

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: February 27, 2008
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 08-26
2006/07 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 Minority, Women and Emerging Small Business (M/W/ESB) contracting efforts and Workforce Diversity Initiative, a report has been prepared providing information and analysis about results for Fiscal Year 2007 (Attachment A). Highlights from the report include:

- This year's M/W/ESB utilization total was \$25,622,669, equaling 29.3 percent of the \$87,267,897 PDC funds expended for the applicable projects, which was significantly above the 20 percent goal. This equated to 5.78 percent of the entire project dollars of \$443,077,382.
- The Workforce Training and Hiring Program (WTHP) goal of 20 percent apprentice hours participation on PDC funded projects was surpassed again this year as 212,385 hours were worked by state registered apprentices, equaling 22 percent of the total project hours of 964,532. Of the total apprentice hours, 67,360 were worked by minorities and females for 32 percent of the apprentice hours. These hours were made up of 55,525 worked by minority males, 7,672 by minority females and 11,835 by non-minority females.

The figures above do not include the South Waterfront Project. The M/W/ESB utilization on this South Waterfront project was \$59,818,483 equating to 12.21 percent of the project and 76,500 apprentice hours equating to 21 percent of the 362,864 total hours. Also, of the total 362,864 hours worked on the project, 58,769 were worked by minorities and 21,603 were worked by women.

Staff anticipates expanding M/W/ESB utilization and workforce diversity efforts in early 2008 through development and implementation of the Business and Workforce Equity Initiatives adopted by the PDC Board during the 2006/2007 fiscal year.

BACKGROUND

For Fiscal Year 2005-2006, PDC established the following goals:

- Minority, Women and Emerging Small Business 20 Percent
- Workforce Training and Hiring Program – (apprentice hours) 20 Percent

The overall Minority, women and emerging small business (M/W/ESB) utilization for Fiscal Year 2006/2007 exceeded the 20 percent goal. This year's M/W/ESB utilization total came to \$25,622,669, equaling 29.3 percent of PDC funds expended for the applicable projects or 5.78 percent of the entire project expenditures.

The Workforce Training and Hiring Program (WTHP) goal of 20 percent apprentice hour participation on PDC funded projects was surpassed again this year. A total of 964,532 hours were worked on PDC supported projects by contractors subject to the Workforce Training and Hiring Program requirements this Fiscal Year with 212,385 of those hours worked by state registered apprentices, equaling 22 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 were not reached. The dollar total committed to M/W/ESB firms for South Waterfront projects in this report is \$59,818,483. This equates to 12.21 percent of construction costs. A total of 148,770 hours were worked on South Waterfront projects with WTHP requirements (Public Storage Demolition / Neighborhood Park Site and the OHSU Center for Health and Healing project). A total of 36,697 hours worked were worked by state registered apprentices, equaling 24.65 percent of the total project hours. An additional 123,967 hours were worked on City of Portland-owned construction projects (Aerial Tram, Street Car Extension and the Macadam Street Improvements project) in the South Waterfront project. Of those hours, 21,908 were worked by state registered apprentices, equating to 17.67 percent of the total project hours for City of Portland-owned construction projects in the South Waterfront.

On October 26th 2005, PDC's Board of Commissioners adopted Resolution No. 6309 establishing a Workforce Diversity Initiative and outlining a strategy for increasing female and minority representation in the construction trades. This initiative establishes phased goals for increasing diversity on all South Waterfront Development Agreement contingent projects with a final diversity goal of 35 percent (20 percent minority participation and 15 percent female participation) by the year 2013. To implement the goals of the Workforce Diversity initiative PDC worked with the construction trade unions, North Macadam Investors, Inc. and the Oregon Health Sciences University to draft the Project Apprenticeship Agreement South Waterfront Central District. This agreement was signed by all parties on December 14th 2005. All parties agreed to require the program on all contracts in effect as of the date of the agreement.

For this Fiscal Year report three projects (3720 Condominiums – Block 38, Alexan – Block 39 and the SW Moody Reconstruction project) were subject to this agreement. Total minority participation for these projects equaled 18,322 hours or 20.33 percent of the project hours. Program goal for Fiscal Year 2006/07 were of 14 percent of the project hours. The female

participation project goal for Fiscal Year 2006/07 was 6 percent. A total of 4,156 were worked by female employees, equaling 4.61 percent of the project hours.

The Business and Workforce Equity Policy is anticipated to be presented to the PDC Board for adoption in early 2008. The policy supports Portland Development Commission's [PDC's] commitment to provide opportunities for State certified Minority, Women and Emerging Small Businesses [M/W/ESBs] to participate on both direct contracting and PDC sponsored projects; increases the capacity of these firms to perform; and reaffirms PDC's commitment to diversify the construction workforce with women and people of color as outlined in The PDC Construction Wage Policy. This policy works with and references the City of Portland's Workforce Training and Hiring Program, the City of Portland's EEO Certification Program, and PDC's Construction Wage Policy.

ATTACHMENTS:

A. 2006/07 Annual Diversity Report

CC: L. Burnette, Community Relations and Business Equity Director
L. Andrews, Professional Services Manager
M. Baines, General Counsel
J. Jackley, Executive Operations Manager



MINORITY, WOMEN, AND
EMERGING SMALL BUSINESSES

2006-2007 ANNUAL
DIVERSITY
IN CONTRACTING
AND WORKFORCE
TRAINING REPORT

AND SOUTH WATERFRONT CENTRAL
DISTRICT DIVERSITY
IN CONTRACTING AND
WORKFORCE REPORT



Investing in Portland's Future
PDC

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Dear Mayor Potter, City Council, and PDC Board members, and citizens:

Our commitment to meeting positive change for a more diverse workforce and equitable contracting environment has never been stronger. This report shows that strength.

Dollars spent with minority-owned, women-owned and emerging small businesses (M/W/ESBs) this fiscal year (July 1, 2006 to June 30, 2007) increased by over \$11.5 million or 82 percent to \$25,622,669. We also exceeded our M/W/ESB Utilization Goal of 20 percent of PDC's contribution in a project by 49 percent, equaling 29.3 percent. But we are capable of much more. With our private sector partners, for example, we're already starting to achieve higher participation in workforce diversity.

Beyond the numbers, the pages of this report tell many stories. The stories describe partnerships between the public and private sectors; pushing beyond barriers and requirements to embrace the spirit of diversity; large firms mentoring small firms; voluntary efforts by truly community-minded local companies; and small, minority and woman-owned businesses ready to grow. This year's report finds women apprentice ironworkers wielding rotary hammers on the upper floors of waterfront tower construction projects.

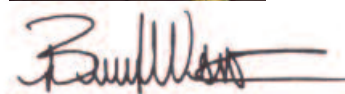
In 2007 I hired Lolita Burnette to lead the newly created department of Community Relations and Business Equity. Lolita and her team began by listening to the developer and contractor communities – and especially to cultural communities. They challenged PDC to step up to the plate and do things differently. And we said yes, we can do that.

In addition to meeting with numerous business chambers and groups, PDC created a Contracting Advisory Committee in March 2007 and a Developer's Roundtable in August. These groups are advising us and challenging us to go beyond our current utilization goals. For example, we plan to base our M/W/ESB Utilization Goals on total hard construction cost, not just on the PDC contribution.



In our public-private partnerships in the South Waterfront Central District, the developers and general contractors are committed to making a demonstration project of diversifying the construction workforce. They are achieving tremendous success and are setting a benchmark for best practices in all PDC work.

Fiscal Year 2006-07 was a year of engaging the construction and development community around what we need to do differently if we're really serious about ensuring M/W/ESB businesses are able to participate equitably in our projects. I'm excited about our accomplishments to date and am even more excited about the changes we're just now implementing. I look forward to reporting our progress to you again next year.



Bruce Warner
Executive Director

Table of Contents

Section One: Fiscal Year 2006/2007 in Review	2
I. Summary and Key Findings	2
• M/W/ESB Contract Utilization Program	
• Workforce Training & Hiring Program	
II. Background and History	10
Section Two: Portland Development Commission's Diversity in Contracting and Workforce Training	11
I. PDC Outreach Efforts	11
II. 2006/2007 Program Results	15
III. Accomplishments	16
IV. Utilization Reports	17
Section Three: South Waterfront Central District Diversity In Contracting and Workforce Training Report	31
I. Introduction	31
II. Summary of M/W/ESB Contracting Utilization	31
III. Workforce Activity	35
IV. Outreach Activities	38
Section Four: Next Steps and Future Strategies	46
I. Business and Workforce Equity Policy	46
II. Other Future Strategies	47
III. Acknowledgements	47

Section One: Fiscal Year 2006/2007 in Review

I. SUMMARY AND KEY FINDINGS

M/W/ESB Contract Utilization Program

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. Additionally, this report includes the M/W/ESB utilization results for PDC’s personal services expenditures and the results of PDC’s workforce diversity and apprenticeship training efforts. The demonstration project for South Waterfront contracting and workforce diversity/ apprenticeship training results are discussed in Section Three of this report.

The combined construction and personal service utilization results for FY 2006/07 totaled \$25,622,669 or 29.3 percent of PDC’s total expenditures. This compares with FY 05/06 totals of \$14,079,251, an increase of \$11,543,418 or 82 percent more dollars spent with M/W/ESB firms. For construction only, this fiscal year’s utilization results equaled 29.6 percent of PDC’s financial contribution toward construction projects, exceeding the 20 percent goal based on PDC investment in a project.

A total of 155 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-one (51) of the 155 firms are Minority Business Enterprise (MBE) certified, 57 are Women Business Enterprise (WBE) certified, and the remaining 47 are Emerging Small Business (ESB) certified. Approximately 70 percent of the M/W/ESB firms in this fiscal year’s report are construction contractors.

	FY 2005/2006	FY 2006/2007
Total PDC Contract Expenditures	\$71,788,193	\$87,267,897
% M/W/ESB Utilization	19.6%	29.3%
Dollars Spent with M/W/ESB	\$14,079,251	\$25,622,669
\$ Increase Year Over Year		\$11,543,418
% Increase Year Over Year		82.0%

Looking at total PDC contract expenditures for both construction and personal services, MBE utilization led the way for the fourth consecutive year. MBE utilization equaled \$10,222,445, followed by WBE firms at \$8,131,087 and ESB firms at \$7,269,137. While the dollars spent with all groups rose, MBE utilization had the smallest percent increase.

	FY 2005/2006	% of Total Utilization	FY 2006/2007	% of Total Utilization	\$ Increase
Total M/W/ESB Expenditures	\$14,079,241		\$25,622,669		
MBE	\$7,674,294	54.5%	\$10,222,445	39.8%	\$2,548,151
WBE	\$2,965,105	21.1%	\$8,131,087	31.8%	\$5,165,982
ESB	\$3,439,852	24.4%	\$7,269,137	28.4%	\$3,829,285
		100%		100%	

Construction Utilization

A total of 42 construction projects with M/W/ESB utilization goals are included in this fiscal year's report, with 22 representing completed projects. Twenty-four of the projects in this year's report are construction loan projects. Six construction loan projects were for the creation or rehabilitation of low-income, affordable and market-rate rental housing. A total of 438 individual housing units will be created or rehabilitated when these six 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.

Howard S.Wright Construction ranked second in M/W/ESB utilization dollars, accounting for \$5,459,708. Looking only at MBE and WBE combined utilization dollars, Howard S. Wright ranked first, with \$4,407,657, and Walsh Construction rated second with \$3,193,711.

	FY 2005/2006		FY 2006/2007	
Total PDC Construction Expenditures		\$65,679,904		\$82,601,589
Total M/W/ESB Construction Expenditures	20.01%	\$13,144,797	29.63%	\$24,475,869
MBE	11.48%	\$ 7,547,946	11.35%	\$ 9,372,629
WBE	3.64%	\$ 2,387,740	9.59%	\$ 7,921,879
ESB	4.89%	\$ 3,209,111	8.69%	\$ 7,181,361

Don Geddes
Walsh Construction

For the past two years, Walsh Construction has been a leader in M/W/ESB utilization on PDC projects. Similar results were achieved on Housing Authority of Portland projects. Consequently, PDC asked Walsh to help us understand the role of the General Contractor in promoting M/W/ESB utilization. The firm also assisted with the Availability Analysis done by F.M. Burch & Associates, as part of the Business and Workforce Equity Initiative currently underway. Thanks to Walsh, we have learned many things that will help us in the future.



Walsh Construction has recruited and mentored small subcontractors since its early days as a federal Housing and Urban Development contractor. That experience taught Walsh lessons it continues to apply in hiring minority- and women-owned subcontractors and in diversifying its workforce.

Walsh actively seeks minority- and women-owned firms, supports workforce training programs, and works to help subcontractors grow their businesses. It has mentored smaller, minority-owned competitors and encourages its own subcontractors to mentor their minority and women partners, as well.

The company's outreach efforts got started after realizing the traditional way it recruited – using friends of friends – was too insular. “When your starting workforce is white, Anglo-Saxon men, so are many of their friends,” says Don Geddes, a Walsh partner and senior project manager. Walsh project managers now recruit from organizations such as Oregon Association of Minority Entrepreneurs, Oregon Tradeswomen and Portland YouthBuilders.

