

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: November 12, 2008
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 08-125
Executive Director Report

BOARD ACTION REQUESTED

None – Information only

Administration Update/Management Issues

Several activities took place in the month of October surrounding the opening of The Nines hotel atop Macy's. If you haven't been by to look over the hotel, its restaurants, amenities, and art I highly recommend it. Sage Hospitality has delivered a quality project to the heart of downtown Portland. Although the hotel is opening during tough economic times, they report to be very busy with holiday events and travelers. The 15th floor "Departures" rooftop bar is slated to be completed in February 2009 and will no doubt prove to be a popular spot offering great views of the city. We are extremely pleased to see the hotel open its doors and hope we can partner with Sage on future projects. I have included a larger write up about this project in the Development section of this report.

There is so much good news to celebrate in the Old Town/Chinatown district that PDC helped coordinate a "community exhibit" on October 2nd as part of First Thursday celebrations. Using space at the former Portland Art Center, a number of organizations came together to showcase projects such as the White Stag Building/University of Oregon, Mercy Corps, East of Pearl building, Musolf Manor, Uwajimaya, the Resource Access Center, Tri-Met improvements, Saturday Market, Grove Hotel, Oregon College of Oriental Medicine, and more. The event also celebrated completion of the North Old Town/Chinatown Redevelopment Study. It was a very interesting way to take a look at the remarkable transformation taking place in this district.

PDC is kicking off a brown bag series as a way to educate and inform staff about a range of subjects. A minimum of two brown bags will be organized each month. In October we were very pleased to welcome Planning Director Gil Kelley to PDC to speak to staff. Gil congratulated PDC on our 50th anniversary and spoke about the importance of the Portland Plan in preparing for the city's future. He praised the good working relationship our two bureaus share. Other brown bags in October featured historian Chet Orloff, and our Diversity Council was pleased to feature a special performance by

the Mwamba Children's Choir which is touring from Uganda. Brown bags are planned through early February and will feature the Portland Community Land Trust, more from Chet Orloff, and bridge expert Sharon Wood Wortman.

The Vanport Project in North Portland announces more good news with the October opening of the Horn of Africa restaurant. The Horn of Africa got its start as a vendor at Saturday Market in 1994. Owners Mohamed and Khadja Yousuf have now moved into beautiful new restaurant space at Vanport. The restaurant serves delicious food from Somalia, Djibouti, and Ethiopia – three countries in the Horn of Africa. I hope you visit the restaurants at Vanport which also includes Old Town Pizza.

Notable projects and meetings I was involved in recently are:

- Attended urban renewal tour with state senator Suzanne Bonamici
- Attended urban renewal briefing with state representative candidate Jules Kopel-Bailey
- Met with staff regarding the Customs House in Old Town, Convention Plaza Building (located in the Burnside Bridgehead), and Post Office site
- Met with staff regarding the revised Disposition and Development Agreement for the Convention Center Hotel
- Attended opening event for Coffee Been
- Began preparation for November strategic summing planning with PDC Board
- Met with staff regarding the LUBA appeal
- Met with Housing Authority of Portland regarding scatter sites
- Attended Light Rail Transit Funding Committee meeting
- Attended economic climate in Portland meeting per request of Mayor-elect Adams
- Attended Operation Home Steering Committee meeting
- Attended PBA Board meeting
- Attended Lloyd Partnership Meeting regarding the Oregon Convention Center URA
- Attended Port's Gateway to the Globe luncheon
- Attended city forum and discussion with leaders in the banking and investment community regarding the national economic downturn

- Met with bureau chiefs regarding public infrastructure projects planning
- Attended Urban League Equal Opportunity Dinner
- Attended Rail Volution in San Francisco

Additional October meetings were held with city bureau directors, PDC Board members, Jim Winkler, Tom Miller, Bob McKean, Dan Bates, Julie Harrelson, Jill Jordan, Linda Meng, and John Bartell.

Attachment A to this report is the regular monthly update of combined journey and apprentice workforce diversity hours worked for PDC and City of Portland South Waterfront projects. The information presented is fiscal year-to-date.

Economic Development Update

Major Recruitments—A steady stream of companies in the clean tech cluster continue to seek a presence in the Portland region to take advantage of our well-educated and trained workforce and Business Energy Tax Credit (BETC) incentives. The finalized details around a Portland solar recruitment project are expected to be announced in December 2008 and we are also fielding several solid inquiries from companies investigating Portland as an expansion location—all generated by our participation in the European Photovoltaic Solar Trade Show held last month in Valencia, Spain. Our marketing efforts have also included attendance at several industry trade shows in the past month, including Solar Power 2008 in San Diego on October 13-17, in partnership with Greenlight Greater Portland, Oregon Economic and Community Development Department and other regional organizations; GOSCON (Government Open Source Conference) in Portland on October 20-23; and Fab Tech International, a manufacturing trade show held October 6-8 in Las Vegas, which generated six serious leads including a potential headquarters relocation.

Reaching the Community—Our ongoing dialogue with private business and the community at large has included recent presentations including:

- The Harbor ReDI (Redevelopment Initiative) project to DEQ and EPA Region 10 representatives;
- How to Do Business with Local Public Agencies workshops presented to the small business community on October 22;
- Green incentives (at the Go Green Conference on October 1); and
- PDC programs and our work with non-profit organizations (to the Japan Intercultural Academy of Municipalities and the Institute of International Education on October 24).

Business and Industry—The PDC-sponsored Oregon Manifest handmade bicycle show, held October 10-12 at the LeftBank building on North Broadway, prompted considerable media attention as well as positive feedback from show event exhibitors and attendees. Planning for the 2009 show begins in December.

Portland Fashion Week October 8-12 featured clothing designers from the Pacific Northwest and drew several hundred people each night for runway fashion shows, mingling and people-watching. PDC sponsored the event along with the City of Portland/Mayor's Office to promote the local apparel design cluster.

