Redrawing the Color Line: a Case Study of the Alliance of Minority Chambers of Commerce in Portland, Oregon

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REDRAWING THE COLOR LINE:
A CASE STUDY OF THE ALLIANCE OF MINORITY CHAMBERS OF
COMMERCE IN PORTLAND, OREGON

by
FRANCISCA INEZ TRUJILLO-DALBEY

A dissertation submitted in partial fulfillment of the
requirements for the degree of

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Portland State University
2006
DISserTATION APPROVAL

The abstract and dissertation of Francisca Inez Trujillo-Dalbey for the Doctor of Philosophy in Urban Studies were presented May 12, 2006, and accepted by the dissertation committee and the doctoral program.

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ABSTRACT


Title: Redrawing the Color Line: A Case Study of the Alliance of Minority Chambers of Commerce in Portland, Oregon.

This study focused on a minority coalition formed in 2002 to secure municipal parking lot contracts in the City of Portland, Oregon. It is grounded in Bates and Howell's (1998) theory of barriers to minority entrepreneurship. The minority group's actions are applied to Butler (1991), Prabhu (1999), and Dees' (2001) theory of social entrepreneurship. The formation of the coalition provides empirical support for Allport (1954/1979) and Pettigrew's (1998) positive intergroup contact theory.

The creation of minority group coalitions for community economic development purposes, using the chamber of commerce structure, adds to the community economic development literature. Further, the intercultural communication field has not focused on minority coalition building, only intercultural conflict management, therefore this study begins to fill a gap in that field.

The Alliance of Minority Chambers of Commerce (AMC) consists of the African-American, Hispanic and Philippine-American Chambers and was formed to secure municipal parking lot contracts to enhance their community
economic development goals. The AMC partnered with an established parking company and persuaded the City to make substantial changes in the proposal processes. These changes allowed them to compete against an entrenched network who held the contracts for over twenty years. The AMC used their profits from the contracts to operate their chambers and fund community development projects such as college scholarships and to enhance the entrepreneurial skills of their constituencies.

This study addresses the formation of the AMC and factors contributing to the absence of racial group competition. The study also outlines barriers faced by the AMC as they competed for and won the contracts. And, the study examines the effects of the racial and political context of Portland on the formation of the AMC and their securing the contracts.

The study was conducted using the case study method. Newspaper articles, city documents, city council meeting transcripts and interviews were examined. The qualitative method of constant comparison was used to build the case.

Two sets of strategies emerged from the case study findings; intercultural coalition development strategies and community economic development strategies. Policy recommendations include encouragement of coalitions and auditing bid proposals for unnecessary barriers.
DEDICATION

This dissertation is dedicated to my husband and life-long pal, Bill. Without your support, love, patience and commitment to my seemingly never-ending quest for education, I never would have done this.
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I am so very fortunate to have the support and guidance from so many wonderful people in my life and I would like to take this opportunity to thank them here. Karen Gibson, my dissertation chair, kept me on track and focused during my moments of doubt with kindness, humor, and inspiration. Thank you Karen for your constant support and friendship. Without you I would never have made it to graduation! Thank you committee members, Carl Abbott, who listened patiently each time I had a new topic, and whose help was invaluable; Sy Adler who guided me from the very beginning of my doctoral program and who graciously agreed to join my committee; Richard White whose help was most welcomed; and, thank you Mary King, for introducing me to the wonders of economics, and for your never-wavering support.

In addition to my committee members, there are others who supported and believed in me longer than I can remember. Janet Bennett, my life-long friend and mentor, thank you for giving me the gift of intercultural understanding and teaching me what education is truly about. Thank you Lee Knefelkamp for being my inspiring role model, and for teaching me to love theory. Kent Warren, thank you for listening and for opening your home to me when I needed a distraction-free work zone. Phyllis Thompson, thank you for being my writing coach and believing in me. Kathryn Stillings, thanks for your
hours of editing. And, thank you to my friends and colleagues at the Intercultural Communication Institute for your love and encouragement.

