



OPPORTUNITIES FOR COMMUNITY WEALTH CREATION

SEPTEMBER 2024

Overview

ODOT, in partnership with Prosper Portland, Portland Bureau of Transportation, the Bureau of Planning and Sustainability and Albina Vision Trust (AVT), are working to support generational wealth building for the Black community through multiple investments and projects in the historic Albina neighborhood. This document details opportunities for community wealth creation that have been identified to date as part of the I-5 Rose Quarter Improvement Project.

Project's Direct Contribution to Wealth Generation: Wealth generation opportunities related to ODOT's I-5 Rose Quarter Improvement Project occur primarily through:

- Project contracting
- Workforce development (design and construction)

With input from the Community Oversight Advisory Committee (COAC), ODOT has developed a [Diversity and Subcontracting Plan](#) in partnership with the community and the Project's construction manager/general contractor (CM/GC) team, Hamilton/Sundt Joint Venture (HSJV) in association with Raimore Construction. The plan outlines the Project's goals and strategies designed to help develop, mentor and expand the expertise and capacity of Disadvantaged Business Enterprises (DBEs) as well as to promote workforce development and economic opportunities for historically underrepresented populations.

Project's Indirect Contribution to Wealth Generation: ODOT will indirectly contribute to wealth generation by building new land atop the highway cover that could be developed to meet the historic Albina community's vision. Additional wealth generation opportunities associated with future development on top of the cover – and development in the broader Albina area – will depend on a variety of factors and will be realized through future development agreements for the cover. As one example, ODOT is working in partnership with AVT, as directed by the Oregon Transportation Commission (OTC) resolution, to determine whether AVT can have access and rights to: 1) the future lease (or leases) or the easement (or easements), or both, for developable air rights on the Project's highway cover and 2) ownership and development rights for surplus property associated with the Project, under current law and regulations. In addition, the City of Portland is tasked with leading the development of cover scenarios, which will include potential implementation strategies and agreements, financing tools and governance models for future development on the highway cover.

PHASE (RESPONSIBLE TEAM)**WEALTH CREATION OPPORTUNITIES****TRANSPORTATION (I-5 Rose Quarter Improvement Project Team)**

Design/Engineering	<ul style="list-style-type: none">• Certification Office for Business Inclusion and Diversity (COBID) contracting• Apprenticeship
Full Project Construction	<ul style="list-style-type: none">• COBID contracting• Apprenticeship• Contract splitting
Cover Ownership	<ul style="list-style-type: none">• Terms and obligations for property transfer and air rights
DEVELOPMENT (City of Portland and Partners)	
Design/Engineering	<ul style="list-style-type: none">• Business equity opportunities (e.g., COBID contracting)• Workforce equity opportunities (e.g., apprenticeship)
Financing	<ul style="list-style-type: none">• Investment and return opportunities
Construction	<ul style="list-style-type: none">• Business equity opportunities (e.g., COBID contracting)• Workforce equity opportunities (e.g., apprenticeship)
Operations	<ul style="list-style-type: none">• Ownership and operations of improvements• Leasing and use of improvements (e.g., residents and businesses)

I-5 Rose Quarter Improvement Project Team

ODOT

ODOT has hired several consulting firms to support the design and future construction of the Project. These include the CM/GC team, Owner's Representative team, Architecture and Engineering (A&E) team, and Independent Estimator (IE) team. Each of these teams is supported by multiple subconsultants. It is through the contracts for these consulting firms that ODOT is directly providing the Project's primary wealth generation opportunities.

The sections below detail the work that each of these teams have accomplished to date as well as ongoing and upcoming work.

Next Steps:

- Once construction on the Project begins, ODOT will begin implementing action items identified in the Diversity and Subcontracting Plan.
- The COAC will reconvene once construction preparation begins. The purpose of the COAC is to ensure that the CM/GC team meets its community and project goals and expectations for contracting with DBEs and employing minorities and women.

Construction Manager/General Contractor Team

HSJV in association with Raimore Construction is the CM/GC team working on the Project.