The first of three events in the Software Association of Oregon's Human Mashup Series, co-sponsored by PDC, took place October 17. This initial event focused on art and technology, and drew approximately 100 people. The series is designed to nurture innovation and creativity by bringing together disparate groups to mix, mingle and engage. Future events will focus on the intersections between technology/activewear and technology/sustainability.

Business assistance—To date this fiscal year, PDC financing has assisted 14 businesses with nearly \$2 million in loans and grants, generating \$6.7 million in private investment and a projected 500+ jobs. Among those companies assisted is Grady Britton, a local ad agency which moved from downtown to the Olympic Mills Commerce Center in the Central Eastside URA. The Olympic Mills Commerce Center is the refurbished B&O warehouse designed by Beam Development to offer creative companies sustainable office space in the burgeoning Central Eastside district. The Olympic Mills building was redesigned using the structure's recycled wood, which was applied to interior wall treatments. Indoor courtyards were created to allow natural light to flow into the building, and recycled metal was also used to build bridges and a bracing system in one of the stairwells. Grady Britton's move parallels the sustainability-based missions and brands of its clients, including Hoyt Street Properties and Oregon Institute of Technology. The agency chose Horizon low-VOC paint for its walls, a brand of eco-friendly paint developed by new client Rodda Paint Company. In addition to the agency's sustainability efforts, Grady Britton's new space includes expanded square footage and the latest designs in technology infrastructure to better serve clients. The office also boasts a Nintendo® Wii™ wall, and employees commute down corridors via Razor scooters. Also receiving financing for relocations and expansion are Gamblin Artists Colors, an industry leader and top brand in artist's paints, and Rumblefish, an innovative music licensing and branding agency.

PDC Projects Receive Awards—The 2008 awards gala for the American Institute of Architects/Portland (AIA) and International Interior Design Association (IIDA) took place on October 18 at The Nines. Three projects with ties to PDC took home awards. The IIDA honored big-giant (spelled lower case) with a merit award for commercial office space under 5,000 sq. ft. The AIA honored the White Stag block rehab with a Craftsmanship award and bestowed a "Sui Generis" (uniqueness) award to P:ear. All three projects received Storefront Improvement grants through PDC; big giant also received business finance assistance from PDC.

Big-giant is located at 600 NW Naito Parkway. The owners purchased office space in an old brick warehouse that was formerly part of the Portland rail yards. Big-giant applied for a Storefront grant in 2006. After a few meetings with the owners it was suggested the company look into some financial assistance from PDC. Big-giant received assistance from the Quality Jobs Program, Economic Opportunity Fund, and Seismic program totaling \$134,000; they also received a \$20,000 Storefront grant.

Big-giant is a multi-disciplinary design firm that has been helping clients all over the world for nine years. The company focuses primarily on branding, retail, display, print and environmental design. The company currently has 10 employees. Some of the clients they partner with include Lego, Starbucks, NFL, Sega, Virgin Mobile, Salomon Skis, Nike, Microsoft and DC Shoe. Although the project did not seek LEED certification it retained as much of the existing structure and walls as possible. Used cabinets were installed in the kitchen, and the project used 100 percent recycled carpet tiles and low VOC paint throughout.

Development Update

Ribbon Cutting Ceremony for The Nines Hotel (River District URA)—On October 16, I was pleased to participate in the ribbon cutting ceremony for the new 332-room luxury hotel called “The Nines” atop a remodeled Macy’s in downtown Portland. Mayor-elect Sam Adams and I both spoke about the importance of the project to the retail core with the new 24/7 hotel and its 332 luxury rooms, ballroom space, extensive public art and world-class restaurants. PDC was instrumental in bringing together Sage Hospitality Resources, a national hotel developer based in Denver, and May Department Stores, then the operator of Meier & Frank Department Stores, to agree to a complete renovation including a full seismic structural upgrade. Six years later, the \$133 million hotel conversion of the nine upper floors is now open to the public. PDC assisted Sage in securing \$72.5 million in New Markets Tax Credits, the largest award of tax credits to a single project in the country. PDC also provided \$16.9 million in loans to cover the costs of seismic and life-safety upgrades to the historic terra cotta building.

The 2002 *Downtown Retail Strategy*, adopted as guiding policy by the PDC Board, identified the renovation of the Meier & Frank building as a top priority. PDC was tasked with keeping an anchor department store while finding a new use for the upper floors. Today, the public/private partnership formed with Sage and Macy’s has generated many benefits including increasing the retail, economic and social activity downtown, creating nearly 1,000 construction and 265 permanent jobs, and preserving an architectural treasure. The building is also seeking LEED Silver certification.

The project took more than ten years to bring to fruition and I am extremely pleased at PDC’s ability to bring together the hotel developer and department store owner to renovate this venerable building. As an April 20, 2006, Oregonian editorial said, “The Meier & Frank project showcases PDC’s value.”

Open House Opens Minds to All Possibilities (North Macadam URA)—The North Macadam Transportation Project Open House was held on October 7, 2008 with approximately 100 people in attendance. PDC is funding many of the projects highlighted at the open house including the North Macadam Transportation Development Strategy, the Gibbs Street Pedestrian Bridge, the South Waterfront Transportation Management Association, and the South Waterfront neighborhood park. Other projects presented at the open house included the proposed North Macadam Transportation SDC (system development charge) overlay, which includes an additional SDC for future projects in North Macadam, and the Portland-Milwaukie light rail.

Salmon Safe Construction (North Macadam URA)—In September 2008, the Central District of the South Waterfront neighborhood, in the North Macadam Urban Renewal Area, became the nation’s first urban neighborhood to be certified “Salmon Safe.”

The certification, verified through peer review and on-site inspection, means that the area is a leader in river restoration, and exceeds state and federal regulatory requirements to protect the Willamette River and its urban tributaries. The Salmon Safe designation commits the neighborhood to sustain its environmental stewardship over time, including the district-wide elimination of harmful pesticides. The water flowing into the Willamette from the area is as clean as if development had not taken place— a dramatic improvement over the former industrial uses on the site.