Last, a great big thank you to my family. My parents who worked so hard to give me a good education in my youth, instilled a love of learning, and for teaching me I could be anything I wanted if I was only willing to try. I only wish they could have shared this accomplishment with me – I know they would be proud. Thank you to my children, Benjamin and Jamayca who grew up while I was busy studying and writing papers, and to my grandchildren, Ashley and Chloe, I hope I have inspired you to believe in yourself and to dream big.
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<th>AMC</th>
<th>Alliance of Minority Chambers of Commerce</th>
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<tr>
<td>APP</td>
<td>Association for Portland Progress</td>
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<td>CCP</td>
<td>City Center Parking</td>
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<td>CMG</td>
<td>Contracts Management Group</td>
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<td>PBA</td>
<td>Portland Business Alliance</td>
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<td>RFP</td>
<td>Request for Proposal</td>
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CHAPTER ONE

Introduction and Significance of the Study

Harold Williams, Chairman of the African-American Chamber of Commerce, was eager to apply for the City of Portland Smart Park contract saying, “This contract has been sole-sourced for the past 20 years...we feel that there’s room for competition...It doesn’t take rocket scientists to manage garages” (Jaquiss, 2002). Seeing an opportunity, Roy Jay, President of the African-American Chamber, joined forces with Gale Castillo, Executive Director of the Hispanic Metropolitan Chamber of Commerce, and Jaime Lim, Executive Director of the Philippine American Chamber of Commerce, to form the Alliance of Minority Chambers (AMC). In conjunction with Barry Schlesinger, President of Star Park, Inc., the AMC submitted a bid for the Smart Park management contract. In May of 2003, the AMC was awarded the management, janitorial, and security services contract worth $4.35 million dollars over five years (Stern, 2003d).

Castillo said, “This contract represents a historic milestone” (Stern, 2003f), and added, “The way we approached this was not from a token point of view, but as equal partners in the process...this is not just about minority businesses; this is about opening up contracting opportunities for everybody” (Chuang, 2003). Jay added that winning the contract “…is a milestone
because it shattered the status quo in the contracting process" (Chuang, 2003). On August 5, 2004, a little over a year after winning the first parking lot contract, the city awarded an additional contract worth over five million dollars to the AMC for lot attendant and revenue services (Carter, 2004b). According to Jay and Schlesinger, the change in contractors "Breaks the City Center’s “monopoly” on downtown parking" (Learn, 2004).

This dissertation was guided by the theory of intergroup contact developed by Allport (1954/1979), and extended by Pettigrew (1998) and Stephan and Stephan (1999, 2001) to explain how the AMC formed their intercultural coalition, and the factors that led to their successful partnership. Community economic development was shown to be the primary reason the AMC formed the coalition, and this strategy of self-help constituted an act of social entrepreneurship. Therefore the theoretical framework of social entrepreneurship by Butler (1991), Prabhu (1999), and Alvord, Brown and Letts (2002) was applied to this case study's findings. In addition, Bates (1997) and Howell's (1998) theory of barriers faced by minority entrepreneurs guides the examination and analysis of this case study.

Problem of the Study

This situation raised questions regarding the events that precipitated the formation of the Alliance of Minority Chambers of Commerce. The
research questions were designed to address three issues unique to this case: 1) the circumstances surrounding the formation of the Alliance of Minority Chambers of Commerce, 2) possible barriers faced by the group as they competed for municipal contracts, and 3) the possible effects the political and racial context of Portland had on both the AMC's formation and securing the City contracts.

Significance of the Study

This case study is important for a number of reasons. This study adds to the collection of community economic development case studies that focus on how minority groups have addressed problems faced by their constituencies. This study also adds to the literature on Portland, Oregon, and highlights the unique cultural context of the communities of color within its borders.

