiral Apartments	\$653,550	\$141,786	\$133,955	\$0	\$0	\$929,291
Bridge Meadows	\$20,940	\$341,447	\$571,676	\$0	\$0	\$934,063
Clifford Apartment Renovation	\$138,702	\$54,877	\$60,000	\$0	\$0	\$253,579
Eastgate Station	\$1,034,196	\$315,352	\$484,199	\$0	\$0	\$1,833,747
Fessenden / Exeter Greenplexes	\$22,524	\$0	\$4,765	\$0	\$0	\$27,289
Hewitt Place Town Homes	\$0	\$0	\$493,719	\$0	\$0	\$493,719
June Key Delta House	\$57,000	\$0	\$42,800	\$0	\$0	\$99,800
Oregon Electric TI	\$15,500	\$0	\$67,332	\$0	\$0	\$82,832
Pearl Family Housing	\$90,000	\$350,759	\$15,575	\$0	\$0	\$456,334
Rose Quarter Housing	\$51,337	\$0	\$14,513	\$0	\$0	\$65,850
Roselyn Apartments	\$35,131	\$0	\$0	\$0	\$0	\$35,131
Rosewood Apartments	\$0	\$0	\$26,632	\$22,513	\$0	\$49,145
The Glen	\$0	\$0	\$83,270	\$0	\$0	\$83,270
Upshur House Apartments	\$0	\$5,030	\$283,061	\$0	\$0	\$288,091
Villa de Suenos	\$0	\$0	\$587,609	\$0	\$0	\$587,609
Walnut Park	\$5,130	\$35,520	\$320,093	\$0	\$0	\$360,743
Woolsey Commons	\$1,000	\$0	\$84,152	\$0	\$0	\$85,152
Totals	\$2,125,010	\$1,244,771	\$3,273,351	\$22,513	\$0	\$6,665,645

PDC Professional Services
Reporting Period 7/1/09 Through 6/30/10



Contractor	MBE	% of Total MBE	WBE	% of Total WBE	ESB	% of Total ESB	Total M/W/ESB	% of Total M/W/ESB
The Bookin Group		0.00%	\$13,612	1.22%		0.00%	\$13,612	0.20%
Brooks Staffing	\$59,776	18.67%		0.00%		0.00%	\$59,776	0.89%
Carleton-Hart Architecture PC	\$50,077	15.64%		0.00%		0.00%	\$50,077	0.75%
Hahn & Associates Inc		0.00%		0.00%	\$244	0.05%	\$244	0.00%
Katheryn Krygier		0.00%	\$18,001	1.62%		0.00%	\$18,001	0.27%
Lloyd Linley ASLA		0.00%		0.00%	\$23,270	4.72%	\$23,270	0.35%
Mayer/Reed		0.00%	\$105,118	9.45%		0.00%	\$105,118	1.57%
Richard Brown Architects AIA		0.00%		0.00%	\$14,095	2.86%	\$14,095	0.21%
Merryman Barnes Architects Inc		0.00%	\$93,089	8.37%		0.00%	\$93,089	1.39%
Statewide Rent A Fence of OR		0.00%		0.00%	\$8,212	1.67%	\$8,212	0.12%
Staffing Solutions LLC		0.00%	\$58,909	5.30%		0.00%	\$58,909	0.88%
HR Answers Inc.		0.00%	\$2,979	0.27%		0.00%	\$2,979	0.04%
Nfevue Ngan & Associates	\$1,258	0.39%		0.00%		0.00%	\$1,258	0.02%
Tevlin Strategic Communication		0.00%		0.00%	\$3,375	0.68%	\$3,375	0.05%
Emerick Architecture PC		0.00%		0.00%	\$35,296	7.16%	\$35,296	0.53%
Dennis M Thompson Architect PC		0.00%		0.00%	\$1,200	0.24%	\$1,200	0.02%
Varchan Environmental Construction		0.00%		0.00%	\$108,815	22.07%	\$108,815	1.62%
Ruffin Construction		0.00%	\$55,925	5.03%		0.00%	\$55,925	0.83%
Triad Technology Group	\$169,179	52.83%		0.00%		0.00%	\$169,179	2.52%
City of Roses Disposal & Recycling	\$2,249	0.70%		0.00%		0.00%	\$2,249	0.03%
DECA Architecture INC		0.00%		0.00%	\$23,330	4.73%	\$23,330	0.35%
Lundin Cole Architects PC		0.00%		0.00%	\$98	0.02%	\$98	0.00%
Flowing Solutions LLC		0.00%		0.00%	\$10,511	2.13%	\$10,511	0.16%
Marketek		0.00%	\$27,800	2.50%		0.00%	\$27,800	0.41%
Jones Stohosky Environmental Lab		0.00%	\$1,060	0.10%		0.00%	\$1,060	0.02%
KLK Consulting		0.00%	\$54,737	4.92%		0.00%	\$54,737	0.82%
DAO Architecture LLC	\$15,064	4.70%		0.00%		0.00%	\$15,064	0.22%
Koch Landscape Architecture		0.00%		0.00%	\$68,666	13.92%	\$68,666	1.02%
The Amy Vancamp Experience		0.00%	\$66,350	5.96%		0.00%	\$66,350	0.99%
Boly Welch Inc		0.00%	\$75,943	6.83%		0.00%	\$75,943	1.13%
Communitas LLC		0.00%	\$20,067	1.80%		0.00%	\$20,067	0.30%
Vigil-Agrimis	\$276	0.09%		0.00%		0.00%	\$276	0.00%
Blue Dot Group		0.00%		0.00%	\$27,194	5.51%	\$27,194	0.41%

