

Recommendations for an Effective Wealthbuilding Strategy for the Central Delaware River Waterfront

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Executive Summary

In formulating the most promising wealthbuilding options for the Central Delaware River Waterfront Master Plan within the areas of equity investment; procurement and contracting; leasing; permanent hiring; and financial services, the Urban Affairs Coalition, in consultation with Econsult Corporation and Milligan and Company conducted more than twenty-five interviews with business development advocates, business associations, business owners, the capital community and elected officials. The research also included a review of policy and legislation created by local, state and federal governments; programs, business tools and services available from both the public and private sectors; and case studies for ten projects, including the Marriott-Philadelphia.

As consultant to the master planning team selected by the Delaware River Waterfront Corporation (DRWC), the Urban Affairs Coalition was tasked with developing recommendations to incorporate inclusion and wealth building opportunities for businesses owned by minorities and women in the redevelopment activities proposed by the master plan.

The decision for making inclusion and wealthbuilding key goals of the master planning process was made by DRWC's board of directors, working in close collaboration with the Office of the Mayor. Inclusion and wealthbuilding are reflective of the organization's desire to be an exemplary leader in this field within the Philadelphia region.

In addition to this *Executive Summary* and other research documents, there are four documents attached to this summary which together form the entirety of UAC's work in fulfillment of this assignment. These are:

- 1) *The Case for Inclusive Participation in Wealthbuilding Activities* outlines certain core principles and practices which need to be part of any comprehensive and impactful wealth building strategy;
- 2) *Specific Opportunities for Inclusion and Wealth Building within the DRWC Master Plan*, delineates the ways in which DRWC can be a leader in this field, based on the projects proposed by the plan;
- 3) *Wealth Building Policies and Practices* includes a comprehensive overview of the types of services which M/W/DSBEs and emerging businesses might need to become eligible participants in DRWC projects. This section also includes an equally comprehensive listing of agencies within the Philadelphia area which can provide these types of technical services; and
- 4) *Case Studies on Wealthbuilding* discusses five examples of development projects which successfully incorporated and executed wealth building strategies.

The following recommendations form the basis of a strategy to promote the importance of inclusion and provide practices that help to remove barriers to inclusion. To achieve these goals, the following basic objectives must be central – the identification of public and private sector champions to promote inclusion; funding of the wealthbuilding strategy; measuring performance; coordination of technical assistance services; and promoting a pipeline of opportunity.

Leadership

1. Cultivate DRWC's political capital. Build leadership alliances to ensure that DRWC plays a significant role influencing legislative policy and ensuring compliance while obtaining support from the private sector.
2. Work through the City of Philadelphia's Office of Economic Opportunity (OEO) and develop solutions to the barriers minorities and women face as a result of building trade membership policies and employment practices.
3. Work through OEO and with construction managers on waterfront projects to promote inclusion in ownership and contracting. In coordination with OEO and construction managers address the barriers to employment for minorities and women, working with the trades.

Resources

4. DRWC will engage the services of a consultant, or develop its capacity to implement and monitor economic opportunity on its projects and to help facilitate economic opportunity on other central Delaware River waterfront master plan projects.

Technical Assistance and Capacity Building

5. Coordinate technical assistance services through existing technical assistance providers.
6. Work through existing providers to make supplementary bonding and insurance available to M/W/DSBEs to facilitate contract opportunities.

Access to Capital

1. Debt and equity providers must be engaged to plan and promote coordinated investment in M/W/DSBEs. Equity positions held by minorities, women, and disabled persons also create a lever for influence in all aspects of a project, from M/W/DSBE contracting to employment opportunities.

Oversight and Transparency

8. Develop and implement DRWC's organizational Economic Opportunity Plan to include goal-setting, monitoring, enforcement and reporting.
9. Establish and promote pipeline development for waterfront specific equity investment, redevelopment and other business opportunities as a part of the DRWC's phased development of the waterfront.

Communications, Marketing, and Public Relations

10. Through OEO and other appropriate forums, engage in aggressive marketing which includes a social marketing public relations strategy for an "inclusion campaign", to inform, create expectation and generate good will.

The Case for Inclusive Participation in Wealthbuilding Activities

Introduction

The purpose of this analysis is to build from two independent memorandums, one of which evaluated current legislation, policies and programs and the other highlighted investment participation and case studies. This analysis sets the context for general principles about inclusive participation of minorities and women in entrepreneurship and investment opportunities, and includes a set of general recommendations to be applied to the master plan.

The Case for Inclusive Participation in Wealthbuilding Activities

The overall focus of this engagement is on wealth-building as a project goal. Historically, advocates have observed, supported and promoted inclusion in contract, procurement, professional services and employment opportunities, though these activities do not always build wealth. It is important to advocate for economic opportunity, not only as an important end, but as a means for minorities and women to build wealth as an outcome when entrepreneurs are able to participate in an inclusive environment and grow their businesses; workers are able to freely participate in professional endeavors; and individual investors are able to capture profit from well-placed risk. The local economy is healthier when total engagement of all members, contributing and benefitting in various means throughout the entire economic cycle is possible. We advocate that inclusion through economic opportunity planning will facilitate the full participation of all members in the Delaware River waterfront community through investment, entrepreneurship and employment.

Structural and historic barriers make it necessary to require economic opportunity planning in contract, procurement, professional services, employment, and investment opportunities. Where well-intentioned policies and programs met inspired leadership and political will, inclusive participation occurred and projects were successful. For instance, the expansion of the Hartsfield-Jackson International Airport in the 1970s was completed on time and under budget; catalyzed significant economic growth; and ushered in a new era of inclusive participation in Atlanta, GA. While this outcome was the culmination of several events, including the Civil Rights Movement, the lesson in the Hartsfield-Jackson International Airport is about leadership and political will. The interest of the project owner, in creating an environment that provides inclusive access to all controllable aspects of a project, is a key finding in each of the case studies explored for this project. While the DRWC is presently the project owner of a small portion of the planning area on Christopher Columbus Boulevard from Oregon to Allegheny Avenues, its leadership through its economic opportunity practices will be an influential element in the overall redevelopment of the planning area.

In light of the redevelopment options represented by all of the projects to be envisioned for the Delaware River waterfront, think about inclusive participation in contract, procurement, professional services, employment, leasing, and investment opportunities, as one of the basic

values emanating from each redevelopment option and included in the redevelopment program. What follows is an exploration of general principles in these areas. A second document entitled, *Specific Opportunities for Inclusion and Wealth Building Within the DRWC Master Plan* includes a more detailed articulation of recommendations for the DRWC to implement in its anchor development projects.

General Principles for Inclusion

The Role of Public Sector Influence, Legislation and Advocacy

1. Public sector influence can be a combination of “soft” authority – working collaboratively to create an environment in which inclusion is good for everyone - and “hard” authority – using regulatory power and related influence to enforce compliance with established policies and adherence to stated goals, particularly where the public sector is the owner or an investor. Local and state representatives can work collaboratively with developers and contractors, as was the case with several local projects such as the Marriott- Philadelphia and the Pennsylvania Convention Center Authority in its expansion of the convention center.
2. In efforts that require public input such as zoning, permitting or public investment, local and state representatives have an obligation to enforce legislation to ensure inclusive participation. There was consensus in the research that legislation requiring participation and enforcing it is important because without it, many majority firms might not take the time to consider new partnerships with M/W/DSBEs.
3. Technical assistance and advocacy need to be comprehensive, following through every aspect of the business development process; and leadership similarly needs to be comprehensive, sustaining focus and momentum. A number of successful projects reported positive results from the hiring of consultants involved expressly to shepherd inclusive participation efforts through the whole engagement. In the example of PPL Park, an important economic development project for Chester City and its Mayor, a consultant was hired to support inclusion as a result of a prior Chester City project’s disappointing results. The consultant coordinated outreach efforts to M/WBEs; assisted in pre-screening of M/WBEs; provided training on the certification process; and managed the project’s employment goals.

Coordinated Technical Assistance

4. Understand the overlaps and differences between different types of economic development and wealth-building opportunities, and keep track of the progress in each. While many of these general principles are applicable to any type of economic opportunity, there needs to be an appreciation of the different characteristics and needs associated with each type of opportunity. Contracting opportunities (both for one-time engagements and ongoing ones), retailing opportunities, employment opportunities, and investment opportunities are all opportunities for wealth-building, but they need to be differentiated so that resources and strategies can be correctly deployed to them. As was noted by several minority business advocates, by differentiating between different economic opportunities, and keeping metrics on each, attention and resources can be properly deployed. For instance, in one local project, an

element of its inclusion agenda is to support a business development technical assistance program so that participating businesses have the opportunity to engage in progressively larger contracts with the owner. The same project owner uses a consultant to assist its construction manager in meeting participation and workforce goals. These two examples demonstrate how one project owner has defined different inclusion goals and deployed appropriate resources to achieve success in both.

5. Technical assistance must help M/W/DSBEs to be seamless in their business operations, so that there is no point of weakness. This was expressly discussed by a state elected-official and a successful minority businesses owner, whose remarks to us underscored a theme in the research that M/W/DSBE inclusion is not just about participation for the sake of spreading out economic opportunities, it is also about providing M/W/DSBEs with opportunities to compete, deliver, and grow.
6. Technical assistance and advocacy also need to account for the challenging road faced by minorities and women seeking contracting, procurement and professional services opportunities. Minorities and women may face additional challenges, and may have fewer outlets for receiving both “soft” encouragement and “hard” critique to bounce back from those challenges and continue forward. Technical assistance providers must ensure that constructive feedback tools are integrated into programs.
7. Technical assistance should focus on helping M/W/DSBEs grow to the point when they no longer need to derive their opportunities from their M/W/DSBE status. Otherwise, there is limited wealth creation because equity-- or wealth-- results when broadly transferable value is created.

