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Port Authority aims to help women, minorities

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After updating the Port of Greater Cincinnati Development Authority's board on construction of the new Kenwood Towne Place shopping center, Audie Tarpley apologized to them.

Tarpley manages the \$94 million project for developer Bear Creek Capital, and his contrition was over laggard initial efforts to engage minority and women contractors.

The port floated \$20.4 million in bonds to help finance a 2,500-space parking garage at the site, so its targets on minority, women-owned and small businesses came along with the cash.

"They were clear on their goals, and I didn't get them," said Tarpley. "They called me in and were firm on what they expected and on how we could get this done."

Things have since changed at the Kenwood project, and in ways that illustrate how the seven-year-old port authority has adapted to a mission drastically different from what it was chartered for. Formed to take the lead on The Banks riverfront development, it gave up that authority in 2004. It has since found its place coordinating the redevelopment of contaminated sites and arranging financing for other Hamilton County projects.

In the process, the port set up an economic inclusion policy that could be a model for public development agencies in an era when minority and small business contracting mandates have been rendered ineffective by a spate of legal challenges.

The port has set a goal of 25 percent for minority-owned businesses.

Other goals are 7 percent for women-owned businesses and 30 percent participation for small businesses for all projects it helps to finance.

But it cannot force developers to follow that blueprint, even if it is involved in financing a project.

"If you look at their performance on inclusion, it's pretty strong, even without the loaded gun," said Mel Gravely, a consultant who has worked with the port authority and other agencies locally and nationally.

In 2006, minority, women and small business inclusion on the port's brownfield projects was 24 percent, 20 percent and 34 percent, respectively, according to its biannual report. On its financing projects, minority participation reached 50 percent, women's inclusion was 14 percent and small business participation was 70 percent, the report said.

Those percentages were sharply higher than in 2003, when only 0.5 percent of the contracts on either brownfield or port-financed projects went to women-owned companies, for example.

A key hire between those years might account for the difference.

In October 2004, the port hired Deborah Robb, a former purchasing officer at a pharmaceuticals firm, to implement its inclusion strategy. Robb brought a Rolodex of contacts and an understanding of the maze of certifications that minority and women-owned companies typically need when doing business with government agencies.

Robb also brought a hands-on approach: She explains her expectations to developers during initial meetings with the port about financing. She spends much of her time traveling to construction sites. And she asks for monthly updates from project managers.

That, she said, allows her to find solutions when bottlenecks threaten to choke progress toward the inclusion goals.

In one instance, the developer building a \$60 million mixed-use project at the site of the former Ford transmission plant in Fairfax needed a gigantic concrete-crushing machine. That threatened to exclude a large construction expense from the goals, since very few companies in the country own such equipment.

To work around the problem, Robb suggested increasing inclusion on other parts of the project, even where the port wasn't giving financial assistance.

"It's hard to find companies in some categories," she said. "What it means is you have to start early and be aware of that."

But even if developers do start early, the port still can't compel them to meet its goals.

Robb called the goals "aspirational." Still, she said, no developer has balked at them, though many lack experience with inclusion efforts like the port's.

"Some of them have not done inclusion, so they don't have a formal process," Robb said.

Bear Creek was one of those. When construction started on Kenwood Towne Place last year, the company was focused on getting started quickly, not inclusion, Tarpley said.

Construction began with few minority, women or small contractors on the job, and no Bear Creek staffer was initially charged with overseeing inclusion efforts.

Tarpley said he even feared the port's goals might lead to "pass-throughs" – contracts given to businesses that appear to be owned by women or minorities but are in effect controlled by white males.

Robb intervened, helping Tarpley improve Bear Creek's tracking of the contractors it was using. The developer found out that some of them qualified toward the port's inclusion goals, and that others were buying their supplies from qualifying companies who could be counted as well.

Now about 5 percent of the work at the site is being done by women-owned firms and nearly 10 percent by minority-owned or small companies, Tarpley said. The site's project manager has taken over responsibility for inclusion, and Tarpley is crediting Robb with recommending procedures that Bear Creek plans to use in many of its developments going forward.

"I gotta tell you, this is not how we typically do things in this business," he said. "They made me a believer, and I came in somewhat jaded."