PDC Professional Services
Reporting Period 7/1/09 Through 6/30/10

Contractor	MBE	% of Total MBE	WBE	% of Total WBE	ESB	% of Total ESB	Total M/W/ESB	% of Total M/W/ESB
Hub Collective		0.00%	\$34,769	3.13%		0.00%	\$34,769	0.52%
Formwest Architecture Inc.		0.00%		0.00%	\$17,759	3.60%	\$17,759	0.26%
Netcompliance Environmental	\$950	0.30%		0.00%		0.00%	\$950	0.01%
Brightworks Northwest LLC		0.00%		0.00%	\$1,500	0.30%	\$1,500	0.02%
Leeka Architects and Planners	\$3,200	1.00%		0.00%		0.00%	\$3,200	0.05%
2.Ink Studio P.C.		0.00%	\$93,244	8.38%		0.00%	\$93,244	1.39%
Jeanne Lawson Associates Inc.		0.00%	\$145,072	13.04%		0.00%	\$145,072	2.16%
Vanderhouwen & Associates Inc.		0.00%	\$120,160	10.80%		0.00%	\$120,160	1.79%
Elaine Howard Consulting LLC		0.00%	\$62,500	5.62%		0.00%	\$62,500	0.93%
Cooper Zietz Engineers	\$13,178	4.12%		0.00%		0.00%	\$13,178	0.20%
Tsaicomms LLC	\$5,000	1.56%		0.00%		0.00%	\$5,000	0.07%
Innovative Growth Solutions		0.00%	\$54,140	4.87%		0.00%	\$54,140	0.81%
Second Wind Consulting LLC		0.00%		0.00%	\$16,800	3.41%	\$16,800	0.25%
Greener Ventures Inc		0.00%		0.00%	\$54,210	10.99%	\$54,210	0.81%
Kim Royster dba the Pulse Group		0.00%	\$250	0.02%		0.00%	\$250	0.00%
Gardipee Goup LLC		0.00%	\$4,685	0.42%		0.00%	\$4,685	0.07%
Blue Tree Strategies		0.00%		0.00%	\$3,300	0.67%	\$3,300	0.05%
Miller Factors		0.00%	\$2,475	0.22%		0.00%	\$2,475	0.04%
Montgomery & Associates LLC		0.00%		0.00%	\$5,000	1.01%	\$5,000	0.07%
Geadyne		0.00%		0.00%	\$70,255	14.25%	\$70,255	1.05%
Michele Reeves		0.00%	\$1,450	0.13%		0.00%	\$1,450	0.02%
Totals	\$320,206	100.00%	\$1,112,334	100.00%	\$493,130	100.00%	\$1,925,670	100.00%
Percentage of Total Expenditures		4.78%		16.59%		7.36%		28.72%

Total Expenditures Professional Services	\$6,704,26
Majority Firm Expenditures	\$4,778,598
M/W/ESB Expenditures	\$1,925,670
M/W/ESB % of Total Expenditures	28.72%

SECTION FOUR: SOUTH WATERFRONT CENTRAL DISTRICT



I Introduction

In August 2003, PDC executed the South Waterfront Central District Project Development Agreement (DA) with Oregon Health and Science University and private development partners, North Macadam Investors, LLC (NMI), River Campus Investors, LLC (RCI), and Block 39, LCC (Block 39). The DA specified the responsibilities of all parties to redevelop a 31-acre (Central District) within the City of Portland's South Waterfront Plan area and North Macadam Urban Renewal Area.