In addition, this study is significant in that it addresses gaps in both the community economic development literature, and the intercultural communication literature, as neither field offers models for minority groups to follow in minority-coalition building as an economic development strategy.
Contribution to the Literature

Community Economic Development Literature

Although there is a well-developed body of literature in the field of community economic development and many existing case studies, this case study is unique in that it focuses on minority chambers of commerce building a coalition to collectively bid on municipal contracts against a White-owned company. It provides empirical support of Bate's theory on capacity building and entrenched networks, and offers much-needed models as guidelines for coalition building for the purposes of community economic development. This case study also adds to the literature on social entrepreneurship (Butler, 1991) as it provides a unique example of a group of minorities competing equally with non-minorities to increase resources for their respective communities through the chambers of commerce structure.

Intercultural Communication Literature

This case study fills a gap in the intercultural literature. The intercultural communication literature on relations between groups focuses solely on conflict management. Since the findings of this case study indicated a lack of conflict, what emerged instead is a model of intercultural coalition building. The model of intercultural coalition building provides guidelines for minority group members who want to create positive and
respectful relationships with others who share similar goals and objectives for the purposes of community economic development.

Intercultural communication researchers do not study community economy development, although critical theorists are concerned about political economy. While this case study is not a critical study of minorities or economics per se, it adds an interdisciplinary approach to examining communities of color by bringing the fields of intercultural communication and community economic development together.

Overview of the Methodology

This dissertation studied a series of events that took place from 2002 to 2004 within the business community of Portland, Oregon. Since this is a one-of-a-kind situation and no other similar cases in Portland or elsewhere could be found, this is a single case study (Yin, 2003) that used interviews, newspaper accounts, city records, and written transcripts of City Council meetings to construct the case.

Qualitative methods were employed using open coding of constructs to identify themes and patterns of meaning in order to interpret the events and construct the case. Since the events happened only a few years ago, the people involved in the case, the newspaper accounts, and other secondary data were readily available. However, up to this time, the limited version of the story told in the newspapers left many questions unanswered.
as to the motives, challenges, successes, and behind-the-scenes maneuvers. What was reported was intriguing because it hinted at an entrenched network. It also suggested that the minority groups engaged in effective strategic planning were prepared to seize opportunities in true entrepreneurial style.

Organization of the Dissertation

This dissertation consists of seven chapters. Chapter One provides the background of the study, briefly discusses the questions that guided the study, its significance, and offers an overview of the methodology.

Chapter Two reviews the literature on minority group relations and coalitions. It also outlines barriers to minority entrepreneurship and minority social entrepreneurship for community economic development purposes. It concludes with the specific issues faced by African-Americans, Latinos, and Filipino entrepreneurs in Portland.

Chapter Three presents the research questions that guided the study, and outlines the case study method. It also describes the data gathering methods used and types of data collected for the study and how the data was analyzed.

Chapter Four examines the political and social context of Portland as it relates specifically to the history of the Smart Park contracts. It describes
the persons involved in the study and explores the formation of the Alliance of the Minority Chambers of Commerce.

Chapter Five describes in detail the three city contracts that formed the basis of the AMCs efforts. It includes the bidding process for each contract, changes to the RFPs, and describes the steps taken by the city, the previous contractors, Star Park, and AMC as they secured the two contracts.

Chapter Six analyzes the case and answers the four research questions. It interprets the findings in light of the existing literature.

Chapter Seven describes the two models that emerged from the case study. This chapter also discusses the replicability of the models to other cities, and speculates on the endurance of the AMC. The chapter ends by offering policy recommendations.
CHAPTER TWO

Minority Entrepreneurship, Minority Group Relations, and Racial Contexts in Portland, Oregon

This chapter reviews the literature relevant to this case study. It begins by defining terms used in this dissertation. The next part outlines the literature on minority entrepreneurship and describes the advantages and barriers they face. The research on minority group relations follows, with a discussion regarding reasons minority groups experience conflict, and examines minority group coalition building. The chapter concludes with histories of the three minority groups that are the subject of this study, African-American, Latino, and Filipinos, and their experiences in Portland, Oregon.

