

Rose Quarter Community Benefits Subcommittee

Rose Quarter Community Benefits Subcommittee *Meeting Summary*

Thursday, August 12, 2010

5:30 p.m. – 7:30 p.m.

Location: Portland Development Commission (222 NW Fifth Avenue)

Committee Members Present

Sam Brooks	Nichole Maher
Gale Castillo	John Mohlis
Algie Gatewood	Skip Newberry
Mark Gregory	Cora Lee Potter
Roslyn Hill	Maurice Rahming
Heather Hoell	Traci Rose (for J. Isaac)
Sheila Holden (via conference call)	Charles Wilhoite (<i>Chair</i>)
Roy Jay	Jeri Williams
Larry Kotan	

Absent

Jorge Guerra
Damien Hall
Marissa Madrigal
Bill Ruff
Cameron Vaughan-Tyler

PDC Staff

Bob Alexander
Linda Andrews
Lisa Gramp
John Jackley
Alyson Schwieger
Kia Selley

Welcome and Introductions

Charles Wilhoite, acting as Chair of the Rose Quarter Community Benefits Subcommittee, called the meeting to order and welcomed subcommittee members. Committee members and PDC staff reintroduced themselves. Sheila Holden joined via conference call.

Committee Charter and Process, Request Log

Chair Wilhoite reviewed the committee [charter](#) and purpose: to assess the recommendations for workforce training and hiring returns, construction/contracting returns, local business returns, economic and non-economic returns on the public investment for the Rose Quarter redevelopment; this subcommittee will submit recommendations to the Rose Quarter Stakeholder Advisory Committee and the City to be included in the advisory committee's report and used in the subsequent negotiations with Portland Arena Management. Non-economic returns were included as a fifth category for the subcommittee's review. He also reviewed the [request log](#).

Chair Wilhoite noted that it is unlikely that a finished agreement will include every element recommended by this committee, and for that reason, the committee will be asked to prioritize their recommendations at the fourth and final meeting, which will take place on September 23rd.

Roy Jay inquired about the Mayor's plans for the Memorial Coliseum and how it relates to the Rose Quarter process.

Skip Newberry answered that the Mayor has essentially paused the Memorial Coliseum process to focus on plans for the Rose Quarter. Once there is a clear vision for the Rose Quarter district, which should take place over the next month, the Rose Quarter SAC will again turn their focus to the Memorial Coliseum. He clarified that the Rose Quarter SAC has identified key components from the three final proposals for Memorial Coliseum, and City and PDC staff are working with the potential developers to come on with one cohesive plan.

Kia Selley reiterated that the City has not yet chosen a developer for the Memorial Coliseum. (City Council is the entity that will make that decision.)

Chair Wilhoite noted that the community benefits that the subcommittee recommends will be put forward regardless of who the developer is and regardless of the decisions made about Memorial Coliseum.

Public Comment

Paige Coleman, representing the Northeast Coalition of Neighborhoods (NECN), reviewed the parallel process led by NECN during the N/NE Economic Development Initiative Community Advisory Committee process. She noted that successful CBAs are typically agreements between the community and the developer, resulting in a legal agreement with government as a partner. She listed off possibilities for a CBA and encouraged the committee to visit <http://communitybenefits.blogspot.com/>. Ms. Coleman added that successful CBAs include more voices.

Chair Wilhoite thanked her for her comments and was glad to hear that the items she listed had been brought up in the first meeting of the subcommittee. He added that the subcommittee consists of a manageable group with diverse perspectives producing relevant and inclusive ideas.

Portland Development Commission Business & Workforce Equity Overview

John Jackley, PDC Director of Communications & Business Equity, gave an overview of [PDC's Business and Workforce Equity Policy](#) and current results.

Mr. Jackley noted that PDC contracting goals are now applied to the entire cost of the project, not just PDC's investment. Secondly, PDC looks at availability of MWESB contractors. The disparity study will provide additional information. The [Workforce Diversity Strategy Agreement](#) informed the current workforce equity elements of the policy, with a progressive increase in goals for women and people of color. For apprenticeship goals, which are race and gender neutral, there are legally binding requirements for not less than 20% of hours being worked by apprentices. Damages are assessed for those who do not meet the goal, and PDC has had to enforce this in the past.