After seven years of construction in the South Waterfront Central District only three projects were active throughout the last fiscal year. Those three projects are wrapping up and no new projects will break ground until spring of 2011 at the earliest. The economic recession has impacted the construction industry more severely than most industries as evidenced by the absence of any current construction projects in the South Waterfront Central District. While no new projects are currently under way, three projects were substantially completed by the end of FY 2009/2010. Those projects included a high-rise continuing care retirement community (the Mirabella), a five story 274 unit apartment complex (the Matisse) and one City park (Caruthers Park Aka South Waterfront Park Improvements). Each of these projects was subject to the diversity programs of the DA.

The diversity programs have sought to ensure equity in contracting and workforce participation through goals for the participation of M/W/ESB

businesses, through construction apprenticeship training requirements and through construction workforce diversity targets. This chapter of the annual Diversity in Contracting and Workforce Training report will document the contracting, workforce training and workforce diversity results for each project and for the fiscal year.

All DA contingent projects (including the three referenced above) carry a 20 percent M/W/ESB contracting goal as well as a 20 percent apprenticeship training requirement and escalating workforce diversity goals. This fiscal year the workforce diversity goals equate to 18 percent minority workforce participation and 12 percent female workforce participation.

For the third consecutive year the overwhelming majority of construction contracting has taken place on projects that were financed without any public funds. Approximately 1.3 percent of the contracting dollars are attributed to the City of Portland constructed Caruthers Park project with the remaining 98.7 percent occurring on the privately financed Matisse and Mirabella projects.

While the downturn in the economy is anticipated to continue to impact the schedule and pace of construction in the South Waterfront Central District, at least one new project is anticipated to break ground in fiscal year 2010/2011. That project will be a veterans housing project to be built on a parcel of land known as Block 49. Contracting and workforce efforts made on that project will be included in next year's annual report.

II Summary of M/W/ESB Contracting Utilization

A total of \$14,501,841 has been awarded to first and second tier M/W/ESB businesses on the three DA projects included in this year's report. Emerging Small Businesses continue to account for the majority (50.7 percent) of all M/W/ESB utilization on South Waterfront projects. Minority Business Enterprises continue to account for the second largest percentage of total M/W/ESB utilization (27.3 percent) while Women Business Enterprises comprise the remaining 22 percent of the total M/W/ESB utilization.

While all three projects increased their M/W/ESB utilization percentages compared to last year, the combined M/W/ESB utilization percentage fell to 8.49, far short of the 20 percent M/W/ESB utilization goal. This is attributed to the completion of two large projects in FY 2008/2009 that achieved higher combined M/W/ESB utilization results than the three projects in this year's report. Similar to last year's report, the vast majority of dollars awarded to M/W/ESBs (97.9 percent) were awarded on projects with no public investment.

The total M/W/ESB utilization dollars represent 49 separate first and second tier subcontracts. WBE certified firms received 18 of the contracts. Likewise, ESB certified firms received 18 of the contracts with MBE certified firms accounting for the remaining 13 contracts.

Reporting Approach

The large scale of most construction projects outlined in the DA created a number of challenges to meeting the M/W/ESB utilization goals of the agreement. M/W/ESB firms are typically small-to-medium-sized companies with relatively few employees. Many of these small firms did not have the capacity to take on first-tier subcontracts. Smaller M/W/ESB firms also were hard-pressed to meet bonding and insurance requirements. In recognition of these challenges, PDC, along with its DA partners, decided to expand M/W/ESB reporting to include tracking of M/W/ESB-certified prime and second-tier contractors.

Prior to the execution of the DA, the M/W/ESB utilization goals for PDC-supported projects were set as a percentage of PDC's investment in the project. With the DA, an aggressive new approach was implemented to base M/W/ESB participation goals on the hard construction costs of each PDC-supported project, regardless of PDC's actual contribution. This approach has significantly raised the bar for measuring success and has increased the number of opportunities available to

M/W/ESB firms. The approach adopted for DA projects seven years ago is now the standard for all PDC-supported projects.