Among ways to promote diversity in subcontracting, Walsh developed a bid scoring system – now available on PDC's contracting web page. The plan awards points for minority or woman ownership as well as for meeting 20 percent job-site diversity minimums. The firm also has hired a full-time diversity outreach and workforce training coordinator.

Walsh believes its diversity efforts pay off for everyone. “The leadership of our company has always embraced the idea that the community we live in is only as good as we help make it,” Geddes says. “As everyone participates and does better, the community does better, and we do better.”

MBE Construction Participation by Ethnicity

Of this year's \$24,475,869 M/W/ESB construction utilization, African American-owned MBE construction firms accounted for nearly 20 percent of total M/W/ESB utilization, and 50 percent of MBE utilization at \$4.6 million. The next highest utilization total went to Hispanic-owned businesses at \$3 million or 12.5 percent of the total M/W/ESB utilization. Asian-owned, Native American-owned and other minority-owned businesses accounted for \$1,744,173, approximately seven percent of all M/W/ESB utilization. See page 24, Construction Contracting by Ethnicity for more details.

Forty different MBE-certified firms worked on or have contracts to work on PDC-supported construction projects for this fiscal year. Of those 40, 16 are African American-owned, 13 are Hispanic American-owned, five are Asian American-owned, four are Native American-owned and two businesses are certified in the Other Minority category.

Construction Contracting by Ethnicity

Total M/W/ESB Expenditures	FY 2005/2006		FY 2006/2007	
	\$13,144,797	% of M/W/ESB	\$24,475,869	% of M/W/ESB
African American	\$3,597,051	27.36%	\$4,574,225	18.69%
Asian American	\$1,493,770	11.36%	\$1,574,614	6.44%
Hispanic American	\$2,358,560	17.94%	\$3,054,231	12.49%
Native American	\$98,065	.75%	\$60,609	.25%
Other Minority	\$500	.00%	\$108,950	.45%
Total MBE Expenditures	\$7,547,946	61.72%	\$9,372,629	38.29%

Personal Services Prime Consultant Utilization

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 M/W/ESB utilization increased this years in dollar total over the previous year and percentage utilization from the previous fiscal year increased by 33 percent. Thirty-seven (37) different M/W/ESB personal service providers worked for PDC in fiscal year 2006/07 for a total of \$1,146,800 or 24.58 percent utilization. See pages 28 and 29, Personal Services Contracting Report for more details.

Nineteen of the 37 M/W/ESB certified personal services firms receiving PDC contracts were WBE certified. However, MBE firms surpassed WBE firms in terms of total dollar expenditures in FY 2006/07, changing the trend of the four previous years.



Faye Burch
F.M. Burch & Associates

When Faye Burch advises woman-owned, minority-owned or emerging small businesses on how to succeed, she speaks from experience.

The owner and president of F.M. Burch & Associates, Burch has built a successful, woman- and minority-owned business that specializes in public involvement, M/W/ESB and diversity program management and community and business development. Burch was named the U.S. Small Business Administration's Pacific Northwest Region and Oregon Minority Small Business Champion Award Winner for 2007. She also received the Minority Business Opportunity Committee's 2007 award for Professional Service Firm of the Year and Small Business Administration Minority Small Business Champion.

Burch now uses the talents, skills and contacts she developed in government (including four years serving as Senior Policy Advisor for Inter-Governmental Affairs and Small Business to former Oregon Governor Barbara Roberts), community activism and business in the service of M/W/ESB participation goals. Her clients include general contractors, design companies and developers as well as public agencies such as PDC.

As important as the M/W/ESB certification is for small businesses, it's not enough, Burch counsels. Contractors must also perform well and market themselves. And in the construction business, marketing often means shaking hands and networking. "Who do people do business with? They do business with people they know," Burch says. For this very reason, she often sponsors networking opportunities when working to increase participation on projects.

Burch also helps contractors develop services for which there is demand but limited supply, something she calls "building capacity." "If you have other skills just as strong as your main focus, look at where some of the gaps are in the M/W/ESB community and further develop some of those skills," she says. To help firms build capacity, she will find experienced mentors to show them the ropes.

Burch looks forward to the day her services are obsolete. In the meantime, she'll do her best to ensure small minority, woman-owned and emerging small businesses get a fair opportunity to participate in public contracting.

M/W/ESB Utilization for Personal Services

Total Personal Services Expenditures	FY 2005/2006		FY 2005/2006	
		\$5,763,289		\$4,666,307
Personal Services Expenditures	14.96%	\$862,206	24.58%	\$1,146,800
MBE	2.02%	\$116,425	18.21%	\$849,816
WBE	9.01%	\$519,440	4.48%	\$209,208
ESB	3.93%	\$226,341	1.88%	\$87,776

This marks the first year PDC will report on Flexible Services contracting. Flexible services contracts allow PDC to use the services of a provider on an as-needed basis. In FY 2006/07, PDC administered 150 flexible services contracts, of which 49 contracts were awarded to M/W/ESB firms – 33 percent M/W/ESB utilization for flexible services.

Workforce Training and Hiring Program

The City of Portland, Bureau of Purchases, administers the Workforce Training and Hiring Program (WTHP) for the Portland Development Commission.

The goal of the WTHP is to ensure that city agencies, including PDC, do business with contractors whose workforce reflects the diversity of the workforce found in the Portland metropolitan area. Through the WTHP, the prime contractor and qualifying sub-contractors are required to provide 20 percent of total hours worked on a project, per trade, through apprenticeship hours.

Construction Activity

During FY 2006-07, the Bureau of Purchases monitored workforce participation on 29 PDC projects, with more than 200 subcontractors subject to the WTHP requirements. More than 950,000 hours were worked during this fiscal year. A total of 362,864 hours were worked on projects within the South Waterfront Central District, which will be discussed separately. A breakdown of hours worked is shown in the table, below.

	FY 2005-2006		FY 2006-2007	
Total PDC Workforce Hours	1,139,587		964,532	
Minority Hours	248,075	22%	222,448	23%
Caucasian Female Hours	20,557	2%	22,864	2%
Total Apprenticeship Hours (all apprentices)	266,974	23%*	212,385	22%*
Minority and Female Apprentice Hours	64,274	24%**	67,360	32%**
Minority/Male Apprentice Hours as a % of Apprentice Hours		24%	47,853	23%**
Minority Female Apprentice Hours			7,672	4%**
Caucasian Female Apprentice Hours			11,835	6%**

*as a percent of all hours worked **as a percent of apprentice hours

Maurice Rahming
O'Neill Electric

Even as a teenager, Maurice Rahming had no doubt he would one day own his own electrical contracting business. Apprenticing right out of high school and then progressing through licensed journeyman wireman, foreman and general foreman roles, he turned that dream into reality in 1998, when he and Alida O'Neill formed O'Neill Electric. Rahming serves as president and general manager of the Portland firm, specializing in electrical design, construction and project management.



O'Neill Electric overcame the challenge of starting a small, minority-owned business in a new market through hard work and determination. The key, Rahming said, was getting the opportunity to prove they could produce quality work at competitive prices. He did that by making contacts with large general contractors who were willing to give O'Neill Electric a chance. Starting with small projects, O'Neill compiled a positive track record, leading to more and larger jobs, including recent work on PDC-funded projects at Wentworth Subaru, Leander Court Apartments, Lincoln Woods Apartments and the Urban League Plaza.

Today, Rahming has built O'Neill Electric into a company with nearly \$5 million in annual revenues and 22 employees. O'Neill Electric was named the Minority Business Opportunity Committee Construction Contractor of the Year for 2007. Yet as much as the company has grown, it still faces obstacles as it competes against larger firms. He'd like to see PDC and other agencies to advocate for general contractors to hire M/W/E/SB firms and involve them earlier in the design process – providing that critical “foot in the door” to produce a thorough, competitive bid.

“It’s like getting a kid to eat something new and you say, ‘Try it. You might like it.’ Once we get a shot, we can prove our quality and know we will get called back to bid on more jobs, whether or not they mandate diversity.”

Participation by Race and Gender

During FY 06/07, the percent of minority apprenticeship participation increased slightly, though the number of minority hours dropped. The percent of participation and number of hours worked by African Americans, Asian Americans and Native Americans increased, when compared with last fiscal year (see graph on page 10). Only Hispanic workers saw a decline in the number of hours and percentage of participation on PDC projects.

The number of hours and percent of participation by Caucasian females also increased this fiscal year, from 1.8 to 2.4 percent, which is closer to the city's EEO availability of 2.97 percent.

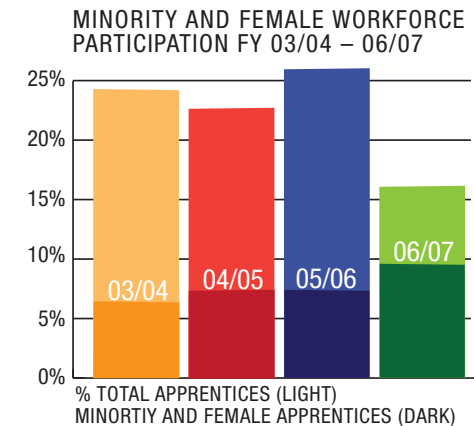
During FY 2006/07, apprentices worked more than 212,000 hours, or 22 percent of total hours. This is a slight decline in apprentice participation, when compared with last year's 23 percent but more than the 20 percent goal. Apprentice ratio to journey workers and safety issues impact the ability for higher utilization.

As one of the key elements of the WTHP, PDC staff continued to encourage the recruitment of women and minority apprentices. This fiscal year, women and minority apprentices worked more than 67,000 hours, or 32 percent of total apprentice hours. This is the highest level of minority and female apprentice participation within the prior three fiscal years. The trades women and minority apprentice participation were as follows:

Trades	Minority	Women	Trades	Minority	Women
Brick Masons	5%	0%	Carpenters	31%	12%
Cement Masons	2%	4%	Drywall	28%	3%
Electrician	18%	4%	Floor Coverers	3%	0%
Glaziers	33%	10%	Insulation	0%	2%
Ironworkers	23%	0%	Laborers	68%	24%
Painters	4%	12%	Plasterers	0%	0%
Plumbers	6%	0%	Roofers	44%	0%
Sheet Metal	10%	10%	Tile Setter	0%	0%

Laborers have the highest level of participation with both females and minorities.

Apprentice participation continues to be a key issue as we move forward into next fiscal year. There are several large construction projects underway in Portland, and we continue to see sporadic apprentice shortages in several trades. Therefore, it is imperative that we continue to work with Labor, Construction Apprentices Workforce Solutions (CAWS), community-based organizations and pre-apprentice programs to try to fulfill the increasing demand for diverse apprentices.



	FY 03/04	FY 04/05	FY 05/06	FY 06/07
Total Apprentices	21.76%	21.25%	23.43%	22.02%
Minority and Female Apprentices	4.14%	5.51%	5.64%	6.98%

The construction industry, like many industries, will face a labor shortage over the next decade due to the expected retirement of a large portion of the workforce. Coupled with the lengthy training period necessary to produce skilled workers (most apprenticeship programs take four years), apprentice training in general and the WTHP in particular are vital to ensuring the tomorrow's workforce needs are being addressed appropriately today.

II. BACKGROUND AND HISTORY

Disparity Study Commissioned

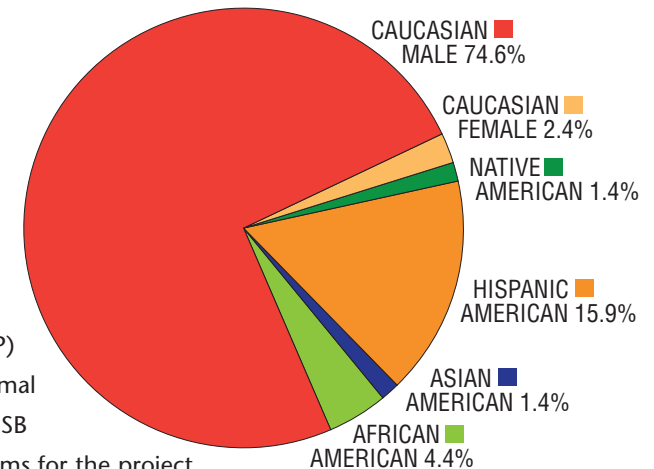
In late 1995, a consortium of 10 Oregon local and regional governmental entities commissioned a study to investigate participation in public construction projects by minorities and women in the various construction trades. The study also researched the awarding of public contracts for architectural and engineering services associated with construction projects. The following Portland Development Commission programs were established using information from this study.

Summary of PDC Programs:

Good Faith Effort Program

This program requires all prime contractors to make good-faith efforts (GFE) to reach the 20 percent M/W/ESB subcontractor utilization goal. The 20 percent subcontracting goal is tied to PDC's contribution to the project (i.e., each project goal is 20 percent of PDC's contribution.) The contractor is required to provide PDC with GFE supporting documentation if the 20 percent M/W/ESB utilization goal is not met. Supporting documentation includes outreach efforts to M/W/ESB firms for all subcontracted areas of work, follow-up contact logs and submission of the M/W/ESB bids received and rejected log for review by PDC staff.

PDC also requires a formal application of the M/W/ESB GFE program on all Request for Proposals (RFP) with anticipated personal service contracts of \$100,000 or greater. Respondents to RFP'S with the formal M/W/ESB GFE program requirements must include in their proposal any commitments to hire M/W/ESB subconsultants, as well as documentation of their efforts to partner with M/W/ESB personal service firms for the project. Efforts to involve M/W/ESB firms are included as part of the RFP evaluation criteria.