NE Martin Luther King, Jr. Blvd. Gateway and Heritage Markers Master Concept Plan (Oregon Convention Center URA)—PDC in conjunction with PDOT reached an important project milestone, recently completing the *NE Martin Luther King, Jr. Boulevard Gateway and Heritage Markers Concept Master Plan*. The Plan supports the efforts of area residents and business owners to enhance the unique identity of Portland's inner northeast neighborhoods. The Plan envisions a gateway at the confluence of NE Grand and NE Martin Luther King, Jr. Blvd., which includes a raised landform (gateway), art sculpture ("North Star") and plaza for gathering. In addition to the gateway, a series of markers along the boulevard highlight historical events, people, and places that have shaped the rich, diverse culture of the north/northeast neighborhoods.

The King gateway and heritage markers project was first identified in the 1993 *Albina Community Plan* and has continued to be reinforced by the community as a priority in the *Eliot Neighborhood Plan*, *King Boulevard Transportation Project* and the *NE Martin Luther King, Jr. Boulevard Strategy and Action Plan*. PDC worked with a project Stakeholder Advisory Group comprised of community and business members. A series of three public open houses shaped the direction of the concept plan and contributed to identifying some of the people, places, and events to be honored on the markers.

PDC will re-engage with the community this fall to completed the design and prepare for construction to begin in 2009. The *NE Martin Luther King, Jr. Boulevard Gateway and Heritage Markers Concept Master Plan* can be viewed on line at http://pdc.us/pdf/ura/convention_center/mlk/2008/MLKConceptMasterPlanFinal093008.pdf.

Housing Update

Rental Housing

TIF Set-Aside Report Update—The agency's TIF Affordable Housing Set-Aside Report for FY 2007-08 is now in draft form, a copy of which was included in today’s board packet. Staff will be reviewing the draft with a small group of our affordable housing stakeholders on November 11th, 2008. After some final clarifications to the data and formatting changes, staff will bring the report to the Board for its formal review before the end of calendar year 2008.

While the Commission has made progress on our five-year goals, there is much more to do. Staff will be presenting the Board with options for consideration as part of the FY 2009-10 budget process.

Staff Participate in Homeless Survey—If you were awake at 5:30 a.m. in late October you may have seen PDC staff members Matt Collier, Karen Thalhammer, Barbara Shaw, and Mary Welch walking through parks, along highways, or searching under bridges. They joined the Bureau of Community Development, local social service agencies, and medical groups looking for homeless people to be surveyed using the “Vulnerability Index.” This tool was developed by two non profits - New York’s Common Ground and Boston Healthcare for the Homeless. Using the Index, the survey identified the number of people who live on Portland streets with serious health conditions who are likely to become sicker without housing and medical care. Conditions linked to increased mortality in the homeless include cirrhosis, renal disease, history of hypothermia, and HIV+/AIDS. Individuals who have one or more of these conditions and also suffer from mental illness, substance abuse, or other chronic medical conditions have the greatest risk. The survey took about ten minutes and those surveyed were given \$5 gift cards for groceries and fast food for their participation. Many of the people interviewed agreed to have their pictures taken as part of the survey creating an interesting photo record.

Matt Collier said, “Personally, this was an eye opening experience. It has changed my views entirely as to the nature and cause of homelessness. I worked for three mornings at the Julia West House on SW 13th surveying around 30 people from all walks of life.” Many thanks to Matt, Karen, Barbara and Mary for getting up that early and representing PDC in this valuable effort.

PSU Bond Refunding—Housing Development Finance (HDF) Section underwriters Dan Williams and Neal Lydon worked with PDC attorney Nancy Edmiston to provide underwriting and deal structuring review for the refunding of \$48,890,000 in Economic Development Revenue bonds for the PSU Broadway Housing project. The project was initially funded in 2003 using adjustable rate bonds coupled with a payment swap from AMBAC to create a synthetic fixed rate instrument. Due to current turmoil in credit markets, AMBAC sent notice to PSU that it intended to invoke a market disruption clause, and stop making payments under the swap. The result to the project would have been a dramatic increase in the interest payments, which prompted PSU to replace the existing debt with a fixed rate issue. The new fixed rate bond issue closed on 10/22/08. PDC received a fee of \$342,230 for the services provided.

Grand Openings—There were three affordable housing grand openings in the past few weeks:

- The grand opening of the replacement project for the (PDC-owned) Jefferson West, the **Jeffrey Apartments**, in the South Park Blocks URA was held October 21, 2008. The Jeffrey provides 80 units of affordable housing, up to 30 of which are designated for people with significant barriers to obtaining housing, including the chronically homeless.

Support services for residents are coordinated onsite as a part of management operations. The project, developed by Mark Fraser, qualified for Leed gold status, and features an attractive interior courtyard space for tenants to enjoy.

The state of the former Jefferson West apartments is hard to express. The building was substantially derelict in every aspect. It exhibited multiple health hazards on top of offering a very bleak place to live. After the renovation, one tenant said it was the first time he could invite his grandkids to come visit him as the former building represented a health hazard he did not want them exposed to.

PDC assisted the project by providing \$9.2 million in South Park Blocks URA TIF financing, underwriting, loan closing, legal services and construction management. Total project costs were \$16.6 million. Some of the building's tenants were on hand for the opening and sought out those who worked on the project to personally express their appreciation.

- **Esperanza Court Opening**—Guests gathered on October 16 for the grand opening of Esperanza Court, a 70-unit low-income housing project for individuals and families. The project is located at 3611 SE 28th and was developed by Caritas Housing - the housing development and ownership arm of Catholic Charities. The project provides much needed affordable housing and also offers social and support services to residents. PDC assisted the project (located outside a URA) by providing \$2.7 million in federal HOME funds as well assistance with underwriting, loan closing, legal services and construction management. Total project cost was \$8.9 million.
- **Broadway Vantage Apartments Opening**—Located at NE Broadway and 82nd Avenue, the Broadway Vantage Apartments provides targeted housing for individuals and families in the Madison South neighborhood of Northeast Portland. The project provides 58 units of affordable rental housing between the levels of 30 to 50 percent Median Family Income for households. The project will feature 2 studios, 10 one BR units, 30 two BR units, 12 three BR units, and 4 four BR units. Fifteen of the units will have Permanent Supportive Housing (PSH) services provided. The ground floor features a community room, shared kitchen, offices for service providers and a commercial space for an affordable day care center. Many sustainable materials and green building practices were employed throughout the project. The total development and acquisition cost is \$13,303,378 and of that, PDC has invested \$2,350,000 in HOME federal money. Innovative Housing Inc., a local non-profit developer brought the project in on time and within budget.