Challenges

Challenges relating to small business participation on large vertical construction projects common in the South Waterfront area remain. Certain trades continue to have little to no representation of M/W/ESB certified firms. Primarily this has to do with the large size of contracts undertaken by those trades and/or the specialized nature of the work. A partial list of trades on large vertical construction projects with little or no M/W/ESB representation includes: elevator installation, curtain wall, cast-in-place concrete, brick and concrete block masonry, traffic coating, waterproofing and fire protection. Contractors have reported that the ability to subcontract portions of the large first-tier scopes of work to smaller second-tier M/W/ESB contractors varies significantly depending on the particular trade. Warranty and liability constraints limit the ability of larger majority-owned subcontractors to subcontract portions of their contract to smaller M/W/ESB contractors in some trades. The electrical and mechanical/plumbing trades are two prominent examples. Using the Mirabella project as an example, the cast-in-place concrete, curtain wall, electrical and mechanical/plumbing trades subcontracts accounted for approximately 53 percent of the hard costs on the project. While the subcontractors were successful in subcontracting or purchasing material for some of this work from M/W/ESB firms (approximately 8.5 percent), the vast majority of the work was performed by the four large majority-owned contractors who specialize in those scopes of work.



III Workforce Activity

The table below outlines the fiscal year workforce diversity goals for projects in the DA that are subject to the Project Apprenticeship Agreement (PAA):

Workforce Diversity Goals										
Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Women	4%	5%	6%	8%	10%	11%	12%	13%	14%	15%
Minority	12%	13%	14%	15%	16%	17%	18%	19%	20%	20%
Total	16%	18%	20%	23%	26%	28%	30%	32%	34%	35%

The PAA was created in partnership with private sector DA developers and numerous construction trades unions to help diversify the trades through an emphasis on maximizing apprenticeship opportunities and working towards project-specific workforce diversity goals. For FY 2009/2010 the following three projects were subject to the PAA.

PDC-Owned & Privately Owned Projects	City of Portland Projects
The Mirabella	South Waterfront Park Improvements
The Matisse	

A total of 777,499 hours were worked on these projects during FY 2009/2010, which is an increase in hours, when compared

to the previous fiscal year. The increase in hours is likely due to an increase in construction on both The Mirabella and The Matisse, which will finish construction in FY 2010/2011.

Overall, minority participation on the DA projects was approximately 28 percent this fiscal year, which represents about a five percent increase in participation, when compared to FY 2008/2009 (23.2 percent). Female participation increased to nearly seven percent this fiscal year.

This year the goal for minority participation on projects subject to the PAA was 18 percent. All three projects exceeded this goal, with all projects achieving more than 20 percent minority participation. Achieving the fiscal year goal for female participation continues to be a struggle on DA projects, although the performance is significantly better than on overall female participation on non-South Waterfront PDC-supported projects. The project receiving the highest female participation, The Mirabella, only achieved about seven percent participation, well short of the

12 percent goal. A detailed summary of each project is included in the next subsection of this report.

This fiscal year, apprentices worked 184,051 hours on South Waterfront projects, or approximately 24 percent of total hours, which is the same percent of participation as last fiscal year. Minority and female apprentices worked 47 percent of the total apprentice hours, which is an increase, when compared to last fiscal year's 40 percent. This is a phenomenal accomplishment and deserves recognition for OHSU, North Macadam Investors and the prime contractors who worked on the construction projects.

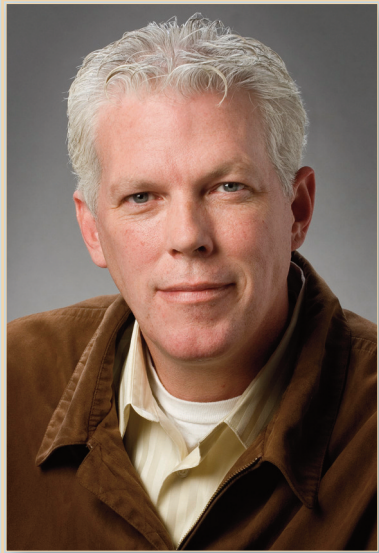
A total of 130 minority and female apprentices worked on projects subject to the PAA in FY 2009/2010. Of those 130:

- 12% graduated during FY 2009/2010;
- 74% continue to be active in apprenticeship programs;
- 14% were terminated or suspended from their apprenticeship program;
- 24, or 18% were indentured into the apprenticeship program from 7/1/09 to 6/30/10;
- Of the 24 that were indentured, 24, or 88% remain active in the apprenticeship program.