Workforce Training and Hiring Program

The Workforce Training and Hiring Program (WTHP) is administered by the City of Portland's Purchasing Bureau through an interagency agreement with PDC. The purpose of this program is to maximize apprenticeship and employment opportunities for minorities and women in the construction trades on PDC-supported projects. This program applies to direct-bid construction (PDC-owned construction) of \$200,000 or greater, on PDC construction-related projects other than direct-bid construction of \$1 million or more and subcontracts of \$100,000 or more. Through the WTHP, the prime contractor and qualifying subcontractors are required to provide 20 percent of total hours worked on a project, per trade, through apprenticeship hours.

Equal Employment Opportunity Compliance

Every firm completing more than \$2,500 of business with PDC annually must have Equal Employment Opportunity (EEO) certification. The EEO program is designed to assure that women and minorities have equal employment opportunities. An EEO certification program is a requirement for receiving federal funding. PDC participates in the regional EEO certification program managed by the City of Portland's Purchasing Bureau. If workforce composition does not reflect race and gender census data, a contractor may be required to take affirmative action to increase workforce diversity as a condition of re-certification.

Sheltered Market Program

The Sheltered Market Program is designed to maximize opportunities for qualified construction firms on selected projects less than \$200,000. Participating firms must be certified with the State of Oregon as a "Disadvantaged, Minority, Women or Emerging Small Business Enterprise" in specified construction areas. PDC partners with the City of Portland and Multnomah County to support this program.

Technical Assistance Program

PDC participates in the city's Technical Assistance Program. Technical assistance is available to all M/W/ESB firms bidding on or receiving PDC construction contracts. The program assists firms by providing free access to technical assistance relating to bid preparation, estimating, prevailing wage requirements and other public contracting requirements. Additional computer courses in basic accounting, word processing and spreadsheet applications are also available to M/W/ESBs.

Steve Deacon
SD Deacon Enterprise

When S.D. Deacon decided to purchase and renovate the old Copeland Lumber building at 901 N.E. Glisan Street, within sniffing distance of the Franz Bakery, it was a decision imbued with commitments.



It was a commitment to remain in Portland. A commitment to the Central Eastside Industrial District. A commitment to sustainability (the project achieved a LEED certification for green building.) And, after securing PDC loans and grants for the building improvements, a commitment to using at least 20 percent of the funds to hire M/W/ESB contractors.

S.D. Deacon, together with Elliott Associates, received the maximum allowable of (\$750,000) through a PDC Quality Jobs Program loan and an Economic Opportunity Fund grant. The loans and grants are funded by tax-increment urban renewal receipts in the Central Eastside Urban Renewal Area. The total investment by both companies amounted to more than \$7 million for purchase of the land and building, renovation, tenant improvements, machinery and equipment.

To anyone familiar with S.D. Deacon, none of these commitments come as a surprise. The West Coast-based general contractor places a high value on supporting the communities in which it works. In fact, S.D. Deacon's business practices earned it a 2007 Oregon Ethics in Business Award. The award recognizes businesses, non-profits and individuals that go beyond what is expected to "... demonstrate business excellence and the highest standards of ethical conduct, integrity and civic and social responsibility."

Among other factors, the award cited the company's practices of "reaching out to minority organizations and employing large numbers of minorities and older workers." In achieving more than 21 percent M/W/ESB utilization on the building project, S.D. Deacon worked with M/W/ESB firms it was already familiar with from previous outreach activities and existing relationships.

Steve Deacon, the company's namesake founder and CEO, advises M/W/ESB firms to contact the company and discuss their capabilities face-to-face. "This is a relationship-based industry, and it's important for us to get to know the people we're doing business with," Deacon says. "I would encourage contractors and subcontractors, if they want to work with us, to just walk in the front door. We're a very open company."

Section Two: Portland Development Commission's Diversity in Contracting and Workforce Training

I. PDC OUTREACH EFFORTS

PDC has worked hard to meet its goals for community outreach and promotion of diversity in the construction workforce. However, management and staff realize more is needed. A broader, agency-wide effort must be initiated to effectively meet the needs of the M/W/ESB community. Organizational changes, some already implemented and some yet to come, aim to address areas of improvement and will be discussed in the Future Strategies section of this report. Some of the efforts undertaken this past fiscal year include:

PDC membership in the following organizations:

- African American Chamber of Commerce of Oregon
- Construction Apprenticeship and Workforce Solutions, Inc.
- Evening Trades Apprenticeship Program
- Hispanic Metropolitan Chamber of Commerce of Oregon
- Minority Business Opportunity Committee
- National Association of Minority Contractors
- Oregon Association of Minority Entrepreneurs
- Oregon Native American Chamber of Commerce
- Oregon Tradeswomen, Inc.
- Partners in Diversity
- PDC's Contracting Advisory Committee
- Philippine American Chamber of Commerce of Oregon
- Portland Business Alliance
- Portland YouthBuilders
- South Waterfront Project Apprenticeship Agreement Oversight Committee
- Turner School of Construction Management
- U.S. Department of Labor - Job Corps

PDC participated in and/or sponsored the following trade shows and cultural events:

- 2007 Annual Meeting and Top Ten Growth Awards
- 8th Annual African American Alliance for Home-ownership Home Buying Fair Home buying Fair
- American Institute of Graphic Arts
- Asian American Business Alliance
- Asian Reporter Foundation Scholarship and Awards Banquet
- Black United Fund Dinner and Auction
- Chinese New Year Cultural Fair
- Doing Business with the City of Portland, Multnomah County and the Portland Development Commission Workshop
- Good in the Neighborhood
- Governor's Market Place Trade Show
- Hispanic Metropolitan Chamber of Commerce Employment and Contracting Tradeshow
- Latino Home Buyers Fair
- Lents Neighborhood Fair
- National Association of Minority Contractors Banquet
- Native American Chamber of Commerce Annual Gathering
- Oregon Association of Minority Entrepreneurs Trade Show and Conference
- Oregon Tradeswomen, Inc., Career Fair
- Oregon Vietnamese Fair
- Oregonians Against Discrimination
- PGE Diversity Summit
- Tet Festival



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
- Good Faith Effort Internet Page: [/www.pdc.us/pdf/pubs_general/good_faith.pdf](http://www.pdc.us/pdf/pubs_general/good_faith.pdf)
- Construction Trades Information for Minorities and Women:
www.pdc.us/mwesb/mwesb_construction.asp
- Internet posting of all formal contracting opportunities: www.pdc.us/login/welcome.asp
- The Skanner: www.theskanner.com

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 Internet 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.



II. 2006/2007 PROGRAM RESULTS

M/W/ESB contracts increase over life of project-overall

Thirteen construction projects that were included in last fiscal year's report as on-going were completed this fiscal year: Crane Building, Headwaters at Tryon Creek, Heritage Building, Madison Place, MLK & Fremont, Lincoln Woods, Our House, RiverEast, Roselyn Villa, The Oregon Clinic, Village at Headwaters, Weidler Commons and Yo Cream. Nine of the thirteen projects experienced an increase in M/W/ESB utilization dollars and percentages compared to the results from last fiscal year. The aggregate results for those nine show a significant increase in dollars, from \$3,690,589 in FY 2005/06 to \$5,000,304 in FY 2006/07, an increase of \$1,309,715. Over this period PDC's financial contribution decreased by \$128,076 on one construction project, and remained the same on the others. On these nine projects, the M/W/ESB aggregate utilization increased from 32 to 44 percent.



PDC's MWESB Team from left to right: Priscilla Salvador and John Classen, Contracts Compliance Coordinators; Linda Andrews, Professional Services Manager; Lolita Burnette, Director of Community Relations and Business Equity

PDC let 37 prime contracts for professional services to M/W/ESB (19 contracts) totaling \$1,146,800. MBEs received nine of those contracts totaling \$849,816 or 74.1 percent of total M/W/ESB utilization dollars.

A total of 400 firms are M/W/ESB certified with the State of Oregon in architecture, engineering, legal, professional and management development training, temporary staffing, remediation services and all other professional, scientific and technical services categories. These categories represent a significant portion of the personal services work for which PDC contracts. Of these 400 firms, 81, or 20 percent, are MBE certified. Another 183, or 45.8 percent, are WBE certified.

III. ACCOMPLISHMENTS

FY 2006/2007 saw a number of accomplishments in support of workforce diversity and utilization of State of Oregon-certified M/W/ESB firms.

- The 20 percent utilization goal for M/W/ESB firms was surpassed, with 29.6 percent utilization in construction and 24.6 percent utilization in personal services prime contracting. The 20 percent utilization goal is based on PDC's investment for the project.
- Apprentice hours equaled 22 percent of the total hours worked on PDC projects. This exceeds the goal of 20 percent.
- In March 2007, the M/W/ESB utilization requirements for PDC-funded projects were augmented to include negotiation of utilization goals for an entire construction project instead of only the PDC-funded portion of a project.
- In January 2007, the newly created Director of Community Relations and Business Equity (CRBE) position was filled by Lolita Burnette, a well known leader of diversity.
- The Contracting Advisory Committee (CAC) was created in April 2007 and consists of external stakeholders. The CAC's mission is to advise the Executive Director on proposed changes to PDC contracting and development processes to maximize access for and utilization of minority-owned, women-owned and emerging small businesses.
- CRBE staff worked with the PDC Risk Manager and Legal staff to ensure that bonding and insurance requirements were not hindering M/W/ESB firms.
- An additional position was added to the CRBE to provide consulting support to PDC project managers, developers and general contractors to ensure success.
- CBRE staff worked with F.M. Burch & Associates and Walsh Construction on an availability analysis of M/W/ESB's to perform on PDC contracts.

IV. UTILIZATION REPORTS

- Construction Projects list
- 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
- Personal Services Contracting By Ethnicity Report





Projects List (shaded lines represent completed projects)

Project Name	Prime Contractor
Armory	Hoffman Construction
Carl Greve Jewelers, Inc.	R & H Construction Co.
Copeland Building- Elliott Associates	SD Deacon Enterprise
Copeland Building- SD Deacon Enterprise	SD Deacon Enterprise
Crane Building	Walsh Construction
Eliot Tower	Howard S. Wright Construction
Heritage Building	Seabold Construction
Headwaters at Tryon Creek	R&H Construction
Lincoln Woods	Seabold Construction
Madison Place	Howard S. Wright Construction
Martin Luther King & Fremont	R & H Construction
Our House	Team Construction
Pisgah Colony & Harriet Court	LCM, Inc.
Rentrack	P&C Construction
River East	Howard S. Wright Construction
Roselyn Villa	Oregon Construction
SWF Parcel 8 ACM Removal	3 Kings Environmental
The Oregon Clinic	Hoffman Construction
Urban League Plaza	SeaBold Construction

Village at Headwaters	R&H Construction
Weidler Commons	Walsh Construction
Yo Cream International	Yo Cream International
Ararat Bakery	Cardinal Inv. Inc.
Civic Tower	Hoffman Construction
Chin's Export	JHC Commercial, LLC
Fremont Residential	Granite C & D
Headwaters Triangle	Kodiak Benge
Howard House	Seabold Construction Co.
Leander Court	Walsh Construction Co.
Lents Towncenter 1LLC	Lents Towncenter 1LLC
Queen of Sheba	Of The Eagle Construction
Smith Block	Bremik Construction
Starwood Luxury Hotel	Hoffman Construction
The Estate Building	Walsh Construction Co.
The Jeffrey	Howard S Wright Construction
Tryon Mews	LCM Inc.
Urban League Plaza	PCRI
Vanport Square	R&H Construction Co.
Waterleaf TI	Bremik Construction
Watershed at Hillsdale a.k.a. Bertha	Walsh Construction
Widmer Brothers Brewing Expansion	LCG Pence Construction
White Stag	Bremik Construction

February 27, 2008

Overall M/W/ESB Utilization

Reporting Period 7/1/06 Through 6/30/07

Contracting Type	Total PDC Portion*	Majority Firms	ESB	%	WBE	%	MBE	%	M/W/ESB	%
Construction	\$82,601,589	\$418,785,701	\$7,181,361	8.69%	\$7,921,879	9.59%	\$9,372,629	11.35%	\$24,475,864	29.63%
Professional Services	\$4,666,308	\$3,519,507	\$87,776	1.88%	\$209,208	4.48%	\$849,816	18.21%	\$1,146,800	24.58%
Professional Services Request for Proposals (RFP)		\$0	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
0.00%										
Totals	\$87,267,897	\$422,305,208	\$7,269,137	8.33%	\$8,131,087	9.32%	\$10,222,445	11.71%	\$25,622,669	29.36%

Overall Completed Projects M/W/ESB Utilization

Reporting Period 7/1/06 Through 6/30/07

Contracting Type	Total PDC Portion*	Majority Firms	ESB	%	WBE	%	MBE	%	M/W/ESB	%
Construction	\$38,628,005	\$205,751,578	\$3,411,153	8.83%	\$3,477,454	9.00%	\$4,049,052	10.48%	\$10,937,659	28.32%
Professional Services	\$4,666,307	\$3,519,507	\$87,776	1.88%	\$209,208	4.48%	\$849,816	18.21%	\$1,146,800	24.58%
Professional Services Request for Proposals (RFP)		\$0	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
0.00%										
Totals	\$43,294,312	\$209,271,085	\$3,498,929	8.08%	\$3,686,662	8.52%	\$4,898,868	11.32%	\$12,084,459	27.91%

Overall Ongoing Projects M/W/ESB Utilization

Reporting Period 7/1/06 Through 6/30/07

Contracting Type	Total PDC Portion*	Majority Firms	ESB	%	WBE	%	MBE	%	M/W/ESB	%
Construction	\$43,973,584	\$213,034,123	\$3,770,208	8.57%	\$4,444,425	10.11%	\$5,323,577	12.11%	\$13,538,210	30.79%
Professional Services	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Professional Services Request for Proposals (RFP)		\$0	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
0.00%										
Totals	\$43,973,584	\$213,034,123	\$3,770,208	8.57%	\$4,444,425	10.11%	\$5,323,577	12.11%	\$13,538,210	30.79%

*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 cost.