Management Capacity

8. A firm's ability to profitably deliver value-added services is paramount. Several advocates noted an M/W/DSBE must be able to make a positive and profitable contribution to a project. Nevertheless, “capacity” cannot be an excuse for avoiding the inclusion of M/W/DSBEs. Capacity is an issue with any emerging business but appropriately matched opportunities yields growth for all stakeholders.
9. Grow the pie, don't just redistribute the slices. The fundamental premise has to be about adding value by ensuring a diversity of perspectives, skills, experiences, approaches, and networks. Evaluate measures based on whether they add value to everyone involved rather than merely trying to redistribute opportunity. This was a recurring theme in the remarks of many business owners. One successful Baltimore-based minority-owned construction firm shared that his aim in building his business was to make a good business that happened to be certified, and that used that certification status to become good, rather than seeing certification as an end. He was aware of his unique status and used his certification status to push his firm towards excellence.

Access to Capital

10. Financing is important. Debt and equity providers must be engaged to plan and promote coordinated investment in M/W/DSBEs. This concept was explored in an interview with a minority investor in the Marriott-Philadelphia, who noted that equity positions held by minorities, women, and disabled persons also create a lever for influence in all aspects

of a project, from the standpoint of M/W/DSBE inclusion, and employment opportunities.

Ownership, Equity and Wealth Creation

11. Pursue inclusive participation with a focus on wealthbuilding. As noted above, equity in contract, employment, and investment opportunities is to be promoted, as a gateway to building wealth. Many advocates we interviewed spoke of the importance of growing firms to scale, not trapped within a permanent business underclass, but rather increasing revenue generation and job creation, and having more positive exit outcomes, whether selling the venture they have grown or passing it on to the next generation.
12. Inclusivity in investment opportunities matter. Inclusive participation efforts tend to focus on contracting, procurement, professional services and employment opportunities and tend not to include ways to advocate for, pursue, and measure inclusion in investment opportunities. Interviewees in the financing industry observed that minorities and women could benefit from additional training, mentoring, and experience as investors. As exemplified by an interview with an investor in the Philadelphia-Marriott and through an interview with Banks Contracting Company, minority investors promote inclusive approaches to other aspects of projects, such as contracting, procurement, and employment opportunities. This aspect of inclusion warrants effort given the even wider gaps in wealth between minorities and women and their majority counterparts, and given the underrepresentation of minority and women investors to serve as role models to future generations of prospective participants.
13. Inclusive participation efforts in investment opportunities are an under-developed aspect of advocating for equitable economic opportunity. However, the same principles apply here as for other opportunities – focus on adding value and growing the pie, employ “hard” and “soft” forms of authority and build capacity. The financing of the Marriott-Philadelphia is an instructive case because the participation of a minority investor on the investment team not only diversified the distribution of investment opportunities but also provided a minority equity partner with leadership in the project. Wealth-building and inclusive participation efforts must further articulate this argument – a more diverse investment team facilitates good outcomes in operations such as employment and procurement.

The Role of Organized Labor in Employment

14. Philadelphia-based building trade unions have been protective of the distribution of employment opportunities so they are key participants in identifying equitable solutions for a diverse construction workforce. The Mayor’s Advisory Commission on Construction Industry Diversity (MACCID) has made nine recommendations, which if implemented, would promote greater workforce equity.

Marketing, Public Relations and Reporting

15. Publicity matters to sustain momentum, acknowledge positive behavior, inform and demonstrate. A Commonwealth elected official expressed the importance of this in our

interview, understanding that past successes can create positive momentum for future efforts. Ultimately, progress happens best when goals are set and performance is measured, without which there is no shared sense of what is to be accomplished **and** how projects are doing against those objectives. Tracking and publicizing those metrics is therefore an important, momentum-sustaining aspect of any good economic inclusion effort.

Specific Opportunities for Inclusion and Wealthbuilding Within the DRWC Master Plan

The redevelopment of the central Delaware River waterfront presents a unique opportunity for advancing the efforts to increase participation and investment by groups that are traditionally not well represented in developments of this scale. The redevelopment projects of the Delaware River Waterfront Corporation (DRWC) can be in the forefront of creating such a culture in the greater Philadelphia region by integrating the following recommendations in its plans to create a world-class waterfront.

During the projected twenty-five year timeline for the master plan, DRWC can function in four different roles in terms of implementation of inclusionary and wealth building activities.

DRWC as an Organization

Throughout the life of the project, DRWC may be called upon to directly manage the design and construction of various public improvements, including open space projects such as the Race Street Pier; streetscape improvement projects such as the Race Street Connector; structural modifications and improvements to its core assets, such as the Great Plaza and the marina basin; and various other public works projects. These projects vary in scope and size. For the early stage anchor projects, illustrative costs are indicated.

DRWC will be guided by its organizational Economic Opportunity Plan (EOP), which is currently in development under a consultative contract to the Urban Affairs Coalition. The EOP will establish an aggressive set of inclusionary goals and practices for DRWC's development and operations activities, as well as a strong compliance monitoring and reporting system. DRWC will undertake a proactive marketing campaign to alert M/W/DSBEs to upcoming opportunities to do business with DRWC. DRWC will also incorporate into its practices the guidelines and resources set forth in the following programs and documents developed by the City of Philadelphia Office of Economic Opportunity (OEO), under the leadership of Mayor Michael Nutter:

- "Recommendations from the Mayor's Advisory Commission on Construction Industry Diversity", dated March 2009, which outlines key steps in creating economic opportunity in the construction industry.
- "Inclusion Works: Economic Opportunity Strategic Plan", dated February 2010, which outlines how the City of Philadelphia proposes to create economic opportunity through a set of approaches.
- "Building Businesses & Putting People to Work", a program which helps businesses network for key opportunities

Professional services needed for proposed projects will include architectural and landscape design, environmental engineering and consulting, construction management services, civil engineering and marine engineering, etc. Construction projects that DRWC shall undertake will

require contractors, including but not limited to firms with expertise in landscaping, electrical, concrete, mechanical, lighting and general site work. In addition to these construction projects, DRWC will also engage the services of various professional services firms in the management of its routine activities, in addition to the purchase of a variety of supplies and equipment to maintain its assets, such as parks, trails and other real estate.

DRWC as Property Owner

DRWC's most important, large scale and direct role in wealth building shall derive from the private development of land which DRWC currently owns. Presently, DRWC owns the ten acre Festival Pier site on the east side of the intersection of Delaware Avenue and Spring Garden Street, as well as the twenty-five acre parcel at Penn's Landing.

In accordance with the phasing strategy recommended for the development of priority sites identified in the master plan, within the next ten years, DRWC will issue three Request(s) for Proposal(s) or RFPs for private developers for the sites.

Each of these RFPs shall set forth the recommended development program for the respective site, as well as a set of wealth building goals which shall include but not necessarily be limited to the following activities:

- 1) Equity investment by M/W/DSBEs
- 2) Professional services, not limited to the design and construction of the project such as legal services, financial consulting, marketing, etc.
- 3) Workforce diversity program negotiated between the project developer and the building trades, supported by existing and new training programs
- 4) Construction contracts and related supplies and materials
- 5) Entrepreneurship opportunities in retail, entertainment, and dining
- 6) Ongoing maintenance services for the completed projects

A formal part of the selection process will be based on the preferred developer's willingness to enter into a project-specific EOP which sets forth specific wealthbuilding goals, and that EOP would then become part of the overall project agreement. Following selection of the developer, there will be a period of time needed to finalize the project agreement. The three RFPs currently contemplated are as follows:

1. Festival Pier

Depending on market conditions, DRWC plans to issue a comprehensive RFP for the development of the ten acre site within the next eighteen months to three years.

The development program calls for construction, in two or more phases, approximately 700 units of housing and 55,000 square feet of retail, dining, and entertainment and 55,000 square feet of service retail.

It is contemplated that construction would begin within eighteen to twenty-four months of the execution of the project agreement, and construction of the entire project could take six to eight years, again, depending on market conditions.

The order of magnitude value of the project in 2011 dollars is in the range of \$250-\$350 million.

2. Penn's Landing Basin

Depending on market conditions, DRWC also plans to issue an RFP for residential and retail development along the Penn's Landing basin within the next eighteen months to three years.

This two phase development program proposes the construction of approximately 370 units of housing with 89,000 square feet of retail, dining, and entertainment.

As with the Festival Pier site, it is contemplated that construction would begin within eighteen to twenty-four months of the execution of the project agreement, and that construction of the first phase would take approximately two years; depending on market conditions, construction of the second phase could begin soon after completion of the first phase of development.

The order of magnitude value of this project in 2011 dollars is in the range of \$150-\$200 million.

3. Penn's Landing-Market Street Lot

The development of the Market Street lot at the northern end of Penn's Landing will necessitate a significant amount of public investment associated with completing the decks over I-95 and Columbus Boulevard; the construction of a new pedestrian bridge at Market Street; and building a new park to replace the Great Plaza. This project will involve extensive consultation with PennDOT and significant lead time associated with various federal, state, and local approvals and permits. For these reasons, the Plan estimates eight to ten years before DRWC would be in a position to issue an RFP for the project.

The contemplated development program for this seven acre parcel is for the construction of a 350 room hotel, approximately 300 units of housing, 50,000 square feet of retail, dining, and entertainment, and 25,000 square feet of service retail.

The order of magnitude value of this project in 2011 dollars is \$250,000-\$350,000 million.