Definitions

The term entrepreneur has been known to be synonymous with innovation and creativity, and some have limited its use to those who have started unique businesses where none existed (Cunningham & Lischerson, 1991). Other scholars have widened the definition to any person who operates a small business, whether or not they started that business or bought (or inherited) an already existing business (Aldrich & Waldinger, 1990; Levenstein, 2004). For the purpose of this study the term “minority
entrepreneur" is used to describe any person who owns, or owns and operates a small business, whether or not they have met some ambiguous definition of innovation or creativity, and regardless of the circumstances surrounding how they acquired the business.

The terms "dominant culture" and "Whites" refer to members who are European Americans and are intended to refer to the same cultural group. The terms "Blacks" and "African-Americans" are used interchangeably and refer to the same cultural group. In the literature, the terms "minority," "immigrant," and "ethnic" are often used in place of one another, unless speaking about a particular group.

It may be important to determine at which point in time a person transitions from immigrant status to being a minority group member in the United States. However, for the purposes of this study, unless referring to a specific immigrant group, the umbrella term "minority" is used to indicate entrepreneurs who are non-dominant, non-White group members in the United States.

Minority Entrepreneurship

This section examines the advantages and disadvantages of being a minority entrepreneur. The experiences of African American, Hispanic, and Filipino entrepreneurs are outlined, and their differences are discussed.
Researchers Light and Gold (2000) and Spener and Bean (1999) believe that ethnicity confers advantages for successful entrepreneurship based on the strength of minority groups, particularly immigrant collectivist cultures that have strong communities to rely on for financial backing and a ready-made clientele. Bates (1997a,b, 2001) and Bates and Howell (1998) disagree with Light et al., and argue that revolving credit associations often charge usury rates of interest. Also, when minority entrepreneurs are limited to doing business within their own cultural group, they tend to be less profitable than those that have a broader range of clients.

The aforementioned cultural group advantages certainly do help some minority entrepreneurs, but they have not leveled the playing field. For example, according to the US Census Bureau’s 1997 Economic Census, minorities owned 14.6% of the 20.8 million non-farm businesses in the United States but earned only 7.0% of the receipts. Yet, minorities were reported to be about 30% of the total population in the 2000 census (U.S. Census Bureau). Even with government procurement set-asides, Enterprise Zones, Minority/Women/Emerging Small Business programs, and the small advantages one cultural group may have over another, minority business owners are still trailing far behind their White counterparts.

Bates and Howell (1998, Bates, 1997a, b, 2001) assert that being a member of an ethnic group creates more barriers than benefits for the entrepreneur. Challenges minority entrepreneurs face include limited access
to investment start-up and operating funds (Bates, 1997b); blocked competition with White-owned firms due to entrenched networks (Bates, 2001, p. 53); and limited access to the training, education, and skills necessary to succeed in business (Bates, 1997b, 2001). In this section each of these barriers is discussed separately noting that all minority groups may not share the same experiences. Immediately after this section is a brief discussion of each cultural group’s experience with entrepreneurship.

Lack of financial capital

According to Bates (1997c), African-Americans face racial discrimination when applying for and receiving start-up loans and operating funds from banks and loan institutions. When they do receive funds, they are likely to receive smaller amounts than their White counterparts. Bates attributes this to European Americans being more successful than African-Americans at “…translating their owner traits and equity dollars into larger loans” (Bates, 1997c).

In addition, when compared with European Americans, African-Americans have less wealth accumulated in personal savings, home equity, or family inheritance with which to start their businesses. Since their family and friends share a similar financial picture, entrepreneurs cannot rely on them for loans (Albelda, Drago, & Shulman, 2001; Bates, 1997a,b,c; Oliver & Shapiro, 1997). Some minorities are able to obtain start-up funds despite
these barriers, but as Bates and Servon (1996) noted, small loans create small businesses and the receipts from these businesses often do not provide a living wage. Minority entrepreneurs cannot compete with White businesses on a level playing field if they begin their business careers hampered by inadequate start-up funding and lack of on-going operating capital.