Work to Date:

- **DBE Opportunities:**

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- » Since 2021, IML Services, a DBE, has been assisting in pre-construction services, conducting constructability reviews related to public and private utilities within the right of way.
 - » In 2022, HSJV awarded contracts for pre-construction services (constructability review and cost estimating) to three mini-CM/GC subcontractors in anticipation of future construction packages. The three selected firms are either minority-owned or classified as DBEs, or both. They are: Just Bucket Excavating, Egami Construction, and Advanced Tribal.
 - **Community-led Workforce Recruitment Events:**
 - » HSJV actively uses its community network to identify and recruit new workers. To date, the CM/GC team has organized 18 workforce engagement events, including two community hiring events. These events advertise job opportunities within the construction industry and at partner agencies.
 - » The Project has shared workforce information at community events including Juneteenth, Good in the Hood, Vanport Jazz Festival, Homowo & Twins Festival, the Community Pulse Series, MLK Dream Run, NAMC, Portland Public Schools Career & Technical Education Program, and NW Youth Career Expo, among others.
 - » In 2023, ODOT, the City of Portland, TriMet and HSJV partners participated in a community hiring event alongside community-based organizations. This event provided potential hires with access to comprehensive support services, including identification and expungement assistance, life skills training, resume development, job preparation and childcare information.
 - **Workforce Placement Statistics:** Between January 2022 and February 2023, HSJV assessed and placed 24 workers through its workforce program. Among these placements, 16 individuals identified as Black, three as Native, four as Hispanic and one as Asian.

Ongoing Work and Next Steps:

- **CM/GC Workforce Advocate:** When the Project is fully underway, a crucial component contributing to the success of the workforce program will be the presence of a full-time CM/GC workforce advocate. This advocate plays a pivotal role in recruiting, supporting and promoting long-term retention for women and people of color on the Project.
- **HSJV Workforce Program – Career Pathways:** The size and duration of the Project creates a unique opportunity to fill a longstanding need for growth in middle management in the DBE contracting community. The lack of employees who mirror the diversity of the region within middle management has historically hindered the hiring, development and retention of diverse workers. The HSJV Workforce Program provides a variety of opportunities for direct hire, pre-apprenticeship, apprenticeship, middle-management internship and educational programs to help develop diversity in front-line management, supporting a diverse workforce industry-wide.
- **Youth and Early Career Recruitment:** HSJV will continue to recruit interns and students attending local colleges and universities, including students from the Black community.
 - » HSJV will recruit from programs and universities in the region and offer employment opportunities both during summer months and during the school year.
 - » HSJV anticipates recruiting four to five interns per year to work throughout the Project and will encourage intern recruitment from subcontractors working on the Project.

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- » Through the CM/GC workforce advocate, HSJV will recruit those with ties to the Albina community by targeting hiring events and by hiring applicants who are interested in the construction industry but have no experience, to facilitate their ability to start a career in this well-paying industry.

Owner's Representative Team

Ongoing Work: David Evans and Associates, Inc. (DEA) has served as ODOT's owner's representative on the Project since January 2019. To date, DEA has issued 32 specialty subconsultant contracts, including to nine COBID-certified DBE firms and to 10 firms that are Black-owned. Through March 2024, DEA paid a total of \$7.75 million to DBE firms, representing 19.5% of total payments DEA has received from ODOT. DEA also has paid \$4.4 million to Black-owned firms, representing 11.1% of total payments DEA has received from ODOT.

A&E Team

Ongoing Work: HDR has served as ODOT's A&E prime consultant on the Project since May 2019. To date, HDR has issued 31 specialty subconsultant contracts, including to 15 COBID-certified DBE firms and to seven firms that are Black-owned. Through May 2024, HDR paid a total of \$8 million to DBE firms, representing 16.3% of total payments HDR has received from ODOT. HDR also has paid \$1.9 million to Black-owned firms, representing 4% of total payments HDR has received from ODOT.

Independent Estimator Team

Ongoing Work: The IE consultant provides a third-party review of the project cost. The IE consultant is required to have 3% DBE participation. The IE consultant for the Project has allotted 13% of the contract to a DBE, exceeding the contract requirement.

City of Portland

The City of Portland's identified roles are as technical support during the planning and engagement phase, as an infrastructure partner and as a regulatory body. The City could also provide direct public investment in development on top of the highway cover as part of the Project. The City could provide this direct investment through sources such as System Development Charges or tax increment financing (TIF), if those resources are available at the time development occurs. City policies, such as construction equity, green building and prevailing wage policies, are often tied to any significant investment of City public funds.