As part of the PAA, many of the construction trade unions agreed to make good faith efforts to increase enrollment of women and minority apprentices, as well as to narrow the gap in graduation rates between Caucasian male apprentices and minority and female apprentices. The trades experiencing the highest and lowest levels of minority and female apprentice participation are listed below.

PDC Projects - South Waterfront Workforce Training and Hiring Reporting Period 7/1/09 Through 6/30/10

	FY 06/07		FY 07/08		FY 08/09		FY 09/10	
	Hours Worked	% of Total	Hours Worked	% of Total	Hours Worked	% of Total	Hours Worked	% of Total
African American	9,677	2.67%	26,712	4.01%	20,043	2.89%	32,232	4.15%
Asian American	7,856	2.17%	21,002	3.16%	12,454	1.79%	11,696	1.50%
Hispanic American	32,033	8.83%	96,674	14.52%	111,308	16.04%	148,519	19.10%
Native American	9,203	2.54%	16,853	2.53%	15,388	2.22%	22,035	2.83%
Other Minority	n/a	n/a	1,860	0.28%	3,751	0.54%	n/a	n/a
Caucasian	304,095	83.80%	502,498	75.50%	530,941	76.52%	569,958	73.31%
Total	362,864		665,598		693,884		777,499	
Minority Hours	58,769	16.20%	163,101	24.50%	160,956	23.20%	214,483	27.59%
Female Hours	21,603	5.95%	35,000	5.26%	42,207	6.08%	53,359	6.86%
Apprentice Hours	76,531	21.09%	168,886	25.37%	165,837	23.90%	184,051	23.67%



JOHN NELSEN

When the leadership of NECA-IBEW Local 48 – the electrician’s union – wanted to attract more women, minorities and young people into its ranks, it found an unlikely champion.

At first glance, John Nelsen doesn’t fit the perceived mold of a labor diversity advocate. White-skinned, tall and traditional looking, the union workforce development coordinator laughs about the double-takes he still occasionally gets when he walks into a room of minority or female students or educators.

Rather than take offense, he takes advantage of the seeming incongruity as an ice-breaker. “Hi, I’m a 7-foot, Republican conservative white guy,” he’ll say, extending his hand. “Let’s talk about diversity. Let’s talk about gender equity.” When those same people finally get over their own preconceptions and get to know Nelsen, they find a man brimming with passion, ideas and energy for changing the face of the labor force.

NECA-IBEW ELECTRICAL TRAINING

**John Nelsen,
Workforce Development
Coordinator**

about electricity. But he knew plenty about the educational system and leadership. Nelsen was his man.

The road to becoming a journey-level trade worker is a long one. It can take two or three years just to get an apprenticeship. It takes another five years to go from apprentice to Inside Wireman. That puts Nelsen’s work in perspective: He doesn’t expect to see significant diversification of the workforce take hold until the construction market revives and contractors start hiring apprentices.

In 2008, Nelsen got a call from Clif Davis, Local 48 business manager at the time. The union had stumbled trying conventional ways to diversify the apprentice pipeline, Davis explained. He was looking for an atypical person to take on the challenge. With a background in teaching, consulting, educational administration and politics, Nelsen didn’t know anything

In the meantime, Nelsen is focusing on recruitment, relationships and retention strategies. “How do you create rain during a drought?” he tells people. “The answer: You don’t. You build the apparatus, the relationships, the strategy for the future. So when that opportunity comes, you’re ready to go.”

To get ready, he’s recruiting and doing outreach in the high schools and pre-apprenticeship programs, particularly those with greater minority and female populations. He’s developing relationships with teachers, counselors and administrators, raising awareness of trades careers as a worthy option. He’s helping students apply for the apprenticeship candidate list, offering workshops, test preparation and interview practice.

But waiting on the candidate list – six months, a year, sometimes more – can be dispiriting. Women and minorities historically have dropped out of trades programs in greater numbers than the general population. Nelsen wants to reverse this trend. He created the Candidates Assistance Program to keep apprentice candidates motivated. CAP offers students opportunities for construction-related volunteer or entry-level job experience, access to reduced-cost classes at the IBEW-NECA Electrical Training Center and mentoring.