Limited access to networks

Although access to business opportunities has been strengthened by set-asides and procurement programs, minorities still experience problems breaking into new markets. The "status quo networks" have not included minority businesses, and the established networks tend to be resistant to change (Bates, 2001). Levenstein (2004) notes that to be a successful entrepreneur, one must rely on networks for information and resources that provide a competitive advantage and give privileged access to information about product markets, sources of labor or capital, production, and technical and management organization (p. 1).

Light (1972) argues that many minority groups have formed their own interethnic business cooperatives and have developed their own networks (p. 124). While these prove useful, the networks are limited to inter-ethnic group members, and may not provide the privileged access as defined previously by Levenstein, which is enjoyed by the dominant culture (Bates, 1997c).
Limited access to education, training and business skills

Although high school and college graduation rates have risen steadily for many minority groups, they still lag behind those of European Americans. This increase in educational levels boosted the number of successful minority businesses in the 1990s, as the more education an owner has, the better chance of business success (Bates, 1997b). That is not to say that all minorities with surviving businesses have high rates of education. On the contrary, Bates offers the example of poorly educated African-American women who hang on to their barely surviving small businesses because they see it as a better alternative than competing in a discriminatory labor market (1997b, p. 44).

Bates and Howell (1998), in their study of New York City African-American construction workers, note that African-Americans often lack the specialized skills needed to compete with White construction firms, due in part to the restrictive policies and practices of union-run apprenticeship programs that limit minority participation.

African American, Latino, and Filipino Entrepreneurship Patterns

African American Entrepreneurship

African-Americans have a rich history of entrepreneurship that is often overlooked (Bates, 1997a & b; Butler, 1991). African-Americans have
engaged in entrepreneurship activities since they were enslaved, often running the owner's business, and at other times running their own ventures. Horton (2004) posits that due to Jim Crow laws, racial exclusion, violence, and limited opportunities, African-Americans had to "go it alone" unlike any other group in the United States (p. 20). Butler (1991) notes the after effect of the Jim Crow laws was to create an "economic detour" that stifled the continued growth of Black businesses, something from which they have never fully recovered (Butler, 1991; Oliver & Shapiro, 1997).

While it is true that African-Americans have lower rates of entrepreneurship than other minority and immigrant groups (Light & Rosenstein, 1995), there is an ongoing disagreement in the literature as to the reasons. Light and Rosenstein employ a cultural explanation as one of the reasons, saying that immigrants prosper as entrepreneurs "due to a transfer of skills and historical tendencies" except for Koreans and Cubans, who were not entrepreneurs in their home country (p. 17). Another reason offered by Light for the low numbers of African American entrepreneurs is they are siphoned off by their high participation in government jobs (Light & Gold, 2000; Light & Rosenstein, 1995; Parkinson, 1999).

Bates and others disagree with Light and his colleagues, arguing that the low number of African-American entrepreneurs is the result of blocked opportunities. Rather than offering a cultural explanation for the low numbers, Bates (1997b) attributes it to a lack of financial capital, and the
large-scale urban renewal projects that have often destroyed thriving African-American communities. As further evidence against the cultural argument extended by Light et al., that African-Americans are not in some way suited for entrepreneurship, Bates (1997b) and others refute this claim by touting the rich history of entrepreneurship among African-Americans prior to the 1940s and 1950s. Bates (1997b) also disputes the claim that African-Americans were uninterested in entrepreneurship and preferred employment with the government, saying that although the civil rights act did open up new opportunities for government employment, it was the lack of opportunities in business that created the lower participation numbers (p. 187).