- **Technical Support:** The City is providing technical support to ODOT to ensure improvements at the site (e.g., infrastructure, utilities, zoning requirements etc.) are well considered and adequate to support future temporary uses and development on top of the highway cover, as envisioned by the Historic Albina Advisory Board.
- **Local Infrastructure Delivery and Investment:** The City designs, engineers and builds public infrastructure improvements (e.g., streets, sewer and stormwater facilities) required to support future development on top of the highway cover. The City can make these public investments in infrastructure to support development on top of the highway cover through Transportation and Parks System Development Charge credits or through direct investments. The [City's](#)

[construction equity policies](#) apply to any street and utility construction led by the City of Portland.

- **Zoning and Entitlements:** The City is responsible for developing zoning regulations and incentives that allow for land uses and development characteristics that accommodate the community's long-term vision. The City is also the regulatory body that receives and processes project land use applications and building permits for approval.
- **Vertical Development Investment:** The City can offer direct investment in residential and commercial projects as part of development on top of the highway cover – for example, small business tenant build-outs, affordable commercial space, energy efficiency measures, and affordable housing rental and home ownership opportunities. The primary City source for this investment has been tax increment financing (TIF), which the City could make available through the creation of a new TIF district and, as more recently possible, through the Portland and regional affordable housing bond measures. TIF districts are administered by Prosper Portland and the Portland Housing Bureau. Other opportunities include:
 - » Prosper Portland also offers small business technical assistance and help navigating programs such as the Inclusive Business Resource Network, as well as access to working capital loans to spur business growth.
 - » The Portland Housing Bureau also offers renter technical assistance and support programs.
 - » The Portland Clean Energy Fund (PCEF), administered by the City of Portland Bureau of Planning and Sustainability with guidance from the community-led PCEF Committee, invests in community-led projects to reduce carbon emissions, create economic opportunity and increase resilience in the face of a changing climate.

City of Portland Contracting Social Equity Initiatives

The City of Portland employs several programs to increase the participation of underrepresented groups in public expenditures and contracting. The City will employ the following practices in its work on the I-5 Rose Quarter Improvement Project and adjacent projects:

- **[Community Opportunities and Enhancements Program](#)** to provide workforce development and technical help to businesses through grants, to increase minority and female participation in construction trades.
- **[Prime Contractor Development Program](#)** to increase prime contracting opportunities for underrepresented groups.
- **[Subcontractor Equity Plan](#)**, which requires that 20% of hard construction cost be directed to firms owned by underserved community members.
- **[Workforce Training and Hiring Program](#)** to increase women and minority participation in construction trades through apprenticeship opportunities on City projects. Contractors are required to participate in a Workforce Training and Hiring Program to ensure that a minimum number of hours per trade are worked by state-registered apprentices and must strive in good faith to meet minority and women goals for both journey and apprentice-level workers.

The City also takes part in the [Regional Workforce Equity Agreement \(RWEA\)](#) and the [Construction Diversity Inclusion Policy \(CDIP\)](#), which promote diversity, inclusion, and local workforce and

business opportunity in City construction contracts. The RWEA represents one of the first multi-jurisdictional workforce agreements in the country, and the CDIP aims to increase the participation of underrepresented and underutilized businesses.

Albina Vision Trust

On March 14, 2024, the OTC unanimously passed a resolution formalizing a partnership between the AVT and ODOT on the I-5 Rose Quarter Improvement Project. AVT seeks innovative solutions with a focus on building partnerships. As a nonprofit organization, AVT is positioned to link private interests and public priorities with community values. The resolution directs:

- 1. Creation of a work plan** to explore options for the highway cover governance, future ownership of surplus lands associated with the Project and who can build on the cover.
- 2. Collaboration of ODOT and AVT** to determine if it would be possible to grant AVT development rights over the highway cover and ownership over Project-related surplus lands.

Although ODOT and AVT are working collectively to “get to yes” on achieving the objectives of the resolution related to access and rights to the highway cover and surplus lands, the resolution itself does not convey any rights or ownership of land. The resolution is not a legally binding disposition of property rights, and any related future action would need to be accomplished under separate agreements.