Communications and Business Equity

Business Equity Section

The City of Portland/PDC Disparity Study RFP was issued on September 22, 2008 with responses due on October 17, 2008. The solicitation was distributed to more than 90 firms and was advertised in several publications and on various web sites. A total of six responses were received. The first meeting of the evaluation committee is scheduled for the week of November 17th.

PDC Sponsored Events:

Communications & Business Equity staff attended the following Community gatherings:

- October 1 MED Week Tradeshow and Luncheon
- October 10 OAME Contractors Meeting
- October 10 OAME First Friday Professionals
- October 14 African American Chamber Meeting
- October 14 NAMCO Meeting
- October 15 Philippine American Chamber Meeting
- October 21 Urban League Dinner
- October 22 Doing Business with Local Agencies
- October 28 Hispanic Chamber Luncheon
- October 28 Diversity Development Conference
- October 29 Oregon Native American Chamber Meeting
- October 31 OAME Coffee and Issues

Professional Services:

Five firms were selected to receive contracts to provide Cultural Liaison Services in various cultural community areas. Contracts were executed with Ciber, Inc. for the Lawson Financial System Upgrade, with Hanamura Consulting for Diversity Training and Consultation Services and with Westech Construction, Inc., for Block U Impacted Soil Removal.

Staff participated in a very successful day-long event, “How to Do Business with Local Public Agencies” in partnership with other local jurisdictions at the PCC Central Campus on October 22nd as an outreach vehicle to M/W/ESB firms. Approximately 75 small businesses attended. The sessions included an overview of the PDC Flexible Services Contracting Program, the small business economic products available at PDC and on-site preparation of MWESB applications by the State of Oregon.

Public Participation Section

The first meeting of the River District Urban Renewal Advisory Committee took place on Tuesday, October 14, 2008 with an excellent turn-out. Communications and Business Equity Director, John Jackley, welcomed the members and thanked them for their participation. The meeting consisted of an orientation session that included an overview of PDC and policies that apply to the committee members such as the Urban Renewal Advisory Committee Policy and the Oregon Public Records/Public Meetings Law. Members were provided with orientation notebooks.

Staff also provided an overview of the current status of the River District URA amendments and current and planned projects. The members were very engaged and asked astute questions regarding the budget, the amendments and future project. The URAC will meet again in December to begin reviewing the URA budget. Members of the River District Urban Renewal Advisory Committee will be officially appointed by the PDC Board at the November 12 meeting.

Public Participation staff began recruiting new members for the Martin Luther King Jr. Blvd. Gateway and Heritage Markers SAG Phase II. The goal is to recruit from a wide range of community members and staff has been assisted by area leaders willing to make initial contacts about the project. A public participation plan for phase II is in draft form.

The initial key interviews for the N/NE Study have been completed and the results summarized. The information will provide guidance to staff as they prepare community-wide outreach efforts.

PDC Outreach Coordinator Juan Carlos Ocaña conducted a presentation on public participation to a group of international officials visiting the U.S. under the sponsorship of the U.S. Department of State, on October 9th. He also appeared on the “Buscando América” radio talk show on KBOO on October 17 to present information in Spanish on housing and economic development programs.

Four members will be appointed to the Lents Town Center URAC at the November 12 Board meeting. Two members will be appointed to fill existing positions. One is a new position created for the Foster-Powell Neighborhood Association, in recognition of the additional land from that neighborhood included in the URA due to the URA Plan Amendment. The fourth position is also new and was created for Multnomah County as a taxing jurisdiction partner - also as a result of the URA Plan Amendment.

Staff redesigned and created a new and easier to use URAC application and developed a new Public Participation database based on the new version of the on-line application.

Public Participation staff is working with staff from Public Affairs to update the Public Participation and the Future of Urban Renewal websites.

Staff member Juanita Swartwood has photographed many PDC events including the opening of the Nines Hotel, Portland Fashion Week, and the PDC staff tour of P: ear and the Mwamba Children’s Choir concert at PDC. She is also serving as the coordinator for the Trash Can Project which will collect donations from PDC to Old Town/Chinatown non-profit agencies to benefit the homeless population.

Public Affairs Section

Web statistics for September

Sept. 26 – Oct. 26:

Unique visitors: 16,448

Total visits: 23,467

Average number of pages viewed: 3

Most popular pages:

- Main page
- PDC jobs
- RFPs
- PDC Contacts
- Doing Business with PDC

PDC Campaigns: **Lead Hazard Control program:**

Lead Hazard pages: 594 unique visitors

Graphics for September

- CoreNet Oregon Craft Beer and Wine promotion cards and signage
- My PDC Story Ads
- Native American Youth Association Sponsorship ad
- Sustainable Industries Ad
- Diversity Report cover and legend
- Broadway-Vantage Apt. opening invite and program
- Neighborhood Business Assistance flier
- Venture NW Program Ad
- Main Street Program Flier - economic development loan programs
- Urban Lands Institute display for use in Florida trade show

Special Events in September

Delegations:

- Urban Environmental Group from several countries, such as Argentina, Bosnia-Herzegovina, Bhutan, Chile, Georgia, India, Jamaica, Kenya, Nepal, Nigeria, Senegal, Uganda and Vietnam
- Japanese Intercultural Academy of Municipalities (eight individuals from various Japanese municipalities).