Harry (1994) studied African-American entrepreneurs and confirmed many of the barriers cited by Bates' research. Harry found that business difficulties arise from a number of factors: African-Americans don’t spend most of the money with African-American businesses; since there are fewer employment opportunities for African-Americans, they have less money to spend in African-American businesses; African-Americans have less business experience than their competitors; trade and business support organizations discriminate, limiting networking ties; and the number of government contracts available through set-aside programs is less than other minority groups. Harry found that those entrepreneurs who targeted a diverse customer base were more successful than those who relied on a co-ethnic clientele.
As previously stated, there has been an increase in African-American entrepreneurship in the past 15 years (Bates, 1997b). To explain this increase, Bates (1997b) distinguishes between “traditional” African-American-owned businesses and “emerging” businesses, and while they share characteristics, there are substantial differences. Emerging African-American-owned businesses are often headed by college-educated entrepreneurs who own large-scale firms such as financial and other business services, and cater to a racially diverse clientele (p. 151). African-American, college-educated emerging entrepreneurs are able to get financial backing more easily than their less-educated parents and grandparents, yet they still receive smaller loans than their White counterparts (Bates, p. 160). Saddler, writing for The Wall Street Journal, confirms this change in young African-American entrepreneurs saying that young African-American professionals are “pushing black-owned business into new territory” (1994). Saddler goes on to characterize the changes by saying “They have more financial wherewithal than their predecessors, are bigger risk-takers and, while creating jobs for minorities, often set up shop in mostly white business districts rather than poor inner-city neighborhoods.”

The young, emerging African-American entrepreneur provides stark contrast to traditional African-American-owned businesses, which serve a local customer base in very small, personal service-type businesses such as barbershops, or mom-and-pop grocery stores. These traditional businesses
are often owned by less educated African-Americans whose businesses are poorly financed and who earn just enough to be considered the working poor (Bates, p. 152). Although African Americans are emerging as successful entrepreneurs, they still face many of the same barriers as their parents and grandparents.

**Latino Entrepreneurship**

When compared with the history of African American entrepreneurship, the story of Latino entrepreneurship remains largely hidden. It is puzzling that Hispanic entrepreneurship has been virtually ignored in light of the 1997 U.S. Economic Census report that ranked Hispanics first in owning the largest number of firms among minority groups (1,199,900), the largest share of firms owned by minority men (40.0 percent) and minority women (36.6 percent), and the largest number of firms owned equally by men and women (43.3 percent). Even though Latinos owned the largest number of minority-owned businesses, Asian- and Pacific Islander-owned firms accounted for the largest share (52.9 percent) of the revenues generated by minority-owned firms, with Latinos earning just 31.5 percent (U.S. Census).

Bates (1990) compared African-American and Hispanic entrepreneurs and although he found many of the same differences in educational attainment and diversity of markets (p. 14), he also discovered a distinct
difference between African-American and Hispanic emerging businesses. Bates found that African-Americans "still lag behind the older, more established Mexican business group in terms of both sales levels and survival rates" (p. 14). Bates also discovered that the majority of Hispanic entrepreneurs are foreign born, and he credits high levels of motivation for their success, rather than the more commonly thought precursor of success, advanced education (1990, p. 22). He also found that, contrary to African-American entrepreneurs, Hispanics have more access to investment capital from banks and other lending institutions (p. 24).

In an earlier study of Latino self-employment, sociologist David Torres (1988) discovered differences between immigrant and native born Latinos. Torres found that each group brings different resources to bear. For example, native-born Latinos tend to have access to more money, skills, and other resources; immigrant Latinos may have higher levels of education, especially in their native language. When both groups have access to greater resources, they are able to engage in businesses outside of their protected markets and traditional industries, and thus experience a higher level of success (Torres, 1988).

A later study by economists Patricia D. Olson, Virginia Solis Zuiker, and Cathrine Phillips Montalto (2000) confirmed Torres' findings, and also found that self-employed Hispanics earn, on the average after adjusting for variations, 21 percent more than those in wage-earning jobs (p. 127).
Sociologists David Spener and Frank Bean (1999) found that in cities with small Latino populations, casual labor was the most common source of self-employment. When they considered cities with larger Spanish-language markets, the variety of enterprises owned by Latinos increased. Table 1 highlights the diversity of Latino-run businesses as compared with White and Asian entrepreneurs.

As the table indicates, Mexican immigrants are highly clustered in the manual occupational types, except for security workers. They are underrepresented in the non-manual categories, but 37.2 percent of Mexican immigrants are branching out into other fields of self-employment.