That work is already paying off. There was a 23 percent increase in women and minority Inside Wireman applicants between 2008 and 2009. Even better, the numbers of female and minority candidates ranking in the top 100 rose 42 percent in the same period. That’s important, because only top candidates get the call.

Those calls are not yet coming in. But all the elements are there to create a tipping point, Nelsen maintains, from the low number of apprentices currently, to pressures on contractors to meet diversity goals, to an improving economy and the aging of the journeyman pool. And if apprentice candidates can maintain their enthusiasm while they wait, they’ll eventually be rewarded with a good career.

“There’s a perfect storm a-brewin’,” Nelsen says. “There’s a moment coming when the doors are going to open up into the trades. And they’re simply going to need as many bodies as they can find.”

IV South Waterfront Detailed Activity Reports

South Waterfront Central District Development Agreement Minority, Women and Emerging Small Business Construction Utilization Reporting Period 7/1/09 Through 6/30/10

	Basis for Goal	Number of M/W/ESB Contracts	MBE Dollars	% MBE	WBE Dollars	% WBE	ESB Dollars	% ESB	Combined M/W/ESB Dollars	Combined M/W/ESB %
Mirabella*										
Prime (Hoffman Construction)	\$114,696,042	20	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$469,785	0.41%	\$623,406	0.54%	\$87,790	0.08%	\$1,180,981	1.03%
Second Tier			\$183,580	0.16%	\$250,687	0.22%	\$5,389,167	4.70%	\$5,823,434	5.08%
Combined Tiers			\$653,365	0.57%	\$874,093	0.76%	\$5,476,957	4.78%	\$7,004,415	6.11%
The Matisse*										
Prime (R&H Construction)	\$54,038,977	24	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$3,069,698	5.68%	\$2,072,624	3.84%	\$1,800,547	3.33%	\$6,942,869	12.85%
Second Tier			\$222,329	0.41%	\$3,445	0.01%	\$27,425	0.05%	\$253,199	0.47%
Combined Tiers			\$3,292,027	6.09%	\$2,076,069	3.84%	\$1,827,972	3.38%	\$7,196,068	13.32%
South Waterfront Park Improvements										
Prime (Nutter Corp.)	\$2,166,015	5	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$13,869	0.64%	\$238,035	10.99%	\$49,454	2.28%	\$301,358	13.91%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Combined Tiers			\$13,869	0.64%	\$238,035	10.99%	\$49,454	2.28%	\$301,358	13.91%
Subtotal All Projects										
Prime	\$170,901,034	49	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$3,553,352	2.08%	\$2,934,065	1.72%	\$1,937,791	1.13%	\$8,425,208	4.93%
Second Tier			\$405,909	0.24%	\$254,132	0.15%	\$5,416,592	3.17%	\$6,076,633	3.56%
Combined Tiers			\$3,959,261	2.32%	\$3,188,197	1.87%	\$7,354,383	4.30%	\$14,501,841	8.49%

*Privately owned

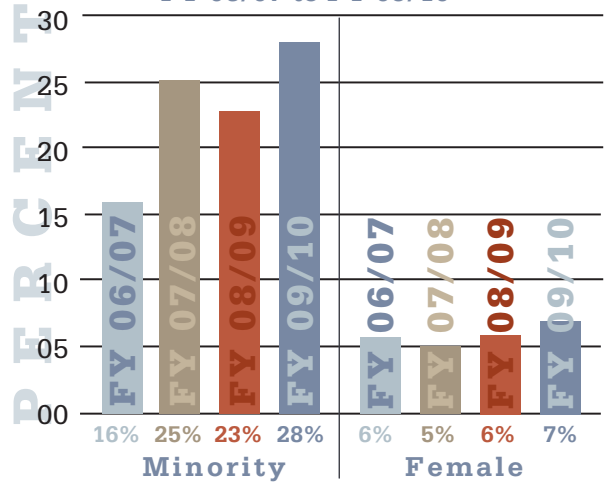
South Waterfront Central District Development Agreement Minority Business Enterprise Construction Utilization by Ethnicity