Events:

- Old Town/Chinatown First Thursday Community Event, Oct. 2
- The Nine's Ribbon Cutting, Oct. 16
- Esperanza Court Open House, Oct. 17
- The Jeffrey Opening, Oct. 21
- Broadway Vantage, Oct. 24

Also, the PDC-PSU Urban Renewal 101 class continues with the following speakers in October:

Oct. 7 – PDC's Keith Witcosky and Jeff Cogen from Multnomah County

Oct. 14 – attorney Chip Lazenby

Oct. 21 – Jeff Reaves (Group MacKenzie) and PDC's Cindy Bethell

Oct. 28 – economist Joe Cortright and PDC's Erin Flynn

Other Public Affairs Work in September

- Monthly brown bag speaker series now under way
- Continuing to manage the consultant efforts surrounding the 50th Anniversary campaign
- Lead awareness month TV spot to start running on Telemundo (in Spanish)
- Lead awareness month TV spot ran on Fox (Channel 12)
- Lead awareness month radio spot ran on El Rey Radio (in Spanish).
- Continuing to participate in the internal reorganization Implementation Team work
- Responded to 17 media inquiries
- Working with Public Involvement on finalizing RFP for media training consultant
- Starting work on next round of "My PDC Story" print ads to run in Nov. and early Dec. (focus on housing)
- Organized staff celebration of Halloween
- Organized appearance by the Mwamba Children's Choir, tour of nearby Pear, and staff tour of the Nines Hotel
- Produced four issues of PDC People – employee newsletter
- Morale building: organized staff tickets to Trail Blazers on Nov. 6. (Staff purchased their own tickets.)

ATTACHMENTS:

A. South Waterfront Workforce Diversity Report

CC: B. Warner, Executive Director
J. Rawls, Internal Affairs
D. Elott, Acting General Counsel
J. Cody, CFO, Director, Central Services
J. Jackley, Director, Communications and Business Equity
E. Flynn, Director, Economic Development

South Waterfront Workforce Diversity Report

South Waterfront Project Apprenticeship Agreement

Attachment A - Table 1: Table 1 provides an update of the status of apprentice participation and workforce diversity on the 3720 Condominiums project, the Alexan project and the Mirabella project. These projects are subject to the workforce diversity goals of the South Waterfront Central District Project Development Agreement.

Apprentice participation and participation by people of color continues to exceed the established goals. The participation of women continues to trail the established goal. This month's report includes workforce hours for September, and the 2008 / 2009 fiscal year to date. The goals for the 2008 / 2009 fiscal year are 11.0 % participation by women and 17.0% participation by people of color.

Workforce diversity among apprentice workers continues to lead the diversity efforts. The total female apprentice hours represent **17.89%** of the total apprentice hours 6.89 percentage points ahead of the combined journey/apprentice goal of 11% for the fiscal year. Of the apprentice hours that have been worked in this fiscal year, **25.58%** have been worked by people of color. These results continue to demonstrate a positive trend toward a more diverse workforce through apprentice training.

The summary table below represents the total workforce diversity (apprentice and journey level workers) for the three projects referenced above.

Goal	Women	People of Color	Apprentice	Difference
11.0%	6.73%			[4.27%]
17.0%		23.19%		+6.19%
20.0%			26.62%	+6.62%

Attachment A - Table 2: Table 2 projects did not have specific workforce diversity goals and are included in this report to provide a comprehensive picture of the workforce diversity and workforce training results for recently completed South Waterfront projects.

M/W/ESB

Attachment A - Table 3: The 3720 Condominiums, the Alexan and the Mirabella projects are included in this report to demonstrate the enhanced M/W/ESB reporting we will provide for all PDC sponsored projects in the near future.

Attachment A - Table 4: Table 4 displays the MBE ethnicity utilization for the 3720 Condominiums, the Alexan and the Mirabella projects.