DRWC as Project Facilitator

Approximately 90% of the land covered by the master plan is owned privately, and most of the new development projected in the master plan will be on these private parcels.

In these cases, DRWC's ability to influence these private entities to engage in inclusionary and wealth building practices will be much less direct than in the case of the three parcels of land described above.

At the same time, development on privately owned land may involve the need for funding for public improvements in the form of parks, trails, roads, utilities, etc. In these instances, DRWC can play a facilitating role in assisting the private developer to access the appropriate sources of public funding. In return, DRWC can use such incentives to encourage private investors to incorporate inclusionary and wealth building policies into their development plans.

DRWC as Inclusion Champion

The redevelopment of the central Delaware River waterfront provides DRWC with the opportunity to play a lead role in orchestrating and implementing a wealth building strategy that includes businesses owned by minorities and women and addresses equity investment opportunities by these communities. Given the three early stage anchor projects outlined in the master plan, there is an opportunity for the members of the local business community to be consultants, contractors, commercial tenants, and equity investors. This redevelopment also creates employment for Philadelphians both in the construction trades and in the various businesses which will be created in support of the redevelopment of the waterfront. The overall economic and social impact of DRWC's successful implementation of the wealth building strategy can be profound.

Review of Existing Wealthbuilding Programs, Policy And Legislation

Introduction

The focus of this analysis is on policies and programs that currently support M/W/DSBEs to build wealth, but particularly focusing on a set of recommendations for a wealth building strategy for the Central Delaware River Waterfront Master Plan. This analysis also relies on interviews and a review of case studies where wealthbuilding was an integral goal.

Several common themes emerged, pointing to areas of emphasis that the Delaware River Waterfront Corporation (DRWC) as facilitator of the Central Delaware River Waterfront Master Plan, should consider as it works collaboratively with existing agencies and builds its sphere of influence as a result of its development projects. The following is a review of existing legislation and local technical assistance programs in the context of these common themes. The common conversations included:

- Forging relationships to increase access to capital, building trade union membership, contracting and investment opportunities
- Ensuring an investment and contracting environment that is open to participation, monitoring and enforcement
- Building capacity in a highly competitive arena
- Facilitating access to funding sources for working capital and equity investments.

The Philadelphia region comprises a fairly significant number of organizations that provide assistance to minority and emerging entrepreneurs. In total, our research identified 27 agencies that provide a range of services including micro loans to commercial loans; peer workshops to individualized consulting services; and many more services designed to help an entrepreneur grow a business. To fully leverage the benefits of the region's technical assistance providers in the redevelopment of the Delaware River waterfront, it is recommended that DRWC provide for coordinated technical assistance services for businesses participating in waterfront redevelopment.

Business seminars and networking events for the purposes of increasing access for M/W/DSBEs are the most available technical assistance services. Seminars are hosted by the local chambers, the City of Philadelphia Office of Economic Opportunity (OEO), the Small Business Administration (SBA) and many other organizations. These events range from management techniques to advice for doing business with various government agencies. Since the majority of the region's technical assistance providers are non-profits, services are generally free to businesses or for a nominal fee, subsidized by the funding community that supports the work of the non-profit. DRWC should aggressively coordinate with existing technical assistance providers, relying on their programmatic expertise, to provide businesses wishing to do businesses with DRWC an opportunity to access these supportive technical assistance services.

Advocacy and strong, committed leadership is a key driver in wealth building including promotion of and ensuring compliance with the policies and programs available to address barriers to inclusion. DRWC, as a new institution, is currently developing a corporate Economic Opportunity Plan which it is committed to implementing. Strong leadership also ensures adequate funding so that programs can meet the specific needs of target businesses. As the DWRC reviews these recommendations for implementation, ensuring that the coordinated technical assistance needs of businesses participating in the redevelopment of the Delaware River waterfront are met also means ensuring that they are funded.

Networking with other Businesses

Every individual interviewed for this project emphasized the importance of relationship building to ensure greater M/W/DSBE participation in the Delaware River waterfront redevelopment. Networking opportunities that match targeted M/W/DSBEs with prime contractors can facilitate meaningful introduction for new partnerships. Stakeholders interviewed for this effort pointed to the success of projects such as the PPL Stadium in Chester, PA that capitalized on networking. Over the years, as part of doing business in the region, these companies have worked and maintained relationships with M/W/DSBE contractors and are now able to draw on this network when working on any project. Nevertheless, strategies for growing M/W/DSBEs as well as growing primes that practice inclusion are of critical importance too and we will refer to one such practice, mentor/protégé relationships, later. The following table lists organizations that provide networking opportunities for businesses.

Organization	Services
Drexel University Lebow College of Business – Sovereign Institute for Strategic Leadership	<ul style="list-style-type: none"> • Networking sessions for area business leaders • Business/enterprise forums
Greater Philadelphia Minority Business Strategic Alliance	<ul style="list-style-type: none"> • Networking
Greater Philadelphia Chamber of Commerce	<ul style="list-style-type: none"> • Networking and exposure • Political clout and representation • Focused and efficient marketing • Regional economic development • Employee engagement and benefits (networking/VIP events/opportunities) • GPCC Supplier Network (Corporate Procurement)
Minority Supplier Development Council	<ul style="list-style-type: none"> • Matching member needs with MBE suppliers
Urban League of Philadelphia	<ul style="list-style-type: none"> • Networking/career fairs/counseling • Engagement (programs/events/activities) • Advocacy and policies
Women’s Business Development Center	<ul style="list-style-type: none"> • Training/counseling/networking programs • Child care programs

Organization	Services
Philadelphia Development Partnership	<ul style="list-style-type: none"> • Workshops/seminars/networking • Mentoring
Sustainable Business Network	<ul style="list-style-type: none"> • Networking opportunities • Conventions/expos/speaker seminars • Encourage local business to work with each other (business development) • Online market places
Service Corps of Retired Executives	<ul style="list-style-type: none"> • Mentoring (24/7 and in-person)

Mentor-Protégé Relationships

Another successful approach for improving the capacity of both majority and minority businesses is peer-learning. Such exchanges allow for partnerships that can lead to more contracting opportunities. Based on federal programs and models in the private sector, policy-makers and advocates in the greater Philadelphia region are promoting mentor-protégé programs that allow M/W/DSBEs to work closely with non-M/W/DSBEs. The partnership is mutually beneficial allowing the mentor to access more contracting opportunities and specialized expertise and the protégé to improve its capacity to take on more extensive contracts. Federal agencies, such as the Small Business Administration have established programs to improve contracting opportunities by pairing M/W/DSBEs with larger firms. In Georgia, the Mentor Protégé Connection, pairs a small business protégé with a leading Georgia-based corporate mentor for one year to focus on areas such as new markets and global expansion; professional development, business training and networking; business operations improvements including HR, systems, sales and, financial analysis; cutting-edge business practices; and mentoring. The Pennsylvania Department of Government Services has also established a pilot program to encourage the mentor-protégé model as a way of increasing contracting opportunities for M/W/DSBEs. A local construction company with a national presence operates a mentor/protégé program to create strong partnerships within the construction industry. To provide greater inclusion while addressing the capacity needs of M/W/DSBEs, many project owners place higher value on the mentor/protégé relationship within the bid selection process. This model can be used for any business including professional services, procurement, construction, etc. and it is recommended that DRWC encourage mentor/protégé programs as its redevelopment options permit. The following technical assistance providers also operate mentor/protégé programs.

DRWC has the opportunity to develop partnerships existing technical assistance providers and business advocates in identifying appropriate mentor-protégé relationships for DRWC projects.

Organization	Services
Ben Franklin Technology Partners	<ul style="list-style-type: none"> • Extensive network connecting people to companies and companies to companies
Urban Affairs Coalition- Philadelphia Development Partnership	<ul style="list-style-type: none"> • Training programs/Mentoring

Technical Assistance Programs

As small businesses and/or emerging businesses, many M/W/DSBEs lack the capacity to participate in larger scale developments such as expected at the Delaware River waterfront. But whether it is a subcontractor on a publicly funded project or a manager of a business in the hospitality industry, there are challenges that M/W/DSBEs face in competing with larger companies for contracts.

The Philadelphia region is rich with technical assistance providers that are accessible to M/W/DSBEs; however, funding and coordination limits the scope of services that can be provided by technical assistance providers. Examples of areas that need to be strengthened include business plan writing; issues related to human resources; using technology and electronic tools to improve business practices; marketing; and succession planning. For instance, succession planning accounts for the life cycle of the business and its transitions and puts the business’ evolution in the control of the owner, creating more certainty and stability. Succession planning is a particularly valuable area of focus for M/W/DSBEs that can be strategic about the certification status and define when it may diminish the potential for greater wealth creation, requiring an appropriate transition from the certification.

To address capacity gaps for M/W/DSBEs participating in the redevelopment of the waterfront, it is recommended that DRWC share its pipeline with the technical assistance industry so that the industry can develop programming that is responsive to waterfront redevelopment activities. The following table identifies technical assistance providers which work with businesses.