February 27, 2008

Total Construction Contracting Dollars

Reporting Period 7/1/06 Through 6/30/07

Project Type	Total Project	PDC Portion*	Majority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
Development	\$191,413,611	\$39,301,192	\$153,082,150	\$2,192,335	5.58%	\$3,449,409	8.78%	\$3,134,786	7.98%	\$8,776,530	22.33%
Direct Bid Projects	\$11,678,182	\$11,678,182	\$11,045,381	\$208,728	1.79%	\$104,727	0.90%	\$319,346	2.73%	\$632,801	5.42%
Enterprise Zone	\$21,382,954	\$1,021,260	\$94,084,486	\$538,513	52.73%	\$108,665	10.64%	\$305,000	29.87%	\$952,178	93.24%
Loan Construction	\$213,936,328	\$30,600,955	\$96,963,084	\$4,241,785	13.86%	\$4,259,078	13.92%	\$5,613,497	18.34%	\$14,114,360	46.12%
Totals	\$438,411,075	\$82,601,589	\$355,175,101	\$7,181,361	8.69%	\$7,921,879	9.59%	\$9,372,629	11.35%	\$24,475,869	29.63%

Total Construction Contracting Dollars - Completed Projects

Reporting Period 7/1/06 Through 6/30/07

Project Type	Total Project	PDC Portion*	Majority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
Development	\$123,746,129	\$19,113,770	\$105,524,217	\$1,155,076	6.04%	\$3,116,930	16.31%	\$2,812,086	14.71%	\$7,084,092	37.06%
Direct Bid Projects	\$11,222,585	\$11,222,585	\$74,655,981	\$208,728	1.86%	\$104,727	0.93%	\$319,346	2.85%	\$632,801	5.64%
Enterprise Zone	\$5,782,954	\$774,090	\$5,446,933	\$227,356	29.37%	\$108,665	14.04%	\$0	0.00%	\$336,021	43.41%
Loan Construction	\$34,991,201	\$7,517,560	\$20,124,447	\$1,819,993	24.21%	\$147,132	1.96%	\$917,620	12.22%	\$2,884,745	38.37%
Totals	\$175,742,869	\$38,628,005	\$205,751,578	\$3,411,153	8.83%	\$3,477,454	9.00%	\$4,048,692	10.48%	\$10,937,659	28.32%

Total Construction Contracting Dollars - Ongoing Projects

Reporting Period 7/1/06 Through 6/30/07

Project Type	Total Project	PDC Portion*	Majority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
Development	\$67,667,482	\$20,187,422	\$47,557,933	\$1,037,259	5.14%	\$332,479	1.65%	\$322,700	1.60%	\$1,692,438	8.38%
Direct Bid Projects	\$455,597	\$455,597	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Enterprise Zone	\$15,600,000	\$247,170	\$88,637,553	\$311,157	125.89%	\$0	0.00%	\$305,000	123.40%	\$616,157	249.28%
Loan Construction	\$178,945,127	\$23,083,395	\$76,838,637	\$2,421,792	10.49%	\$4,111,946	17.80%	\$4,695,877	20.34%	\$11,229,615	48.65%
Totals	\$262,668,206	\$43,973,584	\$213,034,123	\$3,770,208	8.57%	\$4,444,425	10.11%	\$5,323,577	12.11%	\$13,538,210	30.79%

*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.

Development Agreement - Contracting Dollars

Reporting Period 7/1/06-6/30/07

Project Name	Total Construction	PDC Invested Amount	Basis for M/W/ESB Goal	Minority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
Fremont Residential	\$1,329,646	\$205,000	\$205,000	\$877,776	\$0	0.00%	\$0	0.00%	\$36,965	18.03%	\$36,965	18.03%
Lents Towncenter 1LLC	\$2,033,197	\$307,188	\$307,188	\$1,621,844	\$206,804	67.32%	\$0	0.00%	\$98,426	32.04%	\$305,230	99.36%
Starwood Luxury Hotel*	\$58,554,405	\$13,925,000	\$13,925,000	\$42,710,402	\$0	0.00%	\$8,640	0.06%	\$160,109	1.15%	\$168,749	1.21%
Vanport Square	\$5,750,234	\$6,800,000	\$5,750,234	\$2,347,911	\$830,455	14.44%	\$323,839	5.63%	\$27,200	0.47%	\$1,181,494	20.55%
Armory*	\$19,407,388	\$6,600,000	\$6,600,000	\$16,756,232	\$778,463	11.79%	\$151,959	2.30%	\$198,895	3.01%	\$1,129,317	17.11%
Eliot Tower	\$61,350,000	\$3,806,000	\$3,806,000	\$53,062,314	\$0	0.00%	\$1,713,708	45.03%	\$648,307	17.03%	\$2,362,015	62.06%
Heritage Building	\$2,964,447	\$2,450,000	\$2,450,000	\$1,219,740	\$161,240	6.58%	\$15,335	0.63%	\$745,484	30.43%	\$922,059	37.64%
Madison Place	\$4,250,967	\$500,000	\$500,000	\$2,926,853	\$83,814	16.76%	\$16,406	3.28%	\$820,284	164.06%	\$920,504	184.10%
MLK & Fremont	\$2,256,975	\$2,187,770	\$2,187,770	\$2,685,081	\$12,952	0.59%	\$0	0.00%	\$0	0.00%	\$12,952	0.59%
River East*	\$12,010,522	\$3,000,000	\$3,000,000	\$11,238,267	\$8,995	0.30%	\$141,742	4.72%	\$333,421	11.11%	\$484,158	16.14%
The Oregon Clinic*	\$21,505,830	\$570,000	\$570,000	\$17,635,730	\$109,612	19.23%	\$1,077,780	189.08%	\$65,695	11.53%	\$1,253,087	219.84%
Totals	\$191,413,611	\$40,350,958	\$39,301,192	\$153,082,150	\$2,192,335	5.58%	\$3,449,409	8.78%	\$3,134,786	7.98%	\$8,776,530	22.33%
Totals for All Completed Projects	\$123,746,129	\$19,113,770	\$19,113,770	\$105,524,217	\$1,155,076	6.04%	\$3,116,930	16.31%	\$2,812,086	14.71%	\$7,084,092	37.06%
Totals for All Ongoing Projects	\$67,667,482	\$21,237,188	\$20,187,422	\$47,557,933	\$1,037,259	5.14%	\$332,479	1.65%	\$322,700	1.60%	\$1,692,438	8.38%

*Additional \$2,007,006 in second tier subcontractor utilization reported on the Starwood

*Additional \$1,496,222 in second tier subcontractor utilization reported on the Armory

*Additional \$154,974 in second tier subcontractor utilization reported on the River East

*Additional \$1,075,234 in second tier subcontractor utilization reported on The Oregon Clinic.

February 27, 2008

Direct Bid Projects - Contracting Dollars

Reporting Period 7/1/06 Through 6/30/07

Project Name	Total PDC Dollars	Majority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
The Headwaters Triangle	\$455,597	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Headwaters at Tryon Creek	\$10,260,537	\$74,319,308	\$208,728	2.03%	\$104,727	1.02%	\$319,346	3.11%	\$632,801	6.17%
SWF Parcel 8 ACM Removal	\$962,048	\$336,673	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Totals	\$11,678,182	\$74,655,981	\$208,728	1.79%	\$104,727	0.90%	\$319,346	2.73%	\$632,801	5.42%
Total for All Completed Projects	\$11,222,585	\$74,655,981	\$208,728	1.86%	\$104,727	0.93%	\$319,346	2.85%	\$632,801	5.64%
Total for All Ongoing Projects	\$455,597	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%

Enterprise Zone - Contracting Dollars

Reporting Period 7/1/06 Through 6/30/07

Project Type	Total Construction	Enterprise Zone Tax Abatement Utilization Basis	Majority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	%
Chin's Imports	\$1,600,000	\$105,000	\$318,000	\$0	0.00%	\$0	0.00%	\$305,000	290.48%	\$305,000	290.48%
Widmer Brothers Brewing Expansion	\$14,000,000	\$142,170	\$88,319,553	\$311,157	218.86%	\$0	0.00%	\$0	0.00%	\$311,157	218.86%
Yo Cream International	\$5,782,954	\$774,090	\$5,446,933	\$227,356	29.37%	\$108,665	14.04%	\$0	0.00%	\$336,021	43.41%
Totals	\$21,382,954	\$1,021,260	\$94,084,486	\$538,513	52.73%	\$108,665	10.64%	\$305,000	29.87%	\$952,178	93.24%
Total for All Completed Projects	\$5,782,954	\$774,090	\$5,446,933	\$227,356	29.37%	\$108,665	14.04%	\$0	0.00%	\$336,021	43.41%
Total for All Ongoing Projects	\$15,600,000	\$247,170	\$88,637,553	\$311,157	125.89%	\$0	0.00%	\$305,000	123.40%	\$616,157	249.28%

Loan Construction - Contracting Dollars

Reporting Period 7/1/06-6/30/07

Project Name	Total Construction	PDC Invested Amount	Basis for M/W/ESB Goal	Minority Firms	ESB	%	WBE	%	MBE	%	Total M/W/ESB	% of PDC
Ararat Bakery	\$938,000	\$553,000	\$553,000	\$108,500	\$85,000	15.37%	\$0	0.00%	\$2,000	0.36%	\$87,000	15.73%
Civic Tower*	\$63,500,000	\$1,000,000	\$1,000,000	\$49,571,349	\$845,533	84.55%	\$2,267,738	226.77%	\$559,837	55.97%	\$3,673,108	367.31%
Howard House*	\$2,097,119	\$1,001,646	\$1,001,646	\$303,983	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Leander Court	\$5,517,140	\$576,670	\$576,670	\$2,997,264	\$153,693	26.65%	\$9,725	1.69%	\$778,660	135.03%	\$942,078	163.37%
Queen of Sheba	\$895,000	\$650,000	\$650,000	\$38,837	\$0	0.00%	\$2,575	0.40%	\$63,977	9.84%	\$66,652	10.24%
Smith Block	\$63,332,611	\$990,000	\$990,000	\$3,940,800	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
The Estate Building	\$9,342,810	\$5,308,596	\$5,308,596	\$4,624,969	\$0	0.00%	\$989,073	18.63%	\$317,143	5.97%	\$1,306,216	24.61%
The Jeffrey	\$10,217,858	\$9,152,342	\$9,152,342	\$4,954,544	\$959,242	10.48%	\$705,346	7.71%	\$28,443	0.31%	\$1,693,031	18.50%
Tryon Mews	\$1,744,476	\$188,911	\$188,911	\$160,522	\$4,180	2.21%	\$0	0.00%	\$115,973	61.39%	\$120,153	63.60%
Urban League Plaza - PCRI	\$100,898	\$669,000	\$100,898	\$44,996	\$5,000	4.96%	\$8,750	8.67%	\$42,217	41.84%	\$55,967	55.47%
Waterleaf TI	\$550,188	\$129,600	\$129,600	\$352,390	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Watershed at Hillsdale Aka Bertha	\$7,655,059	\$766,732	\$766,732	\$4,788,415	\$155,654	20.30%	\$128,739	16.79%	\$901,329	117.55%	\$1,185,722	154.65%
White Stag	\$13,053,968	\$2,665,000	\$2,665,000	\$4,952,068	\$213,490	8.01%	\$0	0.00%	\$1,886,298	70.78%	\$2,099,788	78.79%
Carl Greve Jewelers, Inc.	\$820,573	\$549,900	\$549,900	\$286,076	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Copeland Building/Elliott Associates	\$390,270	\$235,525	\$235,525	\$275,221	\$29,947	12.71%	\$17,988	7.64%	\$0	0.00%	\$47,935	20.35%
Copeland Building/S D Deacon	\$1,261,924	\$514,475	\$514,475	\$1,067,713	\$68,883	13.39%	\$40,950	7.96%	\$0	0.00%	\$109,833	21.35%
Crane Building	\$11,301,536	\$1,320,000	\$1,320,000	\$7,351,078	\$681,833	51.65%	\$0	0.00%	\$0	0.00%	\$681,833	51.65%
Lincoln Woods	\$6,678,376	\$450,000	\$450,000	\$3,861,077	\$548,633	121.92%	\$53,090	11.80%	\$343,204	76.27%	\$944,927	209.98%
Our House	\$2,336,565	\$750,000	\$750,000	\$1,572,021	\$18,958	2.53%	\$380	0.05%	\$149,708	19.96%	\$169,046	22.54%
Pisgah Colony & Harriet Court	\$734,662	\$646,900	\$646,900	\$429,400	\$34,141	5.28%	\$15,075	2.33%	\$19,250	2.98%	\$68,466	10.58%
Rentrak	\$936,891	\$748,000	\$748,000	\$397,592	\$211,384	28.26%	\$0	0.00%	\$48,981	6.55%	\$260,365	34.81%
Roselyn Villa	\$479,030	\$276,334	\$276,334	\$270,885	\$46,309	16.76%	\$15,985	5.78%	\$31,594	11.43%	\$93,888	33.98%
Urban League Plaza - Seabold	\$525,000	\$525,000	\$525,000	\$143,400	\$0	0.00%	\$3,664	0.70%	\$95,530	18.20%	\$99,194	18.89%
Village at Headwaters	\$8,615,799	\$641,742	\$641,742	\$4,168,473	\$109,039	16.99%	\$0	0.00%	\$160,311	24.98%	\$269,350	41.97%
Weidler Commons Improvement	\$910,575	\$859,684	\$859,684	\$301,511	\$70,866	8.24%	\$0	0.00%	\$69,042	8.03%	\$139,908	16.27%
Totals	\$213,936,328	\$31,169,057	\$30,600,955	\$96,963,084	\$4,241,785	13.86%	\$4,256,503	13.91%	\$5,613,497	18.34%	\$14,114,360	46.12%
Totals for All Completed Projects	\$34,991,201	\$7,517,560	\$7,517,560	\$20,124,447	\$1,819,993	24.21%	\$147,132	1.96%	\$917,620	12.22%	\$2,884,745	38.37%
Totals for All Ongoing Projects	\$178,945,127	\$23,651,497	\$23,083,395	\$76,838,637	\$2,421,792	10.49%	\$4,109,371	17.80%	\$4,695,877	20.34%	\$11,229,615	48.65%