South Waterfront Workforce Diversity Report of Total Hours Worked in Fiscal Year 2007-08																
	FY 05-06	FY 06-07				FY 07-08				Sep-08			FY 08-09			
		A	J	TOTAL	WDS Goal	A	J	TOTAL	WDS Goal	A	J	TOTAL	A	J	TOTAL	WDS Goal
3720 CONDOMINIUMS (BLOCK 38)																
Asian		0	1,380	1,380		5,384	9,104	14,488		470	537	1,007	1,334	1,800	3,134	
		0.00%	2.18%	1.71%		4.51%	2.73%	3.20%		5.31%	2.23%	3.06%	3.41%	1.71%	2.17%	
African American		2,535	2,248	4,783		9,200	12,195	21,395		392	458	850	1,785	2,116	3,901	
		14.65%	3.56%	5.94%		7.71%	3.65%	4.72%		4.43%	1.90%	2.58%	4.57%	2.01%	2.70%	
Caucasian		10,154	53,738	63,892		81,014	259,041	340,055		5,931	18,287	24,218	27,514	80,554	108,068	
		58.70%	85.02%	79.36%		67.93%	77.61%	75.06%		67.01%	75.96%	73.55%	70.42%	76.40%	74.78%	
Hispanic	Pre-Construction	3,123	4,653	7,776		21,054	46,829	67,883		1,695	3,947	5,642	7,323	18,923	26,246	
		18.05%	7.36%	9.66%		17.65%	14.03%	14.98%		19.15%	16.39%	17.13%	18.74%	17.95%	18.16%	
Native American		1,487	1,189	2,676		2,602	6,611	9,213		363	847	1,210	1,116	2,047	3,163	
		8.60%	1.88%	3.32%		2.18%	1.98%	2.03%		4.10%	3.52%	3.67%	2.86%	1.94%	2.19%	
Minority		7,145	9,470	16,615		38,240	74,738	112,977		2,919	5,789	8,708	11,557	24,885	36,442	
		41.30%	14.98%	20.64%	15.00%	32.07%	22.39%	24.94%	16.00%	32.98%	24.04%	26.45%	29.58%	23.60%	26.22%	17.00%
Female		1,334	2,538	3,872		16,527	6,860	23,387		1,616	684	2,300	6,049	2,885	8,734	
		7.71%	4.02%	4.81%	8.00%	13.86%	2.06%	6.16%	10.00%	18.26%	2.84%	6.99%	15.48%	2.55%	6.04%	11.00%
Total Hours		17,299	63,208	80,507		119,254	333,778	453,032		8,851	24,076	32,927	39,071	105,439	144,510	
		21.49%				26.32%				26.88%			27.04%			
THE ALEXAN (BLOCK 39)																
Asian		4	257	261		940	5,390	6,330		5	804	809	5	804	809	
		0.54%	3.00%	2.81%		1.99%	3.51%	3.15%		0.03%	1.67%	1.24%	0.03%	1.67%	1.24%	
African American		0	319	319		625	4,279	4,904		519	327	846	519	327	846	
		0.00%	3.73%	3.43%		1.32%	2.78%	2.44%		2.99%	0.68%	1.29%	2.99%	0.68%	1.29%	
Caucasian		520	7,258	7,778		37,040	116,377	153,416		14,357	37,929	52,286	14,357	37,929	52,286	
		70.46%	84.86%	83.72%		78.22%	75.71%	76.30%		82.85%	78.94%	79.98%	82.85%	78.94%	79.98%	
Hispanic		214	513	727		6,080	21,441	27,521		2,109	8,300	10,409	2,109	8,300	10,409	
		29.00%	5.99%	7.82%		12.84%	13.95%	13.69%		12.17%	17.27%	15.92%	12.17%	17.27%	15.92%	
Native American	Pre-Construction	0	207	207		2,669	4,374	7,042		168	571	739	168	571	739	
		0.00%	2.41%	2.22%		5.64%	2.85%	3.50%		0.97%	1.19%	1.13%	0.97%	1.19%	1.13%	
Other		0.00	0.00	0.00		0	1,881	1,881		172	117	289	172	117	289	
		0.00%	0.00%	0.00%		0.00%	1.21%	0.93%		0.99%	0.24%	0.44%	0.99%	0.24%	0.44%	
Minority		218	1,295	1,513		10,314	37,343	47,657		2,972	10,119	13,091	2,972	10,119	13,091	
		29.54%	15.14%	16.28%	15.00%	21.78%	24.29%	23.70%	16.00%	17.15%	21.06%	20.02%	17.15%	21.06%	20.02%	17.00%
Female		284	0	284		8,578	2,278	10,855		4,544	1,519	6,063	4,544	1,519	6,063	
		38.48%	0.00%	3.06%	8.00%	18.12%	1.48%	5.40%	10.00%	26.22%	3.16%	9.27%	26.22%	3.16%	9.27%	11.00%
Total Hours		738	8,553	9,291		47,353	153,721	201,074		17,329	48,048	65,377	17,329	48,048	65,377	
		7.94%				23.55%				26.51%			26.51%			
THE MATISSE																
Asian										0	0	0	0	0	0	
										0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
African American										0	0	0	0	0	0	
										0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Caucasian										1,175	2,098	3,273	1,604	3,315	4,919	
										89.15%	79.26%	82.55%	82.00%	80.97%	81.31%	
Hispanic	Pre-Construction									143	450	593	353	680	1,033	
	Pre-Construction									10.85%	17.00%	14.96%	18.05%	16.61%	17.07%	
Native American										0	100	100	0	100	100	
										0.00%	3.78%	2.52%	0.00%	2.44%	1.65%	
Minority					15.00%				16.00%	143	550	693	353	779	1,132	
										10.85%	20.78%	17.48%	18.05%	19.03%	18.71%	17.00%
Female					8.00%				10.00%	68	161	229	68	289	357	
										5.16%	6.08%	5.78%	3.48%	7.06%	5.90%	11.00%
Total Hours										1,318	2,647	3,965	1,956	4,094	6,050	
										33.24%			32.33%			

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THE MIRABELLA	FY 05-06	FY 06-07			FY 07-08			Sep-08			FY 08-09		
		A	J	TOTAL	WDS Goal	A	J	Total	WDS Goal	A	J	TOTAL	WDS Goal
Asian		0	0	0		0	85	85		0	85	85	
		0.00%	0.00%	0.00%		0.00%	1.65%	1.33%		0.00%	0.85%	0.69%	
African American		150	0	150		128	100	228		300	100	400	
		12.56%	0.00%	2.54%		10.53%	1.94%	3.58%		12.49%	1.01%	3.24%	
Caucasian		578	4,177	4,755		986	4,060	5,046		1,743	8,323	10,066	
		48.41%	88.83%	80.65%		81.15%	78.74%	79.20%		72.59%	83.67%	81.51%	
Hispanic		293	447	740		102	710	812		304	1,130	1,434	
		24.54%	9.51%	12.55%		8.40%	13.77%	12.75%		12.66%	11.36%	11.61%	
Native American		174	78	251		0	203	203		56	311	367	
		14.57%	1.66%	4.26%		0.00%	3.94%	3.19%		2.33%	3.13%	2.97%	
Minority		616	525	1,141		230	1,096	1,326		659	1,625	2,284	
		15.00%	51.59%	11.17%	19.35%	16.00%	18.93%	21.26%	20.81%	27.45%	16.33%	18.50%	17.00%
Female		0	461	461		192	0	192		208	0	208	
		8.00%	0.00%	9.80%	7.82%	10.00%	15.80%	0.00%	3.01%	8.66%	0.00%	1.68%	11.00%
Total Hours		1,194	4,702	5,896		1,215	5,156	6,371		2,401	9,948	12,349	
		20.25%				19.07%				19.44%			
TOTALS	FY 05-06	FY 06-07			FY 07-08			Sep-08			FY 08-09		
		A	J	TOTAL	WDS Goal	A	J	TOTAL	WDS Goal	A	J	TOTAL	WDS Goal
Asian		4	1,637	1,641		6,324	14,494	20,818		475	1,426	1,901	
		0.02%	2.28%	1.83%		3.77%	2.94%	3.15%		1.66%	1.78%	1.75%	
African American		2,535	2,567	5,102		9,975	16,474	26,449		1,039	885	1,924	
		14.05%	3.58%	5.68%		5.94%	3.35%	4.01%		3.64%	1.11%	1.77%	
Caucasian		10,674	60,996	71,670		118,632	379,595	498,227		22,449	62,374	84,823	
		59.18%	85.00%	79.81%		70.70%	77.12%	75.49%		78.65%	78.04%	78.20%	
Hispanic		3,337	5,166	8,503		27,427	68,717	96,144		4,049	13,407	17,456	
		18.50%	7.20%	9.47%		16.34%	13.98%	14.57%		14.19%	16.77%	16.09%	
Native American		1,487	1,395	2,882		5,445	11,063	16,508		531	1,721	2,252	
		8.24%	1.94%	3.21%		3.24%	2.25%	2.50%		1.86%	2.15%	2.08%	
Other		0	0	0		0	1,861	1,861		0	117	117	
		0.00%	0.00%	0.00%		1.11%	0.38%	0.28%		0.00%	0.15%	0.11%	
Minority		7,363	10,765	18,128		49,170	112,606	161,776		6,264	17,554	23,818	
		40.82%	15.00%	20.19%	15.00%	29.30%	22.88%	24.51%	16.00%	25.88%	22.33%	23.19%	17.00%
Female		1,618	2,538	4,156		25,105	9,599	34,704		6,420	2,364	8,784	
		8.97%	3.54%	4.63%	8.00%	14.96%	1.95%	5.26%	10.00%	22.49%	2.96%	8.10%	11.00%
Total Hours		18,037	71,761	89,798		167,803	492,204	660,007		28,543	79,930	108,473	
		20.09%				25.42%				26.31%			