Organization	Services
African American Chamber of Commerce	<ul style="list-style-type: none"> • Advocacy • Membership directory • Discounted health insurance • Management seminars • Technical assistance • Networking events • Contract identification • Corporate discounts • E-mail blasts/Web postings • Free Philly CarShare corporate membership • ‘R.E.A.P.’ – RoadMapping, Emerging Opportunities, Advocacy, Participation & Inclusion

Organization	Services
Asian American Chamber of Commerce	<ul style="list-style-type: none"> • Minority certifications • Healthcare insurance
Ben Franklin Technology Partners	<ul style="list-style-type: none"> • Provides hands-on training to spur growth • Technical assistance
The Business Center for Entrepreneurship and Social Enterprise	<ul style="list-style-type: none"> • Start-up business tools • Business development for professional management • Provide office space consulting/workshops • Technical assistance • Youth Entrepreneurship Program
Community College of Philadelphia Corporate Solutions Program	<ul style="list-style-type: none"> • Small Business Management Certificate • Workforce Development Training • Professional education programs
Drexel University Lebow College of Business – Sovereign Institute for Strategic Leadership	<ul style="list-style-type: none"> • Helps steer leader’s organizations in times of accelerated change and transform their own leadership style
The Enterprise Center	<ul style="list-style-type: none"> • Building capacity • Pennsylvania Minority Business Enterprise Center • Youth Entrepreneurship = Success Program- High School Youth • Project Great Potential Business- Men aged 18-25 • Project Thrive- Business Assistance to Philadelphia Housing Authority Residents • Minority Business Plan Competition- Minority Businesses with 41% of controlling interest in their businesses • “Green” growth
Greater Philadelphia Minority Business Strategic Alliance	<ul style="list-style-type: none"> • Business workshops/seminars • Technical assistance • Succession planning • Procurement/Certification assistance
Minority Supplier Development Council	<ul style="list-style-type: none"> • Assist in development of business (products/services) • Corporate procurement • Promote success within organization • Track business opportunities • Sales opportunities
North Philadelphia Financial Partnership	<ul style="list-style-type: none"> • Technical assistance related to credit application
The Reinvestment Fund	<ul style="list-style-type: none"> • Technical assistance • “Green” and health awareness growth

Organization	Services
	<ul style="list-style-type: none"> • Providing virtual business homes
Temple University Small Business Development Center	<ul style="list-style-type: none"> • Consulting/coaching new and existing businesses • Affordable hands-on training seminars/workshop series • Financial management/effective marketing strategies training • Market research assistance • Advertising and design (creative ad department services) • Legal advice and consulting • Government marketing
Urban League of Philadelphia	<ul style="list-style-type: none"> • New Business Center
Wharton Small Business Development Center	<ul style="list-style-type: none"> • Technical assistance to: <ul style="list-style-type: none"> ○ Early-stage entrepreneurs – building relationships ○ Established entrepreneurs – retaining relationships • Environmental management • Business planning: proposals, workshops, and certification
Women’s Business Development Center	<ul style="list-style-type: none"> • Entrepreneurial training
Women’s Opportunities Resource Center	<ul style="list-style-type: none"> • Self-Employment Training (SET) • Training for refugees to become self-sufficient • Employment opportunities
Philadelphia Development Partnership	<ul style="list-style-type: none"> • Business training/counseling • Peer training/lending • Technical assistance
Small Business Administration	<ul style="list-style-type: none"> • Online training • Counseling assistance • Special audiences/speakers • Compliance assistance • Marketing/outreach assistance
Service Corps of Retired Executives	<ul style="list-style-type: none"> • Low-cost workshops • Confidential small business advice for entrepreneurs

Access to Capital through Equity Investment and Debt

Attraction of M/W/DSBEs and minority investors to the region, and particularly to the Delaware River waterfront will ensure a diversity of interests that will make the riverfront a showcase, signature endeavor for the DRWC. As some stakeholders have pointed out, strong leadership and early success stories can attract investment. Public funding can further require participation of M/W/DSBEs and incent minority investment participation in all projects.

Several federal policies have established mechanisms to increase investment and access to capital in distressed communities. One of the best known and earliest efforts is the Community Reinvestment Act of 1977 that was enacted to address discrimination in lending. Other federal level policies that have helped increase investment in areas that M/W/DSBE businesses work include the Small Business Administration’s HUBZone program and the United States Department of Treasury’s New Markets Tax Credit program.

Although the banking industry has been in the midst of one of the biggest crises of our times, several financial institutions have recently announced programs that will further support M/W/DSBE businesses. These include Citi Group’s launch of Communities at Work, a \$200 million fund in partnership with the Calvert Foundation and the Opportunity Finance Network, and Bank of America’s \$10 million commitment in support of microloans for small and rural businesses to leverage funds from the federal Small Business Administration and the United States Department of Agriculture.

A large-scale undertaking such as the Delaware River waterfront, as echoed by many stakeholders interviewed, would require substantial amounts of public funding. Yet public funding usually includes requirements that many M/W/DSBEs are not able to meet such as bonding capacity. Many construction managers in charge of some of the more inclusive projects in the region pointed out that participation of M/W/DSBEs in publicly funded projects is hindered by their inability to meet their expenses, including payrolls, due to the extended reimbursement cycle and burdensome bonding and insurance requirements. These are both capacity and access to capital issues for businesses but the issues also beg the question as to what changes government can make in how it does business so as not to undermine the very businesses it is trying to help.

Through its outreach and promotion of pipeline, DRWC will enable businesses to identify the financial tools necessary to participate on its projects.

There are a number of organizations that provide investment and financing tools that assist M/W/DSBEs, as shown in the following table.

Organization	Services
African American Chamber of Commerce	• Loan pool
Asian American Chamber of Commerce	• Small business loans

Organization	Services
Ben Franklin Technology Partners	<ul style="list-style-type: none"> • Invests risk capital to emerging technology based companies • Evaluating resources • Provides federal research and development money • Seed and growth capital
The Enterprise Center	<ul style="list-style-type: none"> • Financial loan assistance/ Loan Packaging • Business/economic development • Access to business-acceleration initiatives portfolio • Project Thrive- Business Assistance to Philadelphia Housing Authority Residents • Minority Business Plan Competition- Minority Businesses with 41% of controlling interest in their businesses • Enterprise Center Capital Corporation- financial assistance
Urban Affairs Coalition	<ul style="list-style-type: none"> • Business Builder Loan Program
North Philadelphia Financial Partnership	<ul style="list-style-type: none"> • Financing/loans
Philadelphia Industrial Development Corporation	<ul style="list-style-type: none"> • Financing/loan programs • Bond financing • Tax incentives • Real estate
Surety Bond Associates	<ul style="list-style-type: none"> • Bond guarantees (up to \$2 million) • Bond assistance program • Fund disbursement services
The Reinvestment Fund	<ul style="list-style-type: none"> • Neighborhood revitalization through financing
Universal Companies	<ul style="list-style-type: none"> • Real estate development
Urban League of Philadelphia	<ul style="list-style-type: none"> • Economic advancement – tools to African American private sector businesses
West Philadelphia Financial Services Institution	<ul style="list-style-type: none"> • Commercial lending • Mortgage brokerage • IDA Programs (Dollar-4-Dollar) • Commercial development
Women’s Business Development Center	<ul style="list-style-type: none"> • Advance small business initiatives • Create (retain jobs in low- and moderate-income

Organization	Services
	areas) • Business finance programs • Loan Packaging for SBA Programs
Women’s Opportunities Resource Center	• Family savings accounts for low-income families (matched savings program) • Financial assistance • Loan packaging
Philadelphia Development Partnership	• Access to capital
Small Business Administration	• Financial assistance • Contract opportunities • Disaster assistance

Workforce Equity in the Building Trades

Conversations with local project owners of some of the more inclusive construction projects attributed their outcomes to proactive relationships they forged with the building trades. One of the premises of the City of Philadelphia’s Executive Order 14-08 is establishing benchmarks for increasing membership and engagement of minority and female workers in the building trade unions and construction industry. The Mayor’s Advisory Committee on Construction Industry Diversity also issued a report in 2009 with specific recommendations for consideration in creating inclusion in the building trades.¹ Finally, it must also be noted that the influence that local unions have in the building trades and their ability to control so much of the work is not consistent across all cities in the country.

There are three local programs designed to facilitate minority and female workers into local unions. They include the *Diversity Apprenticeship Program Pre-apprenticeship Construction Training*, the pre-apprenticeship program managed by the Philadelphia Housing Authority (PHA) for its residents; and the *Lucien E. Blackwell Program*, operated by a local institution that includes residents living in its three contiguous zip codes among its target workforce. Both PHA’s program and the Lucien E. Blackwell program are programs designed by the project owner to ensure that its stakeholders are not left out of the project owners’ specific construction trade opportunities because they lack the skills to enter into the union-run apprenticeship programs. Because apprenticeship classes are managed by the trades and are directly related to the scope of work projected by the industry, it is likely that even those who succeed in pre- apprenticeship programs will not have access to an apprenticeship program. The building trade unions and the larger construction industry define the greater Philadelphia construction market as weak and there have been limited apprenticeship programs in the

¹ <http://www.phila.gov/pdfs/MACCID%20Report%20and%20Appendices.pdf>

Philadelphia region. In addition, without intervention, union work is assigned based on seniority so the least senior are employed last.

Coordination with the building trades is paramount and attention to the policies within the different trades must be considered. A more inclusive workforce in the construction trades means that the supply of union workers who are minorities and women will increase. And again, we see more successful models of inclusion in projects where strong leadership among project owners is demonstrated.

DRWC has the opportunity to work with existing apprenticeship programs and agencies addressing building trade workforce equity issues to ensure that DRWC projects are built by a diverse workforce.

