July 11, 2002

Testimony of Dana Henson, Vice President
The Henson Development Company
Regarding
New East Capitol PUD
M/WBE Compliance

Good Evening Ladies and Gentleman.

My name is Dana Henson. I am the Vice President of The Henson Development Company, Inc. (THC).

My primary focus for the East Capitol project is M/WBE and Section 3 programs. My duties include being a consultant and advisor to the East Capitol View CDC and creating programs to insure maximum opportunities for residents and M/WBE businesses to participate in the redevelopment process.

A&R and THC have exceeded M/WBE requirements in every project we have undertaken

As minority-owned concerns, A&R/THC's philosophy is to bolster M/WBE businesses by bringing them as key players in its projects wherever possible. Doing what it takes to include M/WBE firms and hiring local residents for its projects, especially newcomers, has been both A&R/THC's responsibility and pleasure.

A&R/THC and the A&R/THC Team value the powerful message that the presence of minority business people sends to public housing residents, particularly young people--the message that minorities can and do play a vital, financially rewarding role in their city's economy. For example:

A&R and its co-developers had a **52% MBE participation rate for the Wheeler Creek PUD, well exceeding the 35% requirements.**

THC has also had enormous success with Section 3 and M/WBE participation with **45% participation of M/WBEs for the Columbus Center in Downtown Baltimore** in 1991, when M/WBE hiring was still a new concept for many. Additionally, while the Commissioner of Housing of Baltimore City, **Dan Henson set new trends of hiring Section 3 residents, designing and implementing cutting edge programs along with awarding M/WBEs record number of contracts.** More than at any other time in the City's history. **For every quarter while Dan Henson was at the Baltimore City Housing Authority he awarded 50% or more of the dollar amount of prime contracts to MBEs**.

ZONING COMMISSION
District of Columbia
Case No. 02-05
Exhibit No. 32

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Harkins Builders, the General Contractor for East Capitol, **has won a combined five (5) awards from HUD and the Maryland Minority Contractors for its accomplishments in hiring minority-and women-owned businesses.** They have a track record of proactively responding to Section 3 requirements in their construction projects. To insure opportunities for local residents, Harkins has created a program that requires major subcontracting trades to create new employment positions for Section 3 residents.

Harkins has had success with M/WBE participation:

Heritage Crossing Sitework - 43.61%
Heritage Crossing For Sale and Rental - 43.22%

Wheeler Creek Daycare Center – 55.9%
Wheeler Creek Elderly Building - 31.3%
Wheeler Creek Housing - 56.8%

We intend to achieve the highest possible percentages of M/WBE participation at all levels of this project and in all phases. **With over 50% M/WBE participation at the start**, our team roster demonstrates A&R/THC's upfront commitment to bring in minority and women owned business enterprises at the earliest stage of this revitalization:

- Developer: A&R Development Corp. - 100% MBE
- Developer: THC, Inc. - 100% MBE
- General Contractors: Doracon and Randa - 100% MBE
- Property Management: ART Management, Inc. - 100% MBE
- Architect: Sorg & Associates - 100% WBE/MBE
- Architect: Bryant, Bryant & Williams - 100% MBE
- Legal Advisor: Curry & Wilbourn - 100% M/WBE.

We are uniquely qualified to achieve superior levels of minority and women participation because of our composition and ability to draw upon the reserve of talent we have employed over decades of development in Baltimore and D.C.

Throughout the planning, construction and operation phases of East Capitol Dwelling's revitalization, we will continue to recruit Local Residents and M/WBEs to participate, including new resident owned enterprises created through the HOPE VI process. These businesses include:

- Real Estate Business
- Health Care Management Business – Will be hired to provide services at new Senior Building
- Employment Services Building – Will be our *First Source* for hiring residents

An example of this success is **Baltimore's Pleasant View Gardens HOPE VI** that demonstrates our approach's success. A&R as developer and Dan Henson, principal of THC as Housing Commissioner, succeeded with minority firms accounting for more than **50% of the total project costs**. In addition, **A&R and Harkins provided working capital and assisted in establishing five new MBE Section 3 businesses**, including a security company, courier service, janitorial company, an employment services company and a construction food service.

Current Activities:

- A&R/THC has designated a person full time to work with the ECV-CDC to consult on business development and training programs;
- Assisting with the negotiation of agreements with government agencies: i.e. DOES, DOEL, DHS, etc.;
- Establishment of $150,000 Micro-loan fund;
- Hired ECV-CDC to manage CSSP, a $4 Million contract; which also hired ECCC to administer the Youth programs component;
- Working with CDC to insure that residents will be trained so that they can be hired for various opportunities that will be available as a result of the development. Currently 29 residents have been trained in construction and will be hired to work on Phase I, the Senior Building and
- Have met with the local National Association of Minority Contractors to discuss opportunities and training and hiring of residents, as well as made introductions between them and the CDC.

Future Activities:

- Will coordinate, in cooperation with ECV-CDC, Job/Employment Fairs;
- Working with local National Association of Minority Contractors to gain access to their database of contractors;
- Will work with the Deputy Mayors Office for Planning and Economic Development to coordinate Vendor Fairs and
- Working with the Deputy Mayors Office for Planning and Economic Development to create:
    - Affirmative Action Advisory Committee – to insure that all organizations are working together to make reporting process more simplified for sub-contractors
    - Utilizing listing from City to make sure that we have access to the largest pool of M/WBEs and LSDBEs.