Mr. Jackley also reviewed PDC's [Green Building Policy](#), which requires developers receiving PDC financial assistance to integrate green building practices into construction projects and meet the established U.S. Green Building Council Leadership in Energy and Environmental Design ("LEED") or Earth Advantage Small Commercial rating system standards.

Roy Jay requested the gender and ethnic breakdown of the contracting and workforce numbers in order to see where we might be lacking (added to the request log).

Roslyn Hill stated that there should be some kind of continuity for the workforce. Rather than simply meeting the diversity goals, there should be a way to ensure that the workers are following through on their training and obtaining their journey cards to continue working. She shared her concerns about people of color getting hired to meet goals and then later not hired for other jobs and suggested that PDC keep a list for contractors to match people with skilled labor. As a developer, she has had to fight multiple times to have contractors on her projects hire people of color.

John Mohlis stated that every BOLI-registered training program does keep track of apprentices and shows the retention and graduation rates. It is more difficult to track where individuals go, because of the nature of construction jobs. Commissioner Mohlis also described the South Waterfront Oversight Committee and the process of looking at detailed numbers on a monthly basis, and examining diversity numbers for each craft on every job.

Sheila Holden, speaking about her experience on the HAP [New Columbia](#) project, noted that it's very difficult to track where the workers/apprentices go. She recommended requiring the developer to track their workers and report out on a quarterly basis. Ms. Holden stated that there should be a way for successful apprentices to keep working on the PDC family of jobs or at least work in a reporting requirement that can track where the workers go.

PDC staff explained that the Workforce Diversity Strategy Committee decided that women of color will be "double counted" as both women and people of color as an incentive for contractors; this is an area that continues to lag far behind goals.

Dr. Gatewood spoke about the importance of pre-apprenticeship training programs and the concern that well-trained individuals are not being hired.

John Mohlis further explained that [Worksystems, Inc.](#) tracks apprentices (the programs get audited every year), but he believes that pre-apprenticeship programs need to be held to the same standard. We should be able to see how many are progressing, and how many eventually journey out. We need to see who is not graduating, find out why, and make the appropriate changes.

South Waterfront Development Agreement Overview

John Mohlis, PDC Commissioner and Executive Secretary Treasurer for the Columbia Pacific Building Trades Council, reviewed the history of the [South Waterfront](#) Central Planning District. He stated that the face of construction is changing through apprenticeships, and PDC recognized this when they signed the Project Apprenticeship Agreement with organized labor, contractors, developers, and other private sector partners; for all the projects on SWF, they decided to abide by the same set of rules. The different requirements and different agreements were found to be harmful in the long run. All the partners agreed that with the number of large scale projects starting in the district, steady, consistent participation would be required to graduate people of color at the journey level with family wage jobs and benefits.

Commissioner Mohlis endorsed the five-year training requirement because it necessitates steady participation and training. He stated the South Waterfront agreement should be the model for all projects. The overall numbers are good, but the apprenticeship hours (over 40% being worked by women and people of color), have been phenomenal. The workforce goals are raised incrementally each year, with a 30% workforce diversity goal by 2018. Commissioner Mohlis proposed that the subcommittee use the South Waterfront goals and strategies for the Rose Quarter agreement.

Responding to a question about what happens to apprentices when there's no work in this economy, Commissioner Mohlis said that there's no time limitation on the training; when there is work available again, those apprentices can continue on with their training where they left off. Because the program is 4-5 years, and the construction industry is suffering, his hope is that those apprentices who haven't finished their training will come back once the economy turns around. Even as work is winding down on South Waterfront, they've been able to maintain those percentages for workforce diversity.

Clean Energy Works Portland Community Workforce Agreement Overview

Maurice Rahming, president of NAMCO and O'Neill Electric Inc., gave an overview of the [Clean Energy Works Portland](#) (CEWP) community workforce agreement. He reiterated that minority contractors hire minorities, and the basic points made in the collaborative process for CEWP was that local hire is the priority along with high wages and diversification of the workforce. They also aimed to ensure that contractors offered some level of healthcare for their employees. For the diversification of the workforce, there was a 30% goal. For diversification of businesses, the goal was set at 20%.