Ensuring an Investment and Contracting Environment Open to Participation, Monitoring and Enforcement

Monitoring and enforcement are crucial in implementing any policy. These efforts are particularly important in ensuring M/W/DSBE participation. While policies define the framework for participation, without a strong effort in monitoring and enforcement, the success of the policies are limited. Conversations with various stakeholders confirm that a strong program of monitoring and enforcement will better ensure the desired levels of M/W/DSBE participation. As one of the M/W/DSBE construction firms interviewed for this project pointed out, many bid proposals submitted by proposal respondents include M/W/DSBEs, in order to be more competitive in the bidding process. However, the proposed numbers don't later translate into actual payments to M/W/DSBE firms because M/W/DSBEs might not actually receive the work projected within the bid or the work might be significantly reduced. Sometimes, the M/W/DSBE subcontractors serve as pass-through businesses with the substantial portion of sub-contract value going to non-M/W/DSBEs sub-contractors.

There are a number of policies that set the stage for monitoring and enforcement, which have ensured greater M/W/DSBE participation in this region. The defining policy for the City of Philadelphia is Executive Order 14-08 which, under the leadership of the Department of Commerce, implements M/W/DSBE participation goals for City contracts. Executive Order 14-08 also establishes benchmarks for increasing membership and engagement of minority and females in the building trades and construction industry.

At the state and federal levels, too, there are policies establishing participation goals that are enforced by administering agencies. Executive Order 2004-6 of the Commonwealth of Pennsylvania, Code of Federal Regulations 41 – Part 60 and Public Law 95-507 establishes the Commonwealth's commitment to increasing M/W/DSBE participation, requiring contracting agencies to monitor the established M/W/DSBE participation goals.

The transportation field, in particular, exemplifies the strength of federal policies in increasing M/W/DSBE participation in government contracting. As one interview pointed out, under the

United States Department of Transportation (USDOT) regulations, capital investments are linked with M/W/DSBE participation beyond the construction phase and occur through extensive compliance oversight led by the USDOT. For instance, the Philadelphia International Airport has an M/W/DSBE goal for concessions.

It is recommended that DRWC establish inclusion goals for each element of waterfront redevelopment and implement a monitoring program that ensures participation throughout the development and operations process. The following programs in the Philadelphia region focus on the monitoring and compliance.

Organization	Services
Urban Affairs Coalition	<ul style="list-style-type: none">• Developing Economic Opportunity Plans to help project owners quantify their inclusion goals• Monitoring workforce requirements on project sites• Monitoring participation of M/W/DSBEs on projects
Minority Supplier Development Council	<ul style="list-style-type: none">• Membership organization matching suppliers to corporate opportunities• Government compliance regulations

Summary

The greater Philadelphia metropolitan area is home to many organizations that support the growth and expansion of M/W/DSBE firms. Also available are policy and legislation designed to promote the development of businesses owned by minorities, women and the disabled, as well as to facilitate a diverse workforce.

The recommendations for a central Delaware River Waterfront wealth building strategy assume an unfettered opportunity to be inclusive by establishing, facilitating and monitoring participation; providing appropriate tools and services for growing businesses; and being passionate about inclusion so that participation goals are a starting point for providing equitable solutions to historic barriers in business development, entrepreneurship, investment and employment.

APPENDIX I: POLICIES GOVERNING M/W/DSBES PARTICIPATION AND INVESTMENT

LEGISLATION/AUTHORIZATION	RESPONSIBLE AGENCY/DEPARTMENT	DESCRIPTION
City of Philadelphia		
Executive Order 14-08	Office of Economic Opportunity	Development and implementation of City-wide goals for the robust participation of Minority, Woman, and Disabled owned business enterprises in City contracts to advance economic opportunities to M/W/DSBES and to establish benchmarks for substantially increasing the membership and hourly deployment of minority and female trades persons in the building trades unions and construction industry. The administration of the program is under the City's Department of Commerce authority, leading to emphasis on economic development.
Commonwealth of Pennsylvania		
Commonwealth Procurement Code, 62 PA. C.S. - Section 2101	Applies to all departments	It is the policy of the Commonwealth to assist small and disadvantaged businesses in learning how to do business with Commonwealth agencies.
Executive Order 2004-6	Department of General Services Bureau of Minority and Women Business Opportunities	<ul style="list-style-type: none"> • Develop and implement policy initiatives to substantially increase contracting and subcontracting opportunities for minority and women-owned businesses and other disadvantaged businesses in the Commonwealth's procurement of supplies, services and construction • Enforce compliance with the minority and women-owned business program by both businesses and Commonwealth agencies • DGS has established minimum participation levels of 20 percent of procurement and construction contracts • The state's scoring process places value on the submission of disadvantaged business owners.
	Pennsylvania Infrastructure Investment Authority	Requires MBE/WBE solicitation through the bidding of design or construction contracts or subcontracts. Department of Environmental Protection is responsible for administrating the MBE/WBE requirements.

Federal		
Small Business Act	Small Business Administration	Established the SBA to "encourage" and "develop" small business growth, and to aid minorities and other disadvantaged peoples in securing loans and learning management techniques.
CFR 41 – Part 60 Public Contracts and Property Management —Obligations of Contractors and Subcontractors	U.S. Department of Labor, Office of Federal Contract Compliance Programs, Employment Standards Administration	The purpose of the regulations in this part is to achieve the aims of parts II, III, and IV of Executive Order 11246 to promote and insure equal opportunity for all persons, without regard to race, color, religion, sex, or national origin, employed or seeking employment with Government contractors or with contractors performing under federally assisted construction contracts. The regulations in this part (Part 60) apply to all contracting agencies of the government and to contractors and subcontractors who perform under government contracts, to the extent set forth in this part. The regulations in this part also apply to all agencies of the government administering programs involving Federal financial assistance which may include a construction contract, and to all contractors and subcontractors performing under construction contracts which are related to any such programs. The procedures set forth in the regulations in this part govern all disputes relative to a contractor's compliance with his obligations under the equal opportunity clause regardless of whether or not his contract contains a "Disputes" clause. Failure of a contractor or applicant to comply with any provision of the regulations in this part (Part 60) shall be grounds for the imposition of any or all of the sanctions authorized by the order. The regulations in this part do not apply to any action taken to effect compliance with respect to employment practices subject to title VI of the Civil Rights Act of 1964.
Public Law 95-507	Applies to all agencies	Enacted in October 1978; requires: (1) A strong and specific commitment to subcontracting with small, small disadvantaged and small women-owned businesses by large business prime contractors. (2) Detailed subcontracting plans for larger contracts. These plans may be accepted or rejected by the government contracting officer in a negotiated procurement and must be carried out forcefully in either a negotiated or sealed bid procurement by the successful large business. (3) Monitoring of performance against the plan by SBA and by the procuring activity's

		<p>contracting officer.</p> <p>(4) Federal buying agencies to establish an Office of Small and Disadvantaged Business Utilization to assist small businesses by expanding their contracting opportunities and by helping solve problems; reports directly to the head of the agency.</p> <p>(5) Annual goals for contracting and subcontracting with small, small disadvantaged (including 8(a)), and women-owned businesses to be set by Federal agencies.</p>
63 FR 31908	Small Business Administration HUBZone Program	To promote job growth, capital investment, and economic development to historically underutilized business zones, referred to as HUBZones, by providing contracting assistance to small businesses located in these economically distressed communities. The HUBZone Program applies to all federal departments or agencies that employ one or more contracting officers. The HUBZone program does not apply to contracts awarded by state and local governments. However, state and local governments may use the List of qualified HUBZone SBCs to identify qualified HUBZone SBCs for similar programs authorized under state or local law.
	US Department of Transportation - Office of Small and Disadvantaged Business Utilization (DOT/OSDBU)	<p>To ensure that small and disadvantaged businesses are provided maximum practicable opportunity to participate in the agency's contracting process. The primary responsibility of the DOT/OSDBU is to ensure that small businesses are treated fairly and have an opportunity to compete and be selected for a fair amount of the agency's contracting and subcontracting dollars.</p> <ul style="list-style-type: none"> • To ensure that small business policies and goals of the Secretary of Transportation are implemented in a fair, efficient, and effective manner to serve small businesses. • To implement DOT's activities on behalf of small businesses, in accordance with Sections 8, 15, and 31 of the SBA, as amended. • To provide opportunities, technical assistance, and financial services to the small business community.
CFR 49-PART 26 Participation by Disadvantaged Business Enterprises in	US Department of Transportation	The statutes authorizing this program provide that, except to the extent the Secretary determines otherwise, not less than 10 percent of the authorized funds are to be expended with DBEs. This 10 percent goal is an aspirational goal at the national level, which the Department uses as a tool in evaluating and monitoring DBEs' opportunities to participate in

<p>Department of Transportation Financial Assistance Programs</p>		<p>DOT-assisted contracts. The national 10 percent goal does not authorize or require recipients to set overall or contract goals at the 10 percent level, or any other particular level, or to take any special administrative steps if their goals are above or below 10 percent.</p>
<p>CFR 23 - PART 635 Construction and Maintenance</p>	<p>Federal Highway Administration, Department of Transportation</p>	<p>Schedule contract lettings in a balanced program providing contracts of such size and character as to assure an opportunity for all sizes of contracting organizations to compete. In accordance with Title VI of the Civil Rights Act of 1964, subsequent Federal-aid Highway Acts, and 49 CFR part 26, the STD shall ensure equal opportunity for disadvantaged business enterprises (DBEs) participating in the Federal-aid highway program. In the case of a design-build project funded with title 23 funds, the requirements of 49 CFR part 26 and the State's approved DBE plan apply. If DBE goals are set, DBE commitments above the goal must not be used as a proposal evaluation factor in determining the successful offeror.</p>