*Additional \$3,385,842 of second tier utilization reported on the Civic Tower

*Additional \$56,960 of second tier utilization reported on the Howard House

*Additional \$99,000 of second tier utilization reported on the Smith Block

*Additional \$4,100 of second tier utilization reported on the Waterleaf TI

February 27, 2008

Construction Contracting by Ethnicity

Reporting Period 7/1/06 Through 6/30/07

Project Type	Total M/W/ESB	African American	%	Asian American	%	Hispanic American	%	Native American	%	Other Minority	%	Total MBE Utilization	% of Total
Development	\$8,776,530	\$1,490,556	16.98%	\$752,498	8.57%	\$880,104	10.03%	\$11,628	0.13%	\$0	0.00%	\$3,134,786	35.72%
Direct Bid Projects	\$632,801	\$12,580	1.99%	\$0	0.00%	\$306,766	48.48%	\$0	0.00%	\$0	0.00%	\$319,346	50.47%
Enterprise Zone	\$952,178	\$0	0.00%	\$0	0.00%	\$305,000	32.03%	\$0	0.00%	\$0	0.00%	\$305,000	32.03%
Loan Construction	\$14,114,360	\$3,071,089	21.76%	\$822,116	5.84%	\$1,562,361	11.09%	\$48,981	0.35%	\$108,950	0.77%	\$5,613,497	39.77%
Total PDC Construction Funding	\$24,475,869	\$4,574,225	18.69%	\$1,574,614	6.44%	\$3,054,231	12.49%	\$60,609	0.25%	\$108,950	0.45%	\$9,372,629	38.29%

Construction Contracting by Ethnicity - Completed Projects

Reporting Period 7/1/06 Through 6/30/07

Project Type	Total M/W/ESB	African American	%	Asian American	%	Hispanic American	%	Native American	%	Other Minority	%	Total MBE Utilization	% of Total
Development	\$7,084,092	\$1,326,139	18.72%	\$600,982	8.48%	\$873,337	12.33%	\$11,628	0.16%	\$0	0.00%	\$2,812,086	39.70%
Direct Bid Projects	\$632,801	\$12,580	1.99%	\$0	0.00%	\$306,766	48.48%	\$0	0.00%	\$0	0.00%	\$319,346	50.47%
Enterprise Zone	\$336,021	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Loan Construction	\$2,884,745	\$201,690	6.99%	\$133,672	4.63%	\$533,277	18.48%	\$48,981	1.70%	\$0	0.00%	\$917,620	31.80%
Total PDC Construction Funding	\$10,937,659	\$1,540,409	14.08%	\$734,654	6.72%	\$1,713,380	15.66%	\$60,609	0.55%	\$0	0.00%	\$4,049,052	37.02%

Construction Contracting by Ethnicity - Ongoing Projects

Reporting Period 7/1/06 Through 6/30/07

Project Type	Total M/W/ESB	African American	%	Asian American	%	Hispanic American	%	Native American	%	Other Minority	%	Total MBE Utilization	% of Total
Development	\$1,692,438	\$164,417	9.71%	\$151,516	8.95%	\$6,767	0.40%	\$0	0.00%	\$0	0.00%	\$322,700	19.07%
Direct Bid Projects	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Enterprise Zone	\$616,157	\$0	0.00%	\$0	0.00%	\$305,000	49.50%	\$0	0.00%	\$0	0.00%	\$305,000	49.50%
Loan Construction	\$11,229,615	\$2,869,399	25.55%	\$688,444	6.13%	\$1,029,084	9.19%	\$0	0.00%	\$108,950	0.97%	\$4,695,877	41.82%
Total PDC Construction Funding	\$13,538,210	\$3,033,816	22.41%	\$839,960	6.20%	\$1,340,851	9.90%	\$0	0.00%	\$108,950	0.80%	\$5,323,577	39.32%

Development Agreement Contracting by Ethnicity

Reporting Period 7/1/06 through 6/30/07

Project Name	African American	Asian American	Hispanic American	Native American	Other Minority	Total MBE Utilization
Fremont Residential	\$36,965					\$36,965
Lents Towncenter 1 LLC		\$98,426				\$98,426
Starwood Luxury Hotel*	\$107,019	\$53,090				\$160,109
Vanport Square	\$20,433		\$6,767			\$27,200
Armory*	\$191,148		\$7,747			\$198,895
Eliot Tower		\$272,260	\$376,047			\$648,307
Heritage Building	\$217,038	\$42,507	\$485,939			\$745,484
Madison Place	\$786,749	\$29,931	\$3,604			\$820,284
MLK & Fremont	0					0
River East*	\$65,509	\$256,284		\$11,628		\$333,421
The Oregon Clinic	\$65,695					\$65,695
Totals	\$1,490,556	752,498	880,104	11,628	0	3,134,786
Totals for All Completed Projects	\$1,326,139	600,982	873,337	11,628	0	2,812,086
Total for All Ongoing Projects	\$164,417	151,516	6,767	0	0	322,700

*Additional \$26,258 in second tier MBE subcontractor utilization reported on the Starwood Luxury Hotel

*Additional \$22,295 in second tier MBE subcontractor utilization reported on the Armory

*Additional \$57,350 in second tier MBE subcontractor utilization reported on the River East.



Fremont Building ground breaking
from left to right: Developers Ron Sykes,
Rob Tucker and Abe Killings.

Direct Bid Projects Contracting by Ethnicity

Reporting Period 7/1/06 through 6/30/07

Project Name	African American	Asian American	Hispanic American	Native American	Other Minority	Total MBE Utilization
Headwaters Triangle	\$0	\$0	\$0	\$0	\$0	\$0
Headwaters at Tryon Creek	\$12,580	\$0	\$306,766	\$0	\$0	\$319,346
SWF Parcel 8 ACM Removal	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$12,580	\$0	\$306,766	\$0	\$0	\$319,346
Totals for All Completed Projects	\$12,580	\$0	\$306,766	\$0	\$0	\$319,346
Totals for All Ongoing Projects	\$0	\$0	\$0	\$0	\$0	\$0

Enterprise Zone Contracting by Ethnicity

Reporting Period 7/1/06 through 6/30/07

Project Name	African American	Asian American	Hispanic American	Native American	Other Minority	Total MBE Utilization
Chin's Imports	\$0	\$0	\$305,000	\$0	\$0	\$305,000
Widmer Brothers Brewing Expansion	0	0	0	0	0	\$0
Yo Cream International	0	0	0	0	0	\$0
Totals	\$0	\$0	\$305,000	\$0	\$0	\$305,000
Totals for All Completed Projects	\$0	\$0	\$0	\$0	\$0	\$0
Totals for All Ongoing Projects	\$0	\$0	\$305,000	\$0	\$0	\$305,000

Loan Contracting by Ethnicity

Reporting Period 7/1/06 Through 6/30/07

Project Name	African American	Asian American	Hispanic American	Native American	Other Minority	Total MBE Utilization
Ararat Bakery	\$2,000	\$0	\$0	\$0	\$0	\$2,000
Civic Tower*	\$273,260	\$277,048	\$9,529	\$0	\$0	\$559,837
Howard House*	\$0	\$0	\$0	\$0	\$0	\$0
Leander Court	\$478,204	\$157,781	\$142,675	\$0	\$0	\$778,660
Queen of Sheba	\$63,977	\$0	\$0	\$0	\$0	\$63,977
Smith Block	\$0	\$0	\$0	\$0	\$0	\$0
The Estate Building		\$208,193			\$108,950	\$317,143
The Jeffrey	\$28,443	\$0	\$0	\$0	\$0	\$28,443
Tryon Mews			\$115,973			\$115,973
Urban League Plaza - PCRI	\$42,217	\$0	\$0	\$0	\$0	\$42,217
Waterleaf TI	\$0	\$0	\$0	\$0	\$0	\$0
Watershed at Hillsdale Aka Bertha	\$95,000	\$45,422	\$760,907	\$0	\$0	\$901,329
White Stag	\$1,886,298	\$0	\$0	\$0	\$0	\$1,886,298
Carl Greve Jewelers, Inc.	\$0	\$0	\$0	\$0	\$0	\$0
Copeland Building/Elliott Associates	\$0	\$0	\$0	\$0	\$0	\$0
Copeland Building/S D Deacon	\$0	\$0	\$0	\$0	\$0	\$0
Crane Building						\$0
Lincoln Woods	\$99,451	\$0	\$243,753	\$0	\$0	\$343,204
Our House	\$2,000	\$112,244	\$35,464	\$0	\$0	\$149,708
Pisgah Colony & Harriet Court	\$0	\$0	\$19,250	\$0	\$0	\$19,250
Rentrak	\$0	\$0	\$0	\$48,981	\$0	\$48,981
Roselyn Villa	\$11,386	\$8,966	\$11,242	\$0	\$0	\$31,594
Urban League Plaza - Seabold	\$30,787	\$0	\$64,743	\$0	\$0	\$95,530
Village at Headwaters	\$0	\$1,486	\$158,825	\$0	\$0	\$160,311
Weidler Commons Improvement	\$58,066	\$10,976	\$0	\$0	\$0	\$69,042
Totals	3,071,089	822,116	1,562,361	48,981	108,950	5,631,497
Totals for All Completed Projects	201,690	133,672	533,277	48,981	0	917,620
Totals for All Ongoing Projects	2,869,399	688,444	1,029,084	0	108,950	4,695,877

February 27, 2008

Personal Services Contracting Report

Reporting Period 7/1/06 Through 6/30/07

Page 33 of 52

Contractor	MBE	% of Total MBE	WBE	% of Total WBE	ESB	% of Total ESB	Total M/W/ESB	% of Total M/W/ESB
TAMPERE ELECTRIC	\$700	0.08%		0.00%		0.00%	\$700	0.02%
ASH CREEK ASSOCIATES, INC		0.00%	\$6,874	3.29%		0.00%	\$6,874	0.15%
BAINBRIDGE DESIGN, INC		0.00%	\$275	0.13%		0.00%	\$275	0.01%
BAY AREA ECONOMICS		0.00%	\$1,700	0.81%		0.00%	\$1,700	0.04%
BLUE LINE WRITING & EDITING		0.00%	\$7,582	3.62%		0.00%	\$7,582	0.16%
BLUEDOT GROUP, LLC		0.00%		0.00%	\$5,408	6.16%	\$5,408	0.12%
BOLY WELCH INC		0.00%	\$7,619	3.64%		0.00%	\$7,619	0.16%
BOOKIN GROUP, THE		0.00%	\$2,056	0.98%		0.00%	\$2,056	0.04%
BROOKS STAFFING	\$87,264	10.27%		0.00%		0.00%	\$87,264	1.87%
CARLETON-HART ARCHITECTURE PC	\$4,311	0.51%		0.00%		0.00%	\$4,311	0.09%
COMMUNITAS LLC		0.00%	\$2,503	1.20%		0.00%	\$2,503	0.05%
DAO ARCHITECTURE LLC	\$104,247	12.27%		0.00%		0.00%	\$104,247	2.23%
DECA ARCHITECTURE INC		0.00%		0.00%	\$7,094	8.08%	\$7,094	0.15%
DECISIONS DECISIONS		0.00%		0.00%	\$2,238	2.55%	\$2,238	0.05%
EMERICK ARCHITECTS PC		0.00%	\$6,230	2.98%		0.00%	\$6,230	0.13%
EMMONS ARCHITECTS, INC.		0.00%	\$38,640	18.47%		0.00%	\$38,640	0.83%
ENVIROISSUES		0.00%	\$6,468	3.09%		0.00%	\$6,468	0.14%
FERRARINI & ASSOCIATES INC		0.00%		0.00%	\$11,442	13.04%	\$11,442	0.25%
FLOWING SOLUTIONS LLC		0.00%		0.00%	\$29,934	34.10%	\$29,934	0.6
FM BURCH ASSOCIATES	\$13,784	1.62%		0.00%		0.00%	\$13,784	0.30%
HAHN AND ASSOCIATES, INC		0.00%		0.00%	\$6,777	7.72%	\$6,777	0.15%
HALLOCK MODEY, INC		0.00%	\$4,925	2.35%		0.00%	\$4,925	0.11%
HANAMURA CONSULTING, INC	\$209,881	24.70%		0.00%		0.00%	\$209,881	4.50%

February 27, 2008

Personal Services Contracting Report (cont.)