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Closed Projects Subject to the City of Portland's Workforce Training and Hiring Program or The Project Apprenticeship Agreement							
	Total Project				Total Project		
INFRASTRUCTURE (COFFMAN)	A	J	TOTAL	CITY OF PORTLAND INFRASTRUCTURE (STACY & WITBECK)*	A	J	TOTAL
Asian	0	0	0	Asian	8	22	30
	0.00%	0.00%	0.00%		0.11%	0.11%	0.11%
African American	421	0	421	African American	1,113	20	1,133
	13.74%	0.00%	2.18%		16.28%	0.10%	4.28%
Caucasian	2,640	12,503	15,143	Caucasian	4,587	16,070	20,657
	86.26%	76.90%	78.38%		67.09%	81.84%	78.03%
Hispanic	0	3,757	3,757	Hispanic	329	1,165	1,494
	0.00%	23.10%	19.44%		4.81%	5.93%	5.64%
Native American	0	0	0	Native American	801	2,359	3,160
	0.00%	0.00%	0.00%		11.71%	12.01%	11.93%
Minority	421	3,757	4,177	Minority	2,250	3,566	5,816
	13.74%	23.10%	21.62%		32.91%	18.16%	21.97%
Female	348	513	861	Female	1,586	271	1,857
	11.35%	3.16%	4.45%		23.20%	1.38%	7.01%
Total Hours	3,061	16,260	19,320	Total Hours	6,837	19,636	26,473
	15.84%				25.83%		
	Total Project				Total Project		
SW MOODY DEMOLITION	A	J	TOTAL	MACADAM AVE. STREET IMPROVEMENTS*	A	J	TOTAL
Asian	0	0	0	Asian	0	246	246
	0.00%	0.00%	0.00%		0.00%	9.10%	8.65%
African American	123	38	161	African American	15	0	15
	38.05%	1.96%	7.11%		10.64%	0.00%	0.53%
Caucasian	168	1,877	2,045	Caucasian	126	2,349	2,475
	52.06%	96.69%	90.32%		89.36%	86.87%	86.99%
Hispanic	32	26	58	Hispanic	0	54	54
	9.90%	1.35%	2.57%		0.00%	1.98%	1.88%
Native American	0	0	0	Native American	0	56	56
	0.00%	0.00%	0.00%		0.00%	2.05%	1.95%
Minority	155	64	219	Minority	15	355	370
	47.94%	3.31%	9.68%		10.64%	13.13%	13.01%
Female	34	0	34	Female	109	33	142
	10.52%	0.00%	1.50%		77.30%	1.20%	4.97%
Total Hours	323	1,941	2,265	Total Hours	141	2,704	2,845
	14.28%				4.96%		
	Total Project				Total Project		
OHSU RIVER CAMPUS BLDG.	A	J	TOTAL	STREETCAR EXTENSION	A	J	TOTAL
Asian	5,106	4,952	10,058	Asian	72	1,794	1,865
	3.12%	0.93%	1.45%		0.43%	2.09%	1.82%
African American	12,882	9,132	22,013	African American	3,651	371	4,022
	7.87%	1.72%	3.17%		21.84%	0.43%	3.92%
Caucasian	127,238	465,543	592,781	Caucasian	11,199	59,815	71,014
	77.73%	87.78%	85.41%		67.00%	69.57%	69.15%
Hispanic	13,205	39,964	53,169	Hispanic	278	18,578	18,856
	8.07%	7.54%	7.66%		1.66%	21.61%	18.36%
Native American	5,266	10,756	16,022	Native American	1,515	5,425	6,940
	3.22%	2.03%	2.31%		9.06%	6.31%	6.76%
Minority	36,457	65,344	101,801	Minority	5,515	26,167	31,682
	22.27%	12.32%	14.67%		33.00%	30.43%	30.85%
Female	17,196	12,529	29,724	Female	3,082	4,517	7,598
	10.50%	2.36%	4.28%		18.44%	5.25%	7.40%
Total Hours	163,695	530,347	694,042	Total Hours	16,713	85,982	102,696
	23.59%				16.27%		