<p>24 CFR, Part 85 Section 36(e)</p>	<p>US Department of Housing and Urban Development</p>	<p>Provides the required affirmative steps HUD grantees and subgrantees shall take to assure that minority firms are used when possible for procurement/contracting:</p> <p>(1)The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women’s business enterprises, and labor surplus area firms are used when possible.</p> <p>(2) Affirmative steps shall include:</p> <ul style="list-style-type: none"> (i.e.)Placing qualified small and minority business enterprises on solicitation lists; (ii)Assuring that small and minority businesses are solicited whenever they are potential sources; (iii) Dividing total requirements, when economically feasible to permit maximum participation by small and minority business and women’s business enterprises; (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women’s business enterprises. (v) Using the services of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and (vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e) (2)(i) through (v) of this section.
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Housing and Community Development Act of 1992	US Department of Housing and Urban Development	Section 3 requires that when HUD Federal assistance generates the need for the recipient of HUD funding to increase internal employment or let contracts, the recipient must give preference in hiring to low and very low income persons and must give preference in contracting to businesses owned by these persons or that substantially employ low and very low income persons.
CFR 40 - PART 33 Participation by Disadvantaged Business Enterprises in United States Environmental Protection Agency Programs	US Environmental Protection Agency	<ul style="list-style-type: none"> • To ensure nondiscrimination in the award of contracts under EPA financial assistance agreements. To that end, implementation of this rule with respect to grantees, subgrantees, loan recipients, prime contractors, or subcontractors in particular states or locales—notably those where there is no apparent history of relevant discrimination—must comply with equal protection standards at that level, apart from the EPA DBE Rule's constitutional compliance as a national matter; • To harmonize EPA's DBE Program objectives with the U.S. Supreme Court's decision in <i>Adarand Constructors, Inc. v. Peña</i>, 515 U.S. 200 (1995); • To help remove barriers to the participation of DBEs in the award of contracts under EPA financial assistance agreements; and • To provide appropriate flexibility to recipients of EPA financial assistance in establishing and providing contracting opportunities for DBEs. <p>The requirements of this part apply to procurement under EPA financial assistance agreements performed entirely within the United States, whether by a recipient or its prime contractor, for construction, equipment, services and supplies.</p>
Public Law 102-389, 42 U.S.C 4370d	US Environmental Protection Agency	Provides for an 8% objective for awarding contracts under EPA financial assistance agreements to business concerns or other organizations owned or controlled by socially and economically disadvantaged individuals, including HBCUs and women (“EPA's 8% statute”).
Title X of the Clean Air Act Amendments of 1990, 42 U.S.C. 7601	US Environmental Protection Agency	Provides for a 10% objective for awarding contracts under EPA financial assistance agreements for research relating to such amendments to business concerns or other organizations owned and controlled by socially and economically disadvantaged individuals (“EPA's 10% statute”).

INVESTMENT POLICIES

PROGRAM	DESCRIPTION
<p>Keystone Opportunity Zones (KOZ)</p>	<p>Specific commercial or industrial areas with greatly reduced or no tax burden for property owners, residents and businesses throughout the Commonwealth of Pennsylvania, established in 1999. Keystone Opportunity Zones are designated by local communities and approved by the state. Businesses or companies that are new to Pennsylvania must locate within one of the designated zones to receive tax benefits. Businesses and companies that are already well established in Pennsylvania may become obtain KOZ benefits by increasing full-time employment within one year after receiving KOZ status or by making capital investments equal to 10 percent of the previous year’s gross revenue.</p>
<p>The Community Reinvestment Act (or CRA, Pub. L. 95-128, title VIII, 91 Stat. 1147, 12 U.S.C. § 2901 <i>et</i> <i>seq.</i>)</p>	<p>A United States federal law designed to encourage commercial banks and savings associations to meet the needs of borrowers in all segments of their communities, including low- and moderate-income neighborhoods. Congress passed the Act in 1977 to reduce discriminatory credit practices against low-income neighborhoods, a practice known as redlining. The Act requires the appropriate federal financial supervisory agencies to encourage regulated financial institutions to meet the credit needs of the local communities in which they are chartered, consistent with safe and sound operation. To enforce the statute, federal regulatory agencies examine banking institutions for CRA compliance, and take this information into consideration when approving applications for new bank branches or for mergers or acquisitions. The Community Reinvestment Act of 1977 seeks to address discrimination in loans made to individuals and businesses from low and moderate-income neighborhoods. The law does not mandate any other penalties for non-compliance with the CRA.</p>

The New Markets Tax Credit (NMTC)	Permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.
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APPENDIX II: TECHNICAL ASSISTANCE PROVIDERS

African American Chamber of Commerce

Website: <http://www.aachamber.org/>

Services include:

- Advocacy
- Membership directory
- Discounted health insurance
- Management seminars
- Technical assistance
- Networking events
- Contract identification
- Corporate discounts
- E-mail blasts/Web postings
- Loan pool
- Free Philly CarShare corporate membership
- 'R.E.A.P.' – RoadMapping, Emerging Opportunities, Advocacy, Participation & Inclusion

Asian American Chamber of Commerce (WIP - Further research being conducted on this entity)

Website: <http://www.asianchamberphila.org/>

Services include:

- Minority certifications
- Small business loans
- Healthcare insurance

Ben Franklin Technology Partners

Website: <http://benfranklin.org/>

Services include:

- Invests risk capital to emerging technology based companies
- Provides hands-on training to spur growth
- Technical assistance
- Evaluating resources
- Provides federal research and development money
- Extensive network connecting people to companies and companies to companies
- Seed and growth capital

The Business Center for Entrepreneurship and Social Enterprise

(formerly the Business Center at New Covenant)

Website: <http://www.thebizctr.com/>

Services include:

- Start-up business tools
- Business development for professional management
- Provide office space consulting/workshops
- Technical assistance
- Youth Entrepreneurship Program

Community College of Philadelphia Corporate Solutions Program

Website: <http://www.ccp.edu/site/business/>

Services include:

- Small Business Management Certificate
- Workforce Development Training
- Professional education programs

Drexel University Lebow College of Business

Website: <http://www.lebow.drexel.edu/Centers/Leadership/index.php>

Services include:

- Sovereign Institute for Strategic Leadership
 - Helps steer leader's organizations in times of accelerated change and transform their own leadership style
 - Networking sessions for area business leaders
 - Business/enterprise forums

The Enterprise Center

Website: <http://www.theenterprisecenter.com/>

Services include:

- Financial loan assistance/ Loan Packaging
- Building capacity
- Business/economic development
- Access to business-acceleration initiatives portfolio
- Pennsylvania Minority Business Enterprise Center
- Youth Entrepreneurship = Success Program- High School Youth
- Project Great Potential Business- Men aged 18-25
- Project Thrive- Business Assistance to Philadelphia Housing Authority Residents
- Minority Business Plan Competition- Minority Businesses with 41% of controlling interest in their businesses
- Enterprise Center Capital Corporation- financial assistance
- "Green" growth

Greater Philadelphia Minority Business Strategic Alliance

Website: <http://gpmba.com/>

Services Include:

- Business workshops/seminars
- Technical assistance
- Succession planning
- Procurement/Certification assistance
- Networking

Greater Philadelphia Chamber of Commerce

Website: <http://www.greaterphilachamber.com/>

Services include:

- Networking and exposure
- Political clout and representation
- Focused and efficient marketing
- Regional economic development

- Employee engagement and benefits (networking/VIP events/opportunities)
- GPCC Supplier Network (Corporate Procurement)

Minority Supplier Development Council

New website: <http://msdc.adaptone.com/panjde>

Services include:

- Assist in development of business (products/services)
- Matching member needs with MBE suppliers
- Corporate procurement
- Promote success within organization
- Track business opportunities
- Sales opportunities
- Government compliance regulations

Office of Economic Opportunity

Previously: *Philadelphia Minority Business Enterprise Council*

Website: <http://mbec.phila.gov/home/>

Services include:

- Procurement activity (construction/trade/service/supplies/equipment)
- Technical assistance
- Assist companies with MBE, WBE, DSDBE status
- Networking forums
- Certification assistance

North Philadelphia Financial Partnership

Website: <http://www.npfp.org/>

Services include:

- Promotes economic development
- Financing/loans
- Technical assistance

Philadelphia Industrial Development Corporation

Website: <http://www.pidc-pa.org/>

Services include:

- Financing/loan programs
- Bond financing
- Tax incentives
- Workforce development
- Real estate
- Grant assistance

Surety Bond Associates (SBA)

Website: <http://www.suretybondassociates.com/>

Services include:

- Bond guarantees (up to \$2 million)
- Bond assistance program
- Fund disbursement services

The Reinvestment Fund (TRF)

Website: <http://www.trfund.com/>

Services include:

- Neighborhood revitalization through financing
- Technical assistance
- “Green” and health awareness growth
- Providing virtual business homes

Temple University Small Business Development Center

Website: <http://sbm.temple.edu/sbdc/>

Services include:

- Consulting/coaching new and existing businesses
- Affordable hands-on training seminars/workshop series
- Financial management/effective marketing strategies training
- Market research assistance
- Advertising and design (creative ad department services)
- Legal advice and consulting
- Government marketing

Universal Companies

Website: <http://www.universalcompanies.org/>

Services include:

- Real estate development
- K-8 Charter School

Urban Affairs Coalition

Website: <http://www.uac.org/>

Services include:

- Business workshops
- Business Builder Loan Program
- Youth outreach programs/mentoring
- Training programs/mentoring
- Economic Opportunity Technical assistance
- Monitoring community residents as trades people on project sites

Urban League of Philadelphia

Website: <http://www.urbanleaguephila.org/>

Services include:

- Economic advancement – tools to African American private sector businesses
- Networking/career fairs/counseling
- Engagement (programs/events/activities)
- New Business Center
- Advocacy and policies