Reporting Period 7/1/06 Through 6/30/07

Contractor	MBE	% of Total MBE	WBE	% of Total WBE	ESB	% of Total ESB	Total M/W/ESB	% of Total M/W/ESB
HUMAN RESOURCE SPECIALTIES INC		0.00%	\$743	0.35%		0.00%	\$743	0.02%
JONES STOCHOSKY ENVIRONMENT LAB		0.00%	\$330	0.16%		0.00%	\$330	0.01%
KJM & ASSOCIATES		0.00%	\$4,813	2.30%		0.00%	\$4,813	0.10%
KLK CONSULTING		0.00%	\$9,720	4.65%		0.00%	\$9,720	0.21%
LUPIN LLP		0.00%	\$2,125	1.02%		0.00%	\$2,125	0.05%
MAYER/REED		0.00%	\$20,820	9.95%		0.00%	\$20,820	0.45%
MICHAEL MCCULLOCH ARCHITECTS		0.00%		0.00%	\$7,675	8.74%	\$7,675	0.16%
NEVUE NGAN & ASSOCIATES	\$33,191	3.91%		0.00%		0.00%	\$33,191	0.71%
NORTH, INC	\$389,290	45.81%		0.00%		0.00%	\$389,290	8.34%
ODEN-ORR LAW	\$7,149	0.84%		0.00%		0.00%	\$7,149	0.15%
PROJECT MANAGEMENT RESOURCES		0.00%		0.00%	\$1,560	1.78%	\$1,560	0.03%
STAFFING SOLUTIONS, LLC		0.00%	\$79,487	37.99%		0.00%	\$79,487	1.70%
TEVLIN STRATEGIC COMMUNICATION		0.00%		0.00%	\$15,648	17.83%	\$15,648	0.34%
WORDS BY MALLIRIS		0.00%	\$6,300	3.01%		0.00%	\$6,300	0.14%
Totals	\$849,816	100.00%	\$209,208	100.00%	\$87,776	100.00%	\$1,146,800	100.00%
Percentage of Total Expenditures		18.21%		4.48%		1.88%		24.58%

Total Expenditures Professional Services	\$4,666,307
Majority Firm Expenditures	\$3,519,507
M/W/ESB Expenditures	\$1,146,800
M/W/ESB % of Total Expenditures	24.58%

Personal Services Contracting By Ethnicity Report

Reporting Period 7/1/06 Through 6/30/07

Project Name	African American	Asian American	Hispanic American	Native American	Other Minority	Total MBE Utilization
Professional Services	\$113,209	\$736,607	\$0	\$0	\$0	\$849,816
Totals	\$113,209	\$736,607	\$0	\$0	\$0	\$849,816

Section Three: South Waterfront Central District Diversity in Contracting and Workforce Training Report

I. INTRODUCTION

Four years after initiating the South Waterfront Central District Project Development Agreement, significant progress has been made toward both the development objectives and the business and workforce equity objectives. Three high-rise construction projects were completed in fiscal 2006-07: the Oregon Health Science University (OHSU) Center for Health & Healing, the Meriwether Condominiums and the John Ross Condominiums. During FY 06/07 and into FY 07/08, work has continued on the Atwater Place Condominiums and 3720 Condominiums, and work has started on one new project, the Alexan.

In addition to these mostly privately funded projects, the City of Portland completed construction on the Portland Aerial Tram and the Portland Streetcar extension to Southwest Moody and Gibbs streets. In the near future, work will begin on the Block 49 affordable housing project and the Block 31 senior living project.

Section three of this report will highlight progress that has been made toward the Minority/Woman/Emerging Small Business contracting goals and the construction and workforce training and workforce diversification goals that are contained in the South Waterfront Central District Project Development Agreement.

II. SUMMARY OF M/W/ESB CONTRACTING UTILIZATION

With the exception of the Public Storage Demolition/Neighborhood Park Site project, PDC has not directly contributed to the construction costs of any of the South Waterfront projects covered in this report. With \$59,818,483 contracted with M/W/ESB businesses for the projects in this report, the effort and participation from PDC's public and private sector developer and contractor partners is commendable. It is important to note, the South Waterfront utilization figures in this report include all available data through the end of June 2007, as well as any contract amendments that may not have been included in monthly updates to PDC's Board of Commissioners.

The M/W/ESB utilization dollars equate to 12.21 percent of the construction costs for all of the projects. The two most recent projects to break ground, the 3720 Condominiums and the Alexan, have combined to significantly increase the utilization percentage when compared with the prior fiscal year, increasing from 9.44 percent to the current 12.21 percent.

A total of 126 separate subcontracts with M/W/ESB-certified firms comprise the utilization total. A little more than one-third (43) of those contracts were awarded to certified Minority Business Enterprises. The dollar value of those 43 contracts equals 14.43 percent of the total M/W/ESB utilization. This is also an increase over the prior fiscal year, when the MBE portion equaled 9.52 percent of the M/W/ESB total. Women Business Enterprises continue to represent the largest utilization percentage, with 46.9 percent of the total M/W/ESB dollars.

Reporting Approach

The large scale of most construction projects outlined in the South Waterfront Development Agreement (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 (contracts directly with the prime contractor for the project). Smaller M/W/ESB firms also were hard-pressed to meet bonding and insurance requirements. In recognition of these challenges, PDC, along with its South Waterfront DA partners, decided to expand M/W/ESB reporting to include tracking of M/W/ESB certified prime contractors and second-tier contractors.

As mentioned above, with two small exceptions, none of the projects covered in this year's report received any PDC financing. Nevertheless, the South Waterfront DA created a new standard for M/W/ESB utilization. Rather than set utilization goals based on PDC's financial contributions, the agreement partners expanded the goals and measured M/W/ESB utilization efforts against overall construction costs for each project. Just over 79 percent (\$44.7 million) of South Waterfront M/W/ESB utilization included in this report occurred on privately funded projects with no PDC financial assistance. Additionally, another \$11.9 million in M/W/ESB utilization was achieved on the OHSU Center for Health & Healing.

Yet another change in goals and measurement resulted from the unique challenges to achieving M/W/ESB utilization on large projects. In recognition of these challenges and through discussions with the South Waterfront DA partners, an agreement was reached to measure utilization results for the large vertical construction projects against each project's direct cost of work rather than each project's construction contract value. Using this method, the percentages reported for each high-rise construction project reflect a percentage of the total work subcontracted out, including material purchase contracts.

This method excludes from the equation those costs within each project's construction contract that offer little or no M/W/ESB utilization potential such as the following: builders risk insurance, permits and fees, contractor-provided workers, compensation and general liability insurance for subcontractors, general contractor and subcontractor bonds, supervision, project administration, and many others.

Challenges

Recently, PDC, in partnership with Walsh Construction and F.M. Burch & Associates, conducted a capacity and availability analysis of certified firms by scope of work. The purpose of the analysis was to compare the capacity and availability of certified firms to work on low-rise, wood-frame construction projects vs. high-rise, concrete and steel construction projects. This analysis will be performed periodically to ensure PDC understands the demographics of the M/W/ESB contractor market.

Our analysis found adequate capacity and availability to set aggressive M/W/ESB participation goals for the various types of construction projects that PDC supports. However, the availability and capacity vary considerably, depending on the type of project. For low-rise, wood-frame construction, the study found capacity and availability for almost every scope of work. However, for the high-rise, concrete and steel construction projects, approximately 40 percent of specialty disciplines showed no current availability or capacity. The following scopes of work, in particular, were determined to have little or no availability: cast-in-place concrete, curtain wall, brick and concrete block masonry, traffic coating, waterproofing and fire protection. The lack of availability in these scopes of work represents both a challenge and an opportunity.

Success Stories

Two approaches to increasing M/W/ESB participation have been most successful. One is the partnering of larger, first-tier, non-certified subcontractors with smaller, M/W/ESB, second-tier subcontractors. Another is the parceling of large scopes of work into smaller pieces to increase the number of opportunities for small businesses. This separation process can happen at the design level, but more often it occurs at the subcontractor level.

While some work is difficult to separate due to warranty and liability concerns (e.g. electrical and plumbing), other types of work lend themselves more easily to partition. For example, Hoffman Construction, Performance Contracting Inc. (PCI) and Professional Lath and Plaster, an MBE-certified business, have put considerable effort into making their subcontracting relationship work on the 3720 Condominiums.

Hoffman Construction's Project Manager, Bart Dickson, and its Project Superintendent, Adam Bonner, laid the groundwork by encouraging subcontractor-to-subcontractor relationships as a means to boost M/W/ESB participation. First-tier subcontractors were asked to identify portions of their work that they could subcontract to an M/W/ESB business. Hoffman let subcontractors know that M/W/ESB participation was a project-wide expectation.

Along with Hoffman Construction, PCI Project Manager Reese Deewall worked with Professional Lath and Plaster owner Nathaniel Hartley to develop a successful strategy. PCI leveraged its purchasing power to obtain project materials at discounts unavailable to smaller businesses. PCI also had Professional Lath and Plaster work through the project in three-floor increments; this benefited both businesses by allowing each to get comfortable with the other in stages.

While relatively new to the lath and plaster trade as a business owner, Nathaniel Hartley had years of experience as a journey-level trade worker. This included work on many large projects over the past two decades. Hartley has enthusiastically embraced this opportunity to work with one of the largest general contractors and one of the largest drywall contractors in the area. Professional Lath and Plaster's work on the project has progressed steadily, and Hartley looks forward to more opportunities to bid on future work.



Dike Dame, developer,
Williams and Dame
Development

Another M/W/ESB certified subcontractor on the 3720 Condominiums is Faison Construction. Faison has worked successfully both as a subcontractor to Hoffman Construction, performing a variety of job services-related projects, and as a second-tier subcontractor to Hoffman Structures, which is responsible for the cast-in-place concrete work on the project.

Faison's work with Hoffman Structures may lead to additional work on non-PDC-supported projects throughout the city.

Yet another certified business on the 3720 Condominiums, City of Roses Disposal and Recycling LLC, has impressed Hoffman staff with its service. Often, drop box and recycling services are procured for a project outside of the standard bid process by the project's superintendent. The 3720 Condominiums project was no exception. Without a project-wide, all-opportunities emphasis, contracts such as this are often overlooked. Hoffman is achieving results, however, with a commitment to maximizing opportunities and results from the executive level to the project level. As with Faison Construction above, City of Roses may realize additional opportunities with Hoffman in the future.



Bart Eberwein
Hoffman Construction

Getting a minority- or woman-owned business started on the job sometimes starts with a knock on the door, says Hoffman Construction's Adam Bonner. Bonner is project superintendent of the 3720 Condominiums, a 30-story South Waterfront condo tower planned for completion in late 2008.

"A minority-owned union carpentry firm came and knocked on my door and said they were interested in doing some work," Bonner says. The firm lacked the financial resources to purchase the required insurance or job materials. So Hoffman picked up the insurance and bought the concrete. With its foot in the door, the firm performed well and has continued to build its resume with Hoffman.

One of the largest general contractors in Portland, "Hoffman places diversity on par with the four traditional building drivers of schedule, budget, quality and safety," says Bart Eberwein, a Hoffman vice president. The company provides in-the-field assistance and mentoring to M/W/ESB firms not only to get them started on a job but to build a relationship and grow the firm's capacity for the long-term. It's partly out of self-interest—Hoffman needs a reliable supply of qualified, high-performing trades workers. And it's partly out of its value system. "It's good for the community to have all sectors of the society with a stake in building Portland," Eberwein says.

Hoffman supports apprenticeship and pre-apprenticeship programs as well as diversity contracting efforts. In fact, it sees the two as related. "If we can get qualified minorities and women to work in the field and learn their trade, then some will start their own businesses and become certified subcontractors," Bonner says. "One leads into the next, naturally."

III. WORKFORCE ACTIVITY

The table below outlines the fiscal year workforce diversity for projects in the South Waterfront Central District that are subject to the Project Apprenticeship Agreement. The 3720 Condominiums (Block 38) and the Alexan (Block 39) projects are the only two projects in this report that are covered by the Project Apprenticeship Agreement, several additional projects will break ground next fiscal year. The workforce diversity goals for the two projects referenced above were eight percent participation by the combined journey and apprentice level workforce and 15 percent participation by people of color. All workforce reports are included in the following pages of this report.

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 following projects in the South Waterfront Central District were monitored by the Bureau of Purchases for compliance with the Workforce Training and Hiring Program (WTHP) or the Project Apprenticeship Agreement (PAA).