Those involved with the agreement put together a compliance committee and an evaluation committee, because contractors involved get evaluated on their performance. The contracts were broken up into tiers, then the contractors are reevaluated based on their CEWP performance.

For local hire, 100% were within a 75 mile radius. For the pay scale, 94% were within the goals, mainly because several contractors didn't make the goal early on which was later corrected. The majority of the contractors offer healthcare, which has been a challenge, but they continue to move in the right direction. Formerly incarcerated individuals were added, which had initial resistance from the contractors but ended up being successful. Mr. Rahming stated that the majority of the funds are going to minority contractors and there is almost a 50/50 split between white males and other ethnicities.

The CEWP agreement was kept as a limited document, but it is legally binding. The real success can be attributed to the committee that looks at accountability and history. It was the decision of the committee to walk with the contractors every step of the way, to be engaged, and to work through issues as they came up. Continued oversight is the key.

There was some concern from committee members about the ability of these workers to build capacity and compete for business in the real world; people of color tend to obtain training in pieces. Commissioner Mohlis responded by saying that there are women and people of color journeying out and completing their training, moving on to other jobs.

Mr. Rahming added that finding resources for the training component of CEWP has been central to the success of the agreement thus far.

Discussion: Requested Contracting/Workforce Elements for the Community Benefits Agreement

Staff took input from the first meeting when the committee discussed general objectives for a community benefits agreement and created an outline of eleven different categories pertaining to both contracting and workforce training and hiring. The outline was used to guide recommendations by providing a starting point for conversation. Examples of language used in PDC policies were provided, and language from other local agreements was added.

Chair Wilhoite noted that he did not expect the subcommittee to come to consensus at the meeting on what will be included in the final recommendations, but that the committee should leave with a good idea about the kinds of goals this group will be expecting to see in a community benefits agreement.

Construction/Contracting

1. Goal for state-certified M/W/ESB subcontractors
 - The percentage we agree to should be the floor, not the ceiling
 - 33% including joint ventures
 - 40% may be possible
 - PDC standard is 20%; PDC actual is 36%
 - Leadership is an important factor in reaching and exceeding these goals
 - At least 25%
 - A rational basis is needed to justify whatever percentage is determined
 - Base the % on the communities to be targeted
 - Base the % on the results of the new disparity study soon to be completed
2. Goal for minority-only subcontractors
 - At least 25%
 - Develop a formula based on who is in the area
3. Joint Ventures
 - Do not include in the CBA
 - Include in the CBA and have same goals as # 1 and #2
 - Give extra points for joint ventures
 - Create opportunities for smaller contractors
4. Local contracting/local sourcing
 - Area radius of 75 miles
 - All things being equal, local wins out
 - Define local as businesses registered with the City of Portland
 - Contractors can get around the local requirements
 - People of color are living outside the city and should not be excluded
 - Need a mechanism to monitor this requirement
 - Tie the requirement to sustainability such as use of local materials etc.
 - Whatever requirement we adopt should aid small contractors

5. Green Building Requirements
 - Include supply chain factors
 - Bring policies/ideas

Construction Workforce Training and Hiring

6. Workforce Diversity
 - Make sure to include workers living outside the city
 - Use the diversity policy and numbers PDC put in place, which takes projected population into account.
7. Apprenticeship hours
 - a. Look at the numbers per trade
 - b. Use the diversity policy and numbers PDC put in place
8. Require a BOLI-registered training agent
 - Necessary requirement
 - 5 year training requirement should be mandatory
9. Local Hire
 - Communities we want to help have moved outside the city. Need to include them
 - Target those in need
 - Have contractors identify their local experience
 - Keep guidelines rather than rules
10. First Source Hiring
 - Pre-apprenticeship programs crucial
 - Provide funding to apprenticeship programs so they can track their members better
 - Add a percentage for hiring formerly incarcerated individuals and veterans
11. Family-wage/prevaling wage/benefits
 - All of these elements should be included in the CBA

Public Comment

There were no additional requests for public comment.

Wrap-Up & Next Steps

- The next meeting will focus on local business, economic, and non-economic returns.
- City of Portland Office of Management and Finance will present information relating to the Spectator Fund and the current ticket tax
- Next meetings:
 - September 7, 2010: local business, economic, and non-economic returns
 - September 23, 2010: public comment and voting