West Philadelphia Financial Services Institution

Website: <http://www.wpfsi.com/> (site under construction)

Services include:

- Commercial lending
- Mortgage brokerage
- IDA Programs (Dollar-4-Dollar)
- Commercial development

Wharton Small Business Development Center

Website: <http://whartonsbdc.wharton.upenn.edu/>

Services include:

- Technical assistance to:
 - Early-stage entrepreneurs – building relationships
 - Established entrepreneurs – retaining relationships
- Environmental management
- Business planning: proposals, workshops, and certification

Women's Business Development Center

Website: <http://www.womensbdc.org/>

Services include:

- Foster economic development
- Advance small business initiatives
- Create (retain jobs in low- and moderate-income areas)
- Training/counseling/networking programs
- Entrepreneurial training
- Business finance programs
- Loan Packaging for SBA Programs
- Child care programs

Women's Opportunities Resource Center

Website: <http://www.worc-pa.com/>

Services include:

- Self-Employment Training (SET)
- Family savings accounts for low-income families (matched savings program)
- Training for refugees to become self-sufficient
- Financial assistance
- Loan packaging
- Employment opportunities

Philadelphia Development Partnership

Website: <http://www.pdp-inc.org/>

Services include:

- Access to capital
- Business training/counseling
- Peer training/lending
- Technical assistance
- Workshops/seminars/networking
- Mentoring

Sustainable Business Network

Website: <http://www.sbnphiladelphia.org/>

Services include:

- Networking opportunities
- Conventions/expos/speaker seminars
- Encourage local business to work with each other (business development)
- Online market places

Small Business Administration

Website: <http://www.sba.gov/>

Services include:

- Financial assistance
- Contract opportunities
- Disaster assistance
- Online training
- Counseling assistance
- Special audiences/speakers
- Compliance assistance
- Marketing/outreach assistance

Service Corps of Retired Executives

Website: <http://www.score.org/>

Services include:

- Mentoring (24/7 and in-person)
- Low-cost workshops
- Confidential small business advice for entrepreneurs

Case Studies in Wealthbuilding

Introduction

The purpose of this memorandum is to articulate best practices as it relates to the management of large-scale public and private development projects towards ensuring wealth-building opportunities for businesses owned by minorities, women, and disabled persons. Careful attention is given to the full gamut of economic opportunities represented within such projects, including contract opportunities, employment opportunities, and investment opportunities.

Five case studies are described as part of this effort to provide a range of contexts in which practices have taken place. In selecting these projects, it was not at all our intention to uphold every aspect of the project as exemplary; rather, both positives and negatives are identified and mined for “best practices.” What results is a body of examples from which general trends, conclusions, and recommendations can be drawn.

Marriott-Philadelphia (Philadelphia, PA)

The decision to use over \$500 million in taxpayer dollars to build the Pennsylvania Convention Center and adjoining Marriott-Philadelphia hotel in order to catalyze Philadelphia’s place as a top convention and tourism city was criticized by many who questioned the allocation of such a huge outlay of public funds in downtown Philadelphia, instead of investment in the City’s mostly minority, distressed neighborhoods. In a 1995 article, Black Enterprise noted, “More significantly, the project represented a major expenditure of political capital by African-American elected officials, including then-Mayor W. Wilson Goode, Philadelphia’s first African-American mayor.”²

But from a wealth-building standpoint, the construction and operations of the Marriott was a success. Minority firms received 16 percent (\$22.5 million) of building trade contracts and 18 percent (\$1.6 million) of furnishings and decorations contracts, and minority workers performed 19 percent (200,000+ hours) of the construction work hours during the two-and-a-half-year construction period that concluded in 1995. Of the hotel’s 800 initial employees, 65 percent were minorities, including 31 percent of its managers. And, Curtis Dean, the hotel’s first manager, represented at the time, the only African-American manager of a major hotel in the City, one of four African-American managers within the Marriott system, and the manager operating the largest property.³

Notably, the ownership team included a locally-based African-American equity partner. The Marriott deal took place in the first year of the firm’s operations, and led to an expansion of its

² “Curtis Dean Gets a Room with a View,” Black Enterprise (October 1995).

³ “Curtis Dean Gets a Room with a View,” Black Enterprise (October 1995); “African-American to Manage City’s New Marriott,” Philadelphia Tribune (August 12, 1994).

core business of hotel development to include office, retail, and residential projects. Illustrative projects include involvement in the development of the corporate center at the Philadelphia Navy Yard, the conversion of the former School District of Philadelphia administration building into luxury apartments, and the development of an entire city block of Chinatown into mixed-use market rate and affordable housing with ground floor retail.⁴

This equity position is of particular importance because it represents not only an important avenue to wealth-building within the American economy, but because it represents a seat of influence regarding key operational decisions associated with the construction, administration and ongoing operations of the Marriott-Philadelphia. That influence can be used to ensure diversity in contracting, procurement, and employment, and do so in ways that add value to the overall engagement by accessing useful skills and experienced entities that might not have otherwise been engaged. This equity position also added value to the local marketplace by making economic opportunities more accessible to local residents and firms.

These gains validate Marriott's stated intentions on the front end of the project, and as required by the City, to include a minority equity partner, even though the Marriott Corporation had the resources to finance the project without such participation. Because of the declaration of this preference at project commencement, and of the subsequent ability of the minority partner to participate as a full investment partner – with requisite sharing of contribution of resources and expertise, and commensurate distribution of risk and profit – minority participation in project ownership could be made possible where it might not have otherwise been possible.

This sort of across-the-board effort towards inclusive participation – in ownership, construction employment, contract opportunities, and permanent employment – is of particular importance because of the high-profile nature of the Marriott-Philadelphia. As a hotel, it represents a wide range of contract and employment needs; and, as the City's largest hotel and a major provider of hotel rooms for conventioners and tourists, it serves as a vital "first impression" of the City to out-of-town visitors. As noted in a 1995 Black Enterprise article by Jackie Greene, treasurer of the National Association of Black Journalists and Director of Technology Planning and Administration at USA Today: "The majority of staff I met upon checking in were African Americans. Normally, we have to negotiate in our contract that, at the time of our convention, there will be a good representation of African Americans on staff. This time we didn't have to."

President's House (Philadelphia, PA)

The controversial nature of the President's House – slaves were kept in the home of the president of a newly formed nation dedicated to the proposition that all men are created equal – has made for a contentious construction and design process. Critics have been vocal that the memorials not sanitize the harsh realities of slavery in 18th century Philadelphia.⁵ Ongoing

⁴ From the biography of William L. Wilson, Founder and President of Synterra Ltd.

⁵ "Critics Denounce Plans for President's House," Philadelphia Inquirer (May 8, 2010)>

discussions and disputes concerning these historic portrayals have contributed to the delay of the unveiling from July 4, 2010 to November 2010.⁶

Activists are also mindful that construction employment opportunities be made available to African Americans; or, as stated in a 2009 Philadelphia Inquirer article, “Redeem(ing) the unpaid labor of enslaved forebears by ensuring paid labor in the here and now.”⁷ As one apprenticeship program manager stated, “Working on construction is struggling for civil rights for African Americans all over again. We’re in the 1950’s all over again, at least in this city...”⁸

Both the Roz Group, a consulting firm hired by the City to oversee the project, and Kelly/Maiello Architects & Partners, which is the designer of the memorial, are minority-owned; but Daniel J. Keating Co., general contractor of the \$8.5 million construction project is not. Keating, which was criticized by minority subcontractors who felt shut out of work at the \$800 million Pennsylvania Convention Center construction project, for which Keating was also the general contractor, has once again been under fire, to the point that it has agreed to bow out of the project if asked.⁹

Philadelphia Inquirer articles in 2009 reported that 67 percent of construction subcontracts were awarded to minority or women owned firms, that 70 percent of project design work has been given to minorities, and that prominent African-American artists, including novelist Lorene Cary (“The Price of a Child”) and filmmaker Louis Massiah (“W.E.B. Du Bois: A Biography in Four Voices”) are creating the scripts and theatrical videos that will be showcased on the site.¹⁰

Though discussion has been heated at times given the evocative nature of the topic at hand, the disappointment of recent past failed attempts at more inclusive participation, and that open communication lines needed to ensure diversity in involvement at all levels, the discussion proceeded, creating a better project. Just as history should be presented warts and all – the fact that the nation’s first president, revered as he was, kept slaves in the executive mansion makes clear the conflicted nature of the founding fathers towards freedom and enslavement – so should there be ongoing dialogue, however critical, as this project continues so that viewpoints can be voiced, decision-makers held accountable, and progress made towards an outcome that is satisfactory for all involved.

PPL Park (Chester City, PA)

Inclusive participation in the construction of PPL Park in Chester City, new home to the

⁶ “Independence Irony: President’s House Pays Tribute to Slaves,” Philadelphia Tribune (July 4, 2010).

⁷ “Minority Role Pushed in President’s House Project,” Philadelphia Inquirer (July 3, 2009).

⁸ “2/3 of President’s House Contracts to Minorities, Women,” Philadelphia Inquirer (August 22, 2009).

⁹ “Minority Role Pushed in President’s House Project,” Philadelphia Inquirer (July 3, 2009).

¹⁰ “2/3 of President’s House Contracts to Minorities, Women,” Philadelphia Inquirer (August 22, 2009); “Minority Role Pushed in President’s House Project,” Philadelphia Inquirer (July 3, 2009).