PDC-Owned & Privately Owned Projects

- OHSU Center for Health & Healing
- Public Storage Demolition/Neighborhood Park Site
- 3720 Condominiums - Block 38
- The Alexan – Block 39

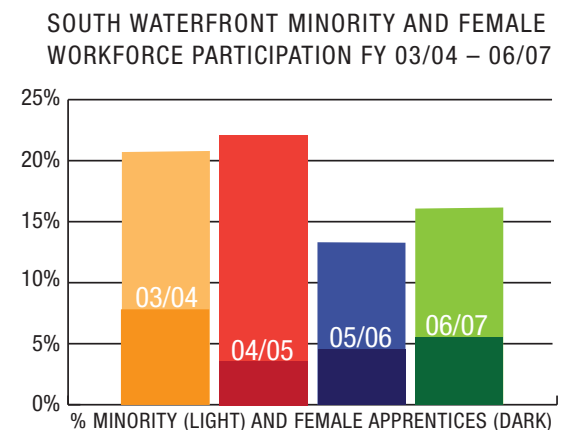
City of Portland Projects

- The Aerial Tram
- Streetcar Extension
- Macadam Street Improvements
- SW Moody Reconstruction

Five projects were subject to the WTHP requirements, while three projects were subject to the PAA. Workers logged 362,864 hours on these projects during FY 06/07. This marks a drop in hours compared with the prior fiscal year. The decline in hours likely stems from the completion of several of the larger projects in the Central District, including the OHSU Center for Health & Healing and the Portland Aerial Tram. Despite fewer total hours, however, participation by women and minorities increased on both publicly and privately financed projects.

Overall, minority participation on the South Waterfront projects exceeded 16 percent in FY 06/07. This represents a 14 percent increase in participation over FY 2005/2006. Female participation rose to nearly six percent of total hours worked.

In fiscal year 2006/07, the goal for minority participation on projects subject to the PAA was 14 percent. Both the Alexan and 3720 Condominiums projects exceeded this goal, with more than 20 percent participation. Female participation lagged, with both projects falling short of the six percent goal. Although the OHSU Center for Health & Healing was not subject to the PAA, the project came very close to achieving the minority goal at 13.5 percent, and exceeded the female participation goal, at just over six percent. (The South Waterfront Workforce Table is on page 45.)



Most promising is the workforce diversity of the apprentices working on PAA projects. Apprentices worked 17,924 hours on the three projects (SW Moody Street Reconstruction, 3720 Condominiums and the Alexan) subject to the PAA for this fiscal year. Just over 40.49 percent of the total apprentice hours were worked by minority apprentices, and 9.02 percent of the total apprentice hours were worked by female apprentices. While the workforce diversity goals for projects subject to the PAA apply to the combined journey and apprentice workforce, the best measure of success is through the diversity of apprentices on the job sites, as those apprentices will graduate into the journey workforce in the next several years.

When looking at all the projects underway in the South Waterfront Central District this fiscal year, apprentices worked over 76,500 hours, or just over 21 percent of total hours. This is a slight drop in apprentice participation, when compared with the prior fiscal year's 23 percent, but it still exceeds the 20 percent apprentice participation goal.

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. It is important to note, several of the trades (drywall, painters, plasterers and roofers) listed had so few apprentice hours worked that the participation percentage is not a statistically reliable measure of success.

Minority Highest Trade	%	Lowest Trade	%	Female Highest Trade	%	Lowest Trade	%
Carpenters	25%	Operators	96%	Carpenters	6%	Operators	47%
Cement Masons	12%	Painters	0%	Cement Masons	40%	Painters	0%
Drywall	100%	Plasterers	100%	Drywall	0%	Plasterers	0%
Electricians	5%	Plumbers	6%	Electricians	74%	Plumbers	8%
Glaziers	19%	Roofers	0%	Glaziers	0%	Roofers	0%
Ironworkers	49%	Sheet Metal	0%	Ironworkers	1%	Sheet Metal	15%
Laborers	52%			Laborers	3%		

While the PAA partners continue to work towards the diversity and apprenticeship goals of the agreement, the committee that oversees progress towards those goals recognizes that changing market conditions will play a significant roll in the overall success.

Kat Lakey
Apprentice, Ironworkers Local 29

Kat Lakey grew up learning how to use tools working around her dad, uncles and grandfather. So she always knew she wanted to work with her hands. Still, she didn't quite have the skills to get a good-paying job in the construction trades – until she found out about Oregon Tradeswomen, Inc.

OTI is a nonprofit dedicated to providing education, leadership and mentorship for women in the trades. Lakey enrolled in the organization's Trades and Apprenticeship Career class, a seven-week pre-apprenticeship program designed to help women prepare for a high-skill, high-wage construction career. The program provided hands-on training with skilled women instructors, classroom instruction in basic trades math, measurement, safety and construction culture, and exposure to different trades through visits to apprenticeship training centers and construction sites.

Following graduation from the program, Lakey applied for the apprenticeship program at Ironworkers Local 29. Today, she is working with structural steel as an apprentice ironworker on a high-rise tower in the South Waterfront. She uses a rotary hammer drill to prepare the concrete walls for the ledger angle iron, which will support the floors. She's looking forward to getting promoted to welder and moving on to a journeyman ironworker position in five years.

The work is physically challenging, by her own admission. But she's up for the challenge, in part to show that women can capably do the job. She recommends the work to anyone, including any woman, who not only is willing to work hard, but who also can bring initiative, drive and passion to the job.

"If you don't love what you do, then how are you going to get up at 4:45 every morning and go to work with a good attitude?" Lakey asks. "I've found something in my life I really enjoy doing, I get paid well, and I plan to keep doing it until I retire."



IV. OUTREACH ACTIVITIES

Diversifying the workforce on South Waterfront Central District projects was established as a priority through the project's development agreement. Progress toward the workforce diversity goals of the Project Apprenticeship Agreement (PAA) has been monitored at monthly oversight committee meetings. Here, project owners, PDC, trade unions and general contractors discuss compliance issues and strategies for increasing diversity on the job and in the apprenticeship programs. While all parties to the PAA are working toward the same objectives, the general contractors and their subcontractors ultimately bear responsibility for realizing the goals. Expectations are outlined in the PAA; however, implementing those expectations has required considerable effort by the contractors working on the PAA projects. Some of the activities that have been undertaken include job site tours and job fairs, with an emphasis on matching individual contractor needs to pre-apprentice programs. Pre-apprentice programs maintain a diverse, entry-level workforce. These pre-apprentice workers are just getting started in the construction industry and are typically interested in a broad range of employment and apprenticeship training opportunities.

During FY 06/07, Hoffman Construction coordinated numerous job site tours for apprenticeship and pre-apprenticeship programs, including Oregon Tradeswomen Inc., Job Corps, Portland Youth Builders and the Evening Trades Apprenticeship Program (ETAP). These tours provide pre-apprentices with a first-hand look at the work conditions they will experience on large construction projects as well as the types of activities they will perform once they are accepted into an apprenticeship program.

On June 6, 2007, Hoffman Construction sponsored a South Waterfront job fair to match the many training programs with six of the key subcontractors on the 3720 Condominium project. Job Corps, Portland Youth Builders, Oregon Tradeswomen Inc., Construction Apprenticeship & Workforce Solutions, Inc., ETAP, Irvington Covenant Project and Portland Community College all participated in the event. This event was intended to recruit women and minority individuals into pre-apprenticeship programs, to reinforce the links between the various pre-apprenticeship and apprenticeship programs, and to establish connections between the pre-apprenticeship programs and the contractors on the project. The event was well received and contributed to all three goals.

February 27, 2008

South Waterfront Central District Development Agreement Minority, Women and Emerging Small Business Construction Utilization

Ongoing Projects & Projects Completed in FY 06-07

	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 %
C*Block 25 - OHSU Center for Health & Healing										
	\$109,444,839	35								
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$835,006	0.76%	\$2,309,824	2.11%	\$1,290,109	1.18%	\$4,438,781	4.06%
Second Tier			\$430,838	0.39%	\$5,224,767	4.77%	\$1,777,035	1.62%	\$7,432,640	6.79%
Combined Tiers			\$1,265,844	1.16%	\$7,534,591	6.88%	\$3,067,144	2.80%	\$11,871,421	10.85%
Block 30 - Meriwether**										
	\$80,046,805	14								
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$304,307	0.38%	\$3,020,333	3.77%	\$620,887	0.78%	\$3,945,527	4.93%
Second Tier			\$268,965	0.34%	\$4,215,964	5.27%	\$1,316,205	1.64%	\$5,801,134	7.25%
Combined Tiers			\$573,272	0.72%	\$7,236,297	9.04%	\$1,937,092	2.42%	\$9,746,661	12.18%
Block 34 - Atwater**										
	\$83,393,758	19								
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$14,411	0.02%	\$3,153,853	3.78%	\$574,561	0.69%	\$3,742,825	4.49%
Second Tier			\$0	0.00%	\$3,340,106	4.01%	\$3,097,600	3.71%	\$6,437,706	7.72%
Combined Tiers			\$14,411	0.02%	\$6,493,959	7.79%	\$3,672,161	4.40%	\$10,180,531	12.21%
Block 35 - John Ross Tower**										
	\$82,649,991	20								
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$110,628	0.13%	\$0	0.00%	\$644,197	0.78%	\$754,825	0.91%
Second Tier			\$1,797,293	2.17%	\$3,431,571	4.15%	\$540,542	0.65%	\$5,769,406	6.98%
Combined Tiers			\$1,907,921	2.31%	\$3,431,571	4.15%	\$1,184,739	1.43%	\$6,524,231	7.89%
Block 38 - 3720 Condominium**										
	\$87,017,583	28								
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$3,642,138	4.19%	\$1,766,659	2.03%	\$3,334,299	3.83%	\$8,743,096	10.05%
Second Tier			\$1,136,161	1.31%	\$1,290,503	1.48%	\$2,928,836	3.37%	\$5,355,500	6.15%
Combined Tiers			\$4,778,299	5.49%	\$3,057,162	3.51%	\$6,263,135	7.20%	\$14,098,596	16.20%

South Waterfront Central District Development Agreement Minority, Women and Emerging Small Business Construction Utilization (cont.)

Ongoing Projects & Projects Completed in FY 06-07

	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 %
Block 39 - Alexan**										
	\$47,122,504	8								
Prime (Walsh Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$76,000	0.16%	\$301,418	0.64%	\$6,774,354	14.38%	\$7,151,772	15.18%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Combined Tiers			\$76,000	0.16%	\$301,418	0.64%	\$6,774,354	14.38%	\$7,151,772	15.18%
Public Storage Demolition / Neighborhood Park Site***										
	\$333,713	2								
Prime (Moore Excavation, Inc.)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$40,761	12.21%	\$0	0.00%	\$204,510	61.28%	\$245,271	73.50%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Combined Tiers			\$40,761	12.21%	\$0	0.00%	\$204,510	61.28%	\$245,271	73.50%
Subtotal for all active projects and projects completed this reporting period										
	\$490,009,193	126								
Prime			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$5,023,251	1.03%	\$10,552,087	2.15%	\$13,442,917	2.74%	\$29,022,097	5.92%
Second Tier			\$3,633,257	0.74%	\$17,502,911	3.57%	\$9,660,218	1.97%	\$30,796,386	6.28%
Combined Tiers			\$8,656,508	1.77%	\$28,054,998	5.73%	\$23,103,135	4.71%	\$59,818,483	12.21%

*Project construction costs paid by OHSU

**Project construction costs paid by private developers

***Project construction costs paid by PDC



February 27, 2008

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

Ongoing Projects & Projects Completed in FY 06-077

	Total MBE	Number of MBE Contracts	African American	% of Total MBE Dollars	Asian American	% of Total MBE Dollars	Hispanic American	% of Total MBE Dollars	Native American	% of Total MBE Dollars	Other Minority	% of Total MBE Dollars	Combined MBE Dollars	% of Total MBE Dollars
Block 25 - OHSU Center for Health & Healing*	\$1,265,844	9												
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$216,728	17.12%	\$11,480	0.91%	\$606,798	47.94%	\$0	0.00%	\$0	0.00%	\$835,006	65.96%
Second Tier			\$0	0.00%	\$0	0.00%	\$29,828	2.36%	\$401,010	31.68%	\$0	0.00%	\$430,838	34.04%
Combined			\$216,728	17.12%	\$11,480	0.91%	\$636,626	50.29%	\$401,010	31.68%	\$0	0.00%	\$1,265,844	100.00%
Block 30 - Meriwether**	\$573,272	6												
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$304,307	53.08%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$304,307	53.08%
Second Tier			\$2,520	0.44%	\$266,445	46.48%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$268,965	46.92%
Combined			\$306,827	53.52%	\$266,445	46.48%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$573,272	100.00%
Block 34 - Atwater**	\$14,411	3												
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$14,411	100.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$14,411	100.00%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Combined			\$14,411	100.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$14,411	100.00%
Block 35 - John Ross Tower**	\$1,907,921	11												
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$91,721	4.81%	\$0	0.00%	\$19,547	1.02%	\$0	0.00%	\$0	0.00%	\$111,268	5.83%
Second Tier			\$0	0.00%	\$800,239	41.94%	\$281,838	14.77%	\$714,576	37.45%	\$0	0.00%	\$1,796,653	94.17%
Combined			\$91,721	4.81%	\$800,239	41.94%	\$301,385	15.80%	\$714,576	37.45%	\$0	0.00%	\$1,907,921	100.00%
Block 38 - 3720 Condominium**	\$4,778,299	12												
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$1,916,375	40.11%	\$78,696	1.65%	\$17,148	0.36%	\$1,629,919	34.11%	\$0	0.00%	\$3,642,138	76.22%
Second Tier			\$171,723	3.59%	\$412,323	8.63%	\$0	0.00%	\$500,000	10.46%	\$52,115	1.09%	\$1,136,161	23.78%
Combined			\$2,088,098	43.70%	\$491,019	10.28%	\$17,148	0.36%	\$2,129,919	44.57%	\$52,115	1.09%	\$4,778,299	100.00%

*Project construction costs paid by OHSU

**Project construction costs paid by private developers

***Project construction costs paid by PDC

February 27, 2008

South Waterfront Central District Development Agreement Minority Business Enterprise Construction Utilization by Ethnicity (cont.)