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	Total Project						
AERIAL TRAM	A	J	TOTAL				
Asian	929	1,778	2,707				
	3.05%	1.25%	1.56%				
African American	1,135	1,961	3,096				
	3.72%	1.37%	1.79%				
Caucasian	26,939	128,568	155,507				
	88.40%	90.09%	89.79%				
Hispanic	785	8,739	9,524				
	2.57%	6.12%	5.50%				
Native American	686	1,672	2,358				
	2.25%	1.17%	1.36%				
Minority	3,534	14,150	17,684				
	11.60%	9.91%	10.21%				
Female	4,621	9,586	14,207				
	15.16%	6.72%	8.20%				
Total Hours	30,473	142,718	173,191				
	17.59%						
	Total Project			Totals For All Closed Projects			
MOODY STREET RECONSTRUCTION	A	J	TOTAL	Total Project			
Asian	56	195	251	Asian	6,114	8,791	14,905
	9.11%	3.53%	4.08%		2.76%	1.10%	1.46%
African American	259	0	259	African American	19,339	11,522	30,861
	42.11%	0.00%	4.21%		8.74%	1.44%	3.02%
Caucasian	301	4,146	4,447	Caucasian	172,897	686,725	859,622
	48.94%	74.96%	72.36%		78.15%	85.89%	84.21%
Hispanic	0	531	531	Hispanic	14,628	72,282	86,910
	0.00%	9.60%	8.64%		6.61%	9.04%	8.51%
Native American	0	459	459	Native American	8,267	20,267	28,534
	0.00%	8.30%	7.47%		3.74%	2.53%	2.80%
Minority	315	1,185	1,500	Minority	48,347	113,402	161,748
	51.22%	21.42%	24.41%		21.85%	14.18%	15.84%
Female	40	0	40	Female	26,975	27,447	54,422
	6.50%	0.00%	0.65%		12.19%	3.43%	5.33%
Total Hours	615	5,531	6,146	Total Hours	221,243	799,587	1,020,830
	10.01%				21.67%		

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South Waterfront Contract Utilization Report - Project Status									
Project Name	Prime Contractor	Contract Amount	Group Designation			Amended Subcontract Values	% Of Amended Total	Payments-To-Date	
			Ethnicity	Certification	Gender				
3720 Condominiums (Block 38)	Hoffman Construction Company of Oregon	\$110,728,000	Caucasian	OBE	Male				
Certification Status	Prime Contractor	% Of Total	Subcontractors	% Of Total Subs	Total Project	% Of Total			
Minority Business Enterprise	\$0	0.00%	\$3,381,860	3.95%	\$3,381,860	3.05%	\$6,643,117	6.05%	\$4,136,132
Woman Business Enterprise	\$0	0.00%	\$2,297,118	2.68%	\$2,297,118	2.07%	\$4,266,606	3.88%	\$2,543,282
Emerging Small Business	\$0	0.00%	\$6,366,720	7.44%	\$6,366,720	5.75%	\$6,291,444	5.73%	\$2,037,844
Non-Certified Firms	\$25,103,931	100.00%	\$73,578,371	85.93%	\$98,682,302	89.12%	\$92,647,574	84.34%	\$75,623,404
Total	\$25,103,931	100.00%	\$85,624,069	100.00%	\$110,728,000	100.00%	\$109,848,741	100.00%	\$84,340,662

South Waterfront Contract Utilization Report - Project Status									
Project Name	Prime Contractor	Contract Amount	Group Designation			Amended Subcontract Values	% Of Amended Total	Payments-To-Date	
			Ethnicity	Certification	Gender				
The Alexan (Block 39)	Walsh Construction Company	\$62,732,926	Caucasian	OBE	Male				
Certification Status	Prime Contractor	% Of Total	Subcontractors	% Of Total Subs	Total Project	% Of Total			
Minority Business Enterprise	\$0	0.00%	\$82,590	0.17%	\$82,590	0.13%	\$92,165	0.17%	\$30,421
Woman Business Enterprise	\$0	0.00%	\$502,231	1.05%	\$502,231	0.80%	\$508,479	0.96%	\$3,137
Emerging Small Business	\$0	0.00%	\$7,000,264	14.65%	\$7,000,264	11.16%	\$6,980,959	13.23%	\$5,817,049
Non-Certified Firms	\$14,960,531	100.00%	\$40,187,310	84.12%	\$55,147,841	87.91%	\$45,181,208	85.63%	\$26,279,300
Total	\$14,960,531	100.00%	\$47,772,395	100.00%	\$62,732,926	100.00%	\$52,762,811	100.00%	\$32,129,907

South Waterfront Contract Utilization Report - Project Status									
Project Name	Prime Contractor	Contract Amount	Group Designation			Amended Subcontract Values	% Of Amended Total	Payments-To-Date	
			Ethnicity	Certification	Gender				
The Mirabella (Block 31)	Hoffman Construction Company of Oregon	*\$90,000,000	Caucasian	OBE	Male				
Certification Status	Prime Contractor	% Of Total	Subcontractors	% Of Total Subs	Total Project	% Of Total			
Minority Business Enterprise	\$0	0.00%	\$185,982	0.47%	\$185,982	0.21%	\$185,982	0.21%	\$1,185
Woman Business Enterprise	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Emerging Small Business	\$0	0.00%	\$47,660	0.12%	\$47,660	0.05%	\$47,660	0.05%	\$0
Non-Certified Firms	\$50,831,697	100.00%	\$38,934,661	99.40%	\$89,766,358	99.74%	\$88,441,555	99.74%	\$3,201,403
Total	\$50,831,697	100.00%	\$39,168,303	100.00%	\$90,000,000	100.00%	\$88,675,197	100.00%	\$3,202,588

*This figure represents an approximate amount, to be revised for next month's report

Note: The "OBE" certification designation denotes non-certified firms

Summary of MBE Ethnicity Amended Contract Totals												
Project	Total M/W/ESB	Total MBE	African American	% of Total M/W/ESB	Native American	% of Total M/W/ESB	Hispanic American	% of Total M/W/ESB	Asian American	% of Total M/W/ESB	Unknown	% of Total M/W/ESB
3720 Condominiums (Block 38)	\$17,201,167	\$6,643,117	\$3,238,211.00	18.83%	\$2,551,057.00	14.83%	\$14,096.00	0.08%	\$581,395.00	3.38%	\$258,359.00	1.50%
The Alexan (Block 39)	\$7,581,603	\$92,165	\$85,325.00	1.13%	\$6,840.00	0.09%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
The Mirabella (Block 31)	\$233,642	\$185,982	\$43,000.00	18.40%	\$142,982.00	61.20%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%