Philadelphia Union of Major League Soccer, was given a boost from its commencement by the retention of Clark Resources, a Harrisburg-based minority owned firm that connects managers of large-scale projects to minority and women owned firms seeking contract opportunities. This approach proceeded at the recommendation of Wendell Butler Jr., Mayor of Chester City, and Dominic Pileggi, PA State Senate Majority Leader, in direct response to the lack of follow-through associated with the \$400 million Harrah's racetrack and casino project, which promised that 25 percent of jobs and contracting opportunities would go to minorities and women. The Harrah's project failed to meet that promise.¹¹

A 25 percent goal in workforce and contracting was set for PPL Park, which consisted of 1 million labor hours and \$115 million in construction costs, and which created 360 permanent jobs. An additional \$400 million development is planned that will include residential, retail, event, office, and parking space. Clark has supervised the inclusion process since conception, coordinating outreach events to minorities and women, providing training and support for the certification process, and connecting pre-screened minority and women owned firms to project owners and developers.¹²

This connecting and supporting role is crucial for project owners and developers as well as minorities and women seeking contract and employment opportunities. Matchmaking can be less than optimal absent an entity like Clark, leaving both projects and participants with fewer choices and therefore, worse outcomes. Advocacy in participation also helps to create project contracting, procurement and other opportunities for smaller firms to build capacity by taking on work that deepens their work experience and facilitates the pursuit of other, larger work in the future.

It has also helped that the project owners and developers understand the commitment they are making to a particular local community. Ensuring that extra effort is made to involve local residents and firms in economic opportunities associated with the construction and operation of PPL Park is sound economic and community development policy, for it creates better local business outcomes and creates jobs while it contributes to the local community's emotional ownership in the stadium, the matches, and the team.

Camden Crossing (Baltimore, MD)

Metroventures/USA Inc. was formed in 1992 by Nigerian-born Olusola O. Seriki, a former executive in the development division of the Rouse Company.¹³ From its first contract, a \$25,000 job to redevelop a 12,000 square foot office building in Atlanta, GA, Metroventures'

¹¹ "Consultant is Proof that Chester Means Business and Jobs for Locals First," Clark Resources (November 5, 2008).

¹² "City, Minority Businesses Look to Get Their Piece of Chester's Field of Dreams," Delaware County Daily Times (January 25, 2009); "Stadium to Bring Diversity," Delaware County Daily Times (October 16, 2008); "Consultant is Proof that Chester Means Business and Jobs for Locals First," Clark Resources (November 5, 2008).

¹³ "Solid Foundations: Real Estate Development Company Finds Success in Urban Projects," Black Enterprise (February 1, 1997).

work has grown to include such clients and projects as Herman Gardens in Detroit (housing), Bridge Foods in New Orleans (office, industrial), and The Avenue Market in Baltimore (retail) as well as international projects.¹⁴

Camden Crossing, a 9-acre residential development developed by Metroventures starting in 2004 and located in the Empowerment Zone community of Washington Village in Baltimore, was described in a 2006 Baltimore Business Journal article as “raising the bar” for neighborhood residential development, due to its high-end units and quality urban design.¹⁵ Metroventures has subsequently worked with the Empowerment Zone Village Center to formulate a retail strategy for the Main Street redevelopment of Washington Boulevard, the neighborhood's main commercial corridor, and with a local nonprofit community partner, Tri-Churches, Inc., to develop a neighborhood marketing program designed to attract a more diverse base of businesses and residents to the neighborhood.¹⁶

When asked about how Metroventures was able to expand so quickly and achieve such early success, representatives highlighted five key tenets:

1. Certification programs should be used to build capacity so that the quality of the firm, its personnel, its skill sets, and its experience become the major selling points, not its business designation.
2. On a related note, there should be a clear exit strategy in place upon the commencement of inclusion in any sort of disadvantaged business program, so that participation is seen as temporary and not permanent.
3. Businesses should strive to diversify themselves in terms of sectors, roles, and geographies. It is particularly dangerous to build too high of a proportion of one's business based on what was referred to as “geo-political” access, since that asset is volatile and fleeting, and if it is lost, it can have a ruinous effect on a business' viability.
4. One does not always need cash to build equity. Rather, equity is value, and value can be created, contributed, and grown in other ways besides cash.
5. If capacity does not exist within the firm, import it; and look beyond one's own geographies if necessary to find the right pieces.

These tenets, as they have been put into practice by Metroventures in its 18 years of existence, have served it well as it has grown over time. The tenets have enabled Metroventures to expand into new geographic and sectoral markets, weather economic and industry downturns,

¹⁴ From the Metroventures website, as of July 2010. Metroventures has also done work on 52nd Street in Philadelphia.

¹⁵ “Camden Crossing 'Raises the Bar' for a City Neighborhood,” Baltimore Business Journal (January 27, 2006).

¹⁶ From the Metroventures website, as of July 2010.

and add value for their clients and their communities, culminating in the building of wealth and value within the firm.

Hartsfield-Jackson Atlanta International Airport (Atlanta, GA)

Among the many achievements of Maynard H. Jackson Jr., Atlanta's first African-American mayor, such efforts as securing its designation as the location of the 1996 Summer Olympics and for enabling its growing black middle class by establishing affirmative action programs for City employment and contracting opportunities, his stewardship of the expansion of the airport that would one day bear his name may be the most notable. At a time when the established power base in Atlanta bristled at the increasing clout of African-Americans in the politics, Mayor Jackson's insistence that African-Americans receive a fair share of the employment and contracting opportunities associated with the expansion of Hartsfield-Jackson Atlanta International Airport led to confrontation over what Michael Lomax, Jackson's speechwriter, described as "the prospect of intruding on the economic area."¹⁷

Yet Mayor Jackson not only got his way – and the airport expansion project was completed ahead of time and under budget – but the project led to even more gains for African Americans in Atlanta; minority participation in city contracts went from less than 1 percent in 1973 to nearly 39 percent within five years, and the city gained dozens of new African-American millionaires who participated in joint ventures of minority-owned and white-owned firms at the airport. As Mr. Lomax remarked, "In many ways, Maynard's the architect of modern Atlanta. The city just opened up in ways that were unimaginable."¹⁸

Indeed, in its obituary of Mayor Jackson, the New York Times described it like this: "It was his fiery advocacy for the new black majority that had elected him that constituted a political revolution in the heart of the South. Seemingly overnight, it transformed Atlanta into a mecca for talented, aspiring blacks from across the country."¹⁹ That the history books look back on this transformation as being solely a matter of political will does not negate the importance of the mechanics of policies and programs – the cause of inclusive participation also benefited from the establishment of participation goals and of a separate non-profit entity to play a compliance and coordinating role in the achievement of those goals – but rather illustrates the primacy of leadership in providing momentum for those policies and programs. Mayor Jackson's legacy is found in those policies and programs, but more so in seeing the project as a whole as Atlanta's "moment" – to become a world-class city through a vastly expanded airport, and to become a location of choice for successful minorities through a more inclusive approach to contract and employment opportunities.

Meanwhile, inclusive participation continues to be a hallmark at Hartsfield and in Atlanta. A

¹⁷ "Maynard H. Jackson Jr., First Black Mayor of Atlanta, Dies at 65," New York Times (June 24, 2003).

¹⁸ "Maynard H. Jackson Jr., First Black Mayor of Atlanta, Dies at 65," New York Times (June 24, 2003).

¹⁹ "Maynard H. Jackson Jr., First Black Mayor of Atlanta, Dies at 65," New York Times (June 24, 2003).

2008 Atlanta Business Chronicle article reported that minority-owned and women-owned firms received 38 percent of contracts awarded, or \$746 million out of the \$1.9 billion spent to date on its most recent phase of capital improvement projects.²⁰ A 2006 Atlanta Business Chronicle article reported that minority-owned firms received 48 percent of the city's service contracts, or \$150 million out of the \$312 million spent on construction and professional services in Fiscal Year (FY) 2005, up from 33 percent in FY 2001.²¹ Hailed now for its inclusive practices, Atlanta owes this brand image in part to the strong leadership and unwavering principles of its three-term mayor and to his decision to use the airport expansion as a fulcrum point from which the city would do business in the manner in which he felt was inclusive and right.

A recent lawsuit involving Hartsfield offers an instructive look into the notion of wealth-building associated with equity participation in large-scale projects. In 2007, Mercury Air Center Hartsfield LLC filed suit against Hartsfield, alleging that Hartsfield's requirement to have minority and female business partners in the operation of terminals for private aircraft is discriminatory. As a subsidiary of Macquarie Infrastructure Co., Mercury Air Center is part of a publicly traded company, which means that its ownership is spread out across many shareholders, and that anyone is able to buy their way into partial ownership of the firm through the financial markets. Hence, the suit notes that "as a publicly traded company, Macquarie shouldn't be subject to the minority contractor provision because it is owned "by people of all genders, races and ethnicities."²² This suit illustrates one of the challenges inherent to inclusive participation policies, since the existence of publicly traded companies and non-profit organizations complicates the documentation of the distribution of ownership; it also illustrates the commitment by Hartsfield to facilitating wealth-building opportunities for minorities and women by working towards their inclusion on matters of investment and ownership.

Conclusion

Some of the researched projects are long completed, while the final verdict on the success of others is far from being rendered. But the work of instituting and seeing through wealth building strategies for minorities and women continues, and it is hoped that this memorandum provides a useful encapsulation of a variety of situations and approaches from which good policies can emerge.

²⁰ "Hartsfield Topping Goals for Minority Contracting," Atlanta Business Chronicle (October 10, 2008).

²¹ "Franklin Proposes Boost for City's Minority Biz," Atlanta Business Chronicle (October 13, 2006).

²² "Atlanta, Hartsfield-Jackson in affirmative action dispute," Atlanta Business Chronicle (November 12, 2007).

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