Ongoing Projects & Projects Completed in FY 06-077

	Total MBE	Number of MBE Contracts	African American	% of Total MBE Dollars	Asian American	% of Total MBE Dollars	Hispanic American	% of Total MBE Dollars	Native American	% of Total MBE Dollars	Other Minority	% of Total MBE Dollars	Combined MBE Dollars	% of Total MBE Dollars
Block 39 - The Alexan**	\$76,000	1												
Prime (Walsh Construction)			\$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%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Second Tier			\$76,000	100.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$76,000	100.00%
Combined			\$76,000	100.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$76,000	100.00%
Public Storage Demolition /														
Neighborhood Park Site***	\$40,761	1												
Prime (Moore Excavation, Inc.)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$40,761	100.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$40,761	100.00%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Combined Tiers			\$40,761	100.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$40,761	100.00%
Subtotal for all active projects and projects completed this reporting period														
	\$8,656,508	43												
Prime			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$2,584,303	29.85%	\$90,176	1.04%	\$643,493	7.43%	\$1,629,919	18.83%	\$0	0.00%	\$4,947,891	57.16%
Second Tier			\$250,243	2.89%	\$1,479,007	17.09%	\$311,666	3.60%	\$1,615,586	18.66%	\$52,115	0.60%	\$3,708,617	42.84%
Combined			\$2,834,546	32.74%	\$1,569,183	18.13%	\$955,159	11.03%	\$3,245,505	37.49%	\$52,115	0.60%	\$8,656,508	100.00%

The MBE ethnicity data in this table was included for informational purposes only. The South Waterfront Central District Development Agreement does not include specific utilization goals for each ethnic category.

*Project construction costs paid by OHSU

**Project construction costs paid by private developers

***Project construction costs paid by PDC

3720 CONDOMINIUMS - BLOCK 38***

	A	J	TOTAL
Asian	0 0.00%	1,380 2.18%	1,380 1.71%
African American	2,535 14.65%	2,248 3.56%	4,783 5.94%
Caucasian	10,154 58.70%	53,738 85.02%	63,892 79.36%
Hispanic	3,123 18.05%	4,653 7.36%	7,776 9.66%
Native American	1,487 8.60%	1,189 1.88%	2,676 3.32%
Minority	7,145 41.30%	9,470 14.98%	16,615 20.64%
Female	1,334 7.71%	2,538 4.02%	3,872 4.81%
Total Hours	17,299 21.49%	63,208	80,507

THE ALEXAN - BLOCK 39***

	A	J	TOTAL
Asian	4 0.54%	257 3.00%	261 2.81%
African American	0 0.00%	319 3.73%	319 3.43%
Caucasian	520 70.46%	7,258 84.86%	7,778 83.72%
Hispanic	214 29.00%	513 5.99%	727 7.82%
Native American	0 0.00%	207 2.41%	207 2.22%
Minority	218 29.54%	1,295 15.14%	1,513 16.28%
Female	284 38.48%	0 0.00%	284 3.06%
Total Hours	738 7.94%	8,553	9,291

SW MOODY ST. RECONSTRUCTION***

	A	J	TOTAL
Asian	0 0.00%	66 22.26%	66 21.15%
African American	16 100.00%	0 0.00%	16 4.97%
Caucasian	0 0.00%	119 39.97%	119 37.98%
Hispanic	0 0.00%	0 0.00%	0 0.00%
Native American	0 0.00%	112 37.77%	112 35.90%
Minority	16 100.00%	178 60.03%	194 62.02%
Female	0 0.00%	0 0.00%	0 0.00%
Total Hours	16 4.97%	297	312

TOTALS

	A	J	TOTAL
Asian	4 0.02%	1,703 2.36%	1,707 1.89%
African American	2,551 14.13%	2,567 3.56%	5,118 5.68%
Caucasian	10,674 59.13%	61,114 84.81%	71,788 79.67%
Hispanic	3,337 18.48%	5,166 7.17%	8,503 9.44%
Native American	1,487 8.24%	1,507 2.09%	2,994 3.32%
Minority	7,379 40.87%	10,943 15.19%	18,322 20.33%
Female	1,618 8.96%	2,538 3.52%	4,156 4.61%
Total Hours	18,053 20.03%	72,057	90,110

* City of Portland Funded Projects
 ** OHSU Funded Projects
 *** privately Funded Projects

A=Apprentice Level J=Journey Level

OHSU RIVER CAMPUS BLDG.**

	A	J	TOTAL
Asian	1,804 4.92%	1,204 1.07%	3,008 2.02%
African American	2,087 5.69%	438 0.39%	2,525 1.70%
Caucasian	30,287 82.56%	98,379 87.80%	128,666 86.51%
Hispanic	1,503 4.10%	11,374 10.15%	12,877 8.66%
Native American	1,004 2.74%	656 0.59%	1,659 1.12%
Minority	6,397 17.44%	13,671 12.20%	20,068 13.49%
Female	4,682 12.76%	4,817 4.30%	9,499 6.39%
Total Hours	36,684 24.66%	112,050	148,734

AERIAL TRAM*

	A	J	TOTAL
Asian	929 6.00%	1,646 2.41%	2,575 3.07%
African American	240 1.55%	789 1.16%	1,029 1.23%
Caucasian	14,258 92.02%	62,464 91.45%	76,722 91.56%
Hispanic	68 0.44%	2,118 3.10%	2,185 2.61%
Native American	0 0.00%	1,285 1.88%	1,285 1.53%
Minority	1,236 7.98%	5,837 8.55%	7,073 8.44%
Female	2,168 13.99%	4,152 6.08%	6,320 7.54%
Total Hours	15,494 18.49%	68,301	83,795

SW MOODY DEMOLITION

	A	J	TOTAL
Asian	0 0.00%	0 0.00%	0 0.00%
African American	0 0.00%	0 0.00%	0 0.00%
Caucasian	13 100.00%	23 100.00%	36 100.00%
Hispanic	0 0.00%	0 0.00%	0 0.00%
Native American	0 0.00%	0 0.00%	0 0.00%
Minority	0 0.00%	0 0.00%	0 0.00%
Female	0 0.00%	0 0.00%	0 0.00%
Total Hours	13 36.62%	23	36

MACADAM AVE. STREET IMPROVEMENTS.*

	A	J	TOTAL
Asian	0 0.00%	0 0.00%	0 0.00%
African American	0 0.00%	0 0.00%	0 0.00%
Caucasian	0 0.00%	36 100.00%	36 100.00%
Hispanic	0 0.00%	0 0.00%	0 0.00%
Native American	0 0.00%	0 0.00%	0 0.00%
Minority	0 0.00%	0 0.00%	0 0.00%
Female	0 0.00%	0 0.00%	0 0.00%
Total Hours	0 0.00%	36	36

* City of Portland Funded Projects

** OHSU Funded Projects

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STREETCAR EXTENSION*

	A	J	TOTAL
Asian	0 0.00%	567 1.74%	567 1.45%
African American	858 13.49%	97 0.30%	954 2.45%
Caucasian	4,199 66.06%	21,631 66.28%	25,830 66.25%
Hispanic	0 0.00%	8,460 25.92%	8,460 21.70%
Native American	1,300 20.45%	1,879 5.76%	3,179 8.15%
Minority	2,178 34.26%	11,003 33.72%	13,180 33.80%
Female	1,010 15.89%	578 1.77%	1,588 4.07%
Total Hours	6,357 16.30%	32,634	38,990

TOTALS

	A	J	TOTAL
Asian	2,733 4.67%	3,417 1.60%	6,149 2.26%
African American	3,184 5.44%	1,323 0.62%	4,507 1.66%
Caucasian	48,757 83.28%	182,533 85.68%	231,290 85.16%
Hispanic	1,571 2.68%	21,952 10.30%	23,522 8.66%
Native American	2,304 3.93%	3,819 1.79%	6,123 2.25%
Minority	9,811 16.76%	30,510 14.32%	40,321 14.85%
Female	7,860 13.42%	9,547 4.48%	17,406 6.41%
Total Hours	58,548 21.56%	213,043	271,591

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South Waterfront Workforce Table (from page 36)

TOTAL	FY 03/04		FY 04/05		FY 05/06		FY 06/07	
	Hours Worked	% of Total	Hours Worked	% of Total	Hours Worked	% of Total	Hours Worked	% of Total
African American	1,020	3.44%	10,469	5.49%	14,831	2.80%	9,677	2.67%
Asian American	447	1.51%	1,119	0.59%	7,188	1.36%	7,856	2.17%
Hispanic American	4,184	14.12%	21,243	11.14%	38,461	7.26%	32,033	8.83%
Native American	636	2.15%	8,533	4.48%	12,792	2.41%	9,203	2.54%
Caucasian	23,350	78.79%	149,255	78.30%	456,554	86.17%	304,095	83.80%
Total	29,637		190,619		529,826		362,864	
Minority Hours	6,287	21.21%	41,798	21.93%	73,272	13.83%	58,769	16.20%
Female Hours	2,595	8.76%	7,145	3.75%	27,044	5.10%	21,603	5.95%
Apprentice Hours	5,485	18.51%	33,964	17.82%	123,334	23.28%	76,531	21.09%

*Minority female hours are include in both the "Minority Hours" total and the "Female Hours" total

Section Four: Next Steps and Future Strategies

A number of exciting changes are on the horizon for FY 07/08. Some of these changes include:

I. BUSINESS AND WORKFORCE EQUITY POLICY

- Business and Workforce Equity Policy will be recommended to the PDC Board as outlined below, including staff training, in early 2008:

The Business and Workforce Equity Policy supports PDC's commitment to provide opportunities for State certified Minority, Women and Emerging Small Businesses (M/W/ESBs) to participate on both direct contracting and PDC sponsored projects. It increases the capacity of these firms to perform; and reaffirms PDC's commitment to diversify the construction workforce with women and people of color as outlined in The PDC Construction Wage Policy. This policy works with and references the City of Portland's Workforce Training and Hiring Program, the City of Portland's EEO Certification Program, and PDC's Construction Wage Policy.

PDC's objective is to ensure fair and equitable contracting opportunities to Portland's diverse populations is pursued through two distinct programs: Business Equity which refers to businesses (formerly the City of Portland's Good Faith Effort Program); and Workforce Equity which refers to the construction workforce (inclusive of the City of Portland's Workforce Training and Hiring Program.)

The policy will replace PDC's Disparity Study Implementation Plan. Major highlights include:

- Retention of the current definition of M/W/ESBs as State certified firms. The definitions contained in ORS 200.005, are hereby incorporated for use in determining appropriate vendor certification status.
- Encouraging the use of veteran-owned businesses.
- Encouraging the use of veterans and persons with disabilities.
- Sets M/W/ESB utilization goals based on total hard construction costs and availability versus the PDC investment in a project.
- Provides PDC's support to developers and their general contractors to ensure success.
- Includes sanctions for failure to take procedural steps committed to in the Business Equity Plan and Workforce Equity Plan prepared by developers and incorporated as part of all contractual documents.
- The Business Equity Plan moves beyond current "good faith" outreach efforts and includes additional procedural steps for M/W/ESB outreach, capacity-building, and small-business friendly practices.

II. OTHER FUTURE STRATEGIES

- Transfer of M/W/ESB utilization and workforce data tracking to the City of Portland through an Intergovernmental Agreement with PDC.
- Amendment of the PDC Construction Wage Policy to include workforce diversity elements.
- Establishment of a Workforce Diversity Strategy Committee to develop an agreement between PDC and training organizations to work toward workforce diversity as outlined in the PDC Construction Wage Policy.
- Coordination with PDC Housing and Economic Development departments to establish a Developer's Roundtable as a forum for local developers and contractors on workforce diversity.
- Moving the PDC Purchasing and Contracting function into the CRBE Department to facilitate more aggressive inclusion of M/W/ESB firms in contracting opportunities.
- Lower website advertising thresholds for PDC-owned projects from \$100,000 to \$25,000 to provide better notification of smaller project opportunities.
- Updating the PDC website for access by non-English speaking community members.

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

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John Mohlis, PDC Commissioner

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Kathleen Thomas, Thomas/Wright, Inc.

Carolyn Wilson, Walsh Construction

Charles Wilhoite, PDC Commissioner



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