Reporting Period 7/1/09 Through 6/30/10

	Total MBE Dollars	Number of MBE Contracts	African American	% Total MBE Dollars	Asian American	% Total MBE Dollars	Hispanic Americans	% Total MBE Dollars	Native American	% Total MBE Dollars	Other Minority	% Total MBE Dollars	Combined MBE Dollars	% Total MBE Dollars
Mirabella @ South Waterfront*														
Prime (Hoffman Construction)	\$653,365	7	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$451,741	69.14%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$451,741	69.14%
Second Tier			\$38,000	5.82%	\$20,642	3.16%	\$0	0.00%	\$142,982	21.88%	\$0	0.00%	\$201,624	30.86%
Combined Tiers			\$489,741	74.96%	\$20,642	0.00%	\$0	0.00%	\$142,982	21.88%	\$0	0.00%	\$653,365	100.00%
The Matisse*														
Prime (R&H Construction)	\$3,292,027	5	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$145,635	0.00%	\$23,802	0.00%	\$2,900,261	0.00%	\$0	0.00%	\$0	0.00%	\$3,069,698	93.25%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$222,329	0.00%	\$0	0.00%	\$222,329	0.00%
Combined Tiers			\$145,635	0.00%	\$23,802	0.00%	\$2,900,261	0.00%	\$222,329	6.75%	\$0	0.00%	\$3,292,027	100.00%
South Waterfront Park Improvements														
Prime (Nutter Corp.)	\$13,869	1	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$0	0.00%	\$0	0.00%	\$13,869	0.00%	\$0	0.00%	\$0	0.00%	\$13,869	100.00%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Combined Tiers			\$0	0.00%	\$0	0.00%	\$13,869	0.00%	\$0	0.00%	\$0	0.00%	\$13,869	100.00%
Ongoing Projects and Projects Completed in Fiscal Year 2009-10														
TOTALS	\$3,959,261.00	13												
Prime			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$597,376	15.09%	\$23,802	0.60%	\$2,914,130	73.60%	\$0	0.00%	\$0	0.00%	\$3,535,308	89.29%
Second Tier			\$38,000	0.96%	\$20,642	0.52%	\$0	0.00%	\$365,311	9.23%	\$0	0.00%	\$423,953	10.71%
Combined Tiers			\$635,376	16.05%	\$44,444	1.12%	\$2,914,130	73.60%	\$365,311	9.23%	\$0	0.00%	\$3,959,261	100.00%

*Privately owned

**South Waterfront
Minority & Female Workforce Participation
FY 06/07 to FY 09/10**



**South Waterfront
Apprenticeship Participation**

Reporting Period 7/1/09 Through 6/30/10

Trades	Minority	Women	Trades	Minority	Women
Brick Mason	51%	0%	Carpenters	39%	14%
Cement Masons	53%	42%	Drywall	45%	17%
Electricians	25%	24%	Floor Coverers	14%	0%
Glaziers	22%	55%	Laborers	53%	53%
Ironworkers	25%	0%	Roofers	3%	8%
Painters	41%	28%	Operators	0%	0%
Plumbers	26%	13%	Sheet Metal	25%	12%
Plasterer/ Stucco Mason	32%	0%	Tile Setter	0%	0%
Insulation Worker	78%	7%			



SECTION FIVE: ACCOMPLISHMENTS AND ACKNOWLEDGEMENTS

I 2009/2010 Accomplishments

- The PDC Board adopted Resolution 6765 on January 27, 2010 establishing the Minority Evaluator Program.
- Conducted Minority Evaluator Program training sessions for prospective MEP evaluators and PDC staff.
- The PDC Board adopted Resolution 6787 on April 28, 2010, further amending the Business and Workforce Equity Policy to address Intergovernmental Agreements and adopt "Prompt Payment" language.
- Conducted a Prevailing Wage Training session for M/W/ESB contractors.
- Published 2008/2009 Annual Diversity in Contracting and Workforce Training report.
- Participated as an instructor in a purchasing training provided at the American Contracts Compliance Association.
- Participated on the Irvington Covenant Community Development Corporation's Constructing Hope pre-apprentice training advisory board.

II Acknowledgements

We would like to offer a special thanks to the individuals who put forth an extra effort this year to help make PDC a success in creating diversity in the contracting and workforce arena.

- City of Portland Bureau of Internal Business Services, Procurement Services
- Hispanic Metropolitan Chamber of Oregon
- Oregon Native American Chamber of Commerce
- Oregon Association of Minority Entrepreneurs
- Philippine American Chamber of Commerce of Oregon
- National Association of Minority Contractors of Oregon
- Metropolitan Contractors Improvement Partnership

SPECIAL THANKS

for creating diversity in contracting and workforce hiring



Bureau of Internal
Business Services,
Procurement Services



Oregon Association of Minority Entrepreneurs





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