<table>
<thead>
<tr>
<th>Occupational types</th>
<th>Mexican Immigrants</th>
<th>White Non-Hispanic</th>
<th>Asian Immigrants Natives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-manual</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionals and managers</td>
<td>12.2</td>
<td>31.9</td>
<td>31.4</td>
</tr>
<tr>
<td>Semiprofessionals</td>
<td>6.9</td>
<td>15.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Clerks and secretarial workers</td>
<td>18.1</td>
<td>25.9</td>
<td>34.4</td>
</tr>
<tr>
<td>Subtotal non-manual</td>
<td>37.2</td>
<td>73.1</td>
<td>73.1</td>
</tr>
<tr>
<td><strong>Manual</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Craftpersons and artisans</td>
<td>29.4</td>
<td>14.2</td>
<td>9.6</td>
</tr>
<tr>
<td>Operators and laborers</td>
<td>8.6</td>
<td>2.6</td>
<td>4.4</td>
</tr>
<tr>
<td>Service workers</td>
<td>24.8</td>
<td>9.8</td>
<td>12.8</td>
</tr>
<tr>
<td>Security workers</td>
<td>0.8</td>
<td>0.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Subtotal manual</td>
<td>62.8</td>
<td>6.9</td>
<td>26.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Raijiman and Tienda (2000) examined immigrants in Little Village in Chicago, the largest Latino community in the Midwest. They were interested in the different pathways immigrants take to becoming entrepreneurs, and found some interesting differences between Latinos and Asians. Latinos view business ownership as a means of building up family capital, and expect their children or other family members to take over the family business as a means of "intergenerational wealth flow" (Raijiman & Tienda). Asians felt that blocked opportunities forced them into self-employment, and, contrary to Latinos, they do not want their children to take over the business, but to go to college and better themselves (Raijiman & Tienda).

Filipino Entrepreneurship

While little is written about Latino entrepreneurship, even less is available on Filipino self-employment. The literature is replete with studies on Asian immigrant entrepreneurship, particularly focused on Koreans (Bates, 1997b, 1998; Bonacich & Light, 1988), but few focus on Filipinos. Bates (1997b, 1998) did examine the characteristics of Filipino entrepreneurs and Asian Indians in one study. He found that Filipinos and Asian Indians earn the highest revenues among Asian-immigrant groups and believes it is because they are the most fluent in English, have the most money to invest, and have higher human capital (p. 81).
Bates (1997b, 1998) generalized about Asian companies saying that, for the most part, they find it easier than African-Americans to occupy niches that serve European Americans, thus penetrating the White market with businesses such as laundries, restaurants, and food stores (1997b, pp. 6, 145). Asians view small-business ownership as the price to pay to earn enough to do something else, once their language skills and connections increase, whereas African-Americans see it as a ticket out of poverty (Bates, 1997b, p. 15). Since very few of the studies specifically mention Filipinos, it is unknown how Filipinos view entrepreneurship generally, and whether they see it in terms of a means or an end.

*Minority, Immigrant, and Ethnic Group Relations*

This dissertation relies mainly on the theory of group position (Blumer, 1958; Bobo, 1997) and intergroup contact theory (Allport, 1954/1979; Pettigrew, 1998; and Stephan & Stephan, 1996, 1998, 2001). Intergroup contact theory provides the most complete framework to analyze the case study of the formation of the Alliance of Minority Chambers of Commerce.

*Reasons for Interethnic Conflict*

Much has been written about tensions between African-Americans and Hispanics (Kochman, 1981; Mladenka, 1989); African-Americans,
Hispanics, and Asians (Marable, 1994; Tamayo Lott, 1994; Umemoto, 1994); African-Americans and Jews in the 1960s and 1970s (Lee, 2002); and African-Americans and Koreans (Sonenstein, 1994). Umemoto (1994) offers that many of the difficulties between African-Americans and Koreans stem from the perception that Korean entrepreneurs do not have strong social commitments to the African-American communities where their businesses are located since they tend to live elsewhere. Korean entrepreneurs outnumber African-American business owners in African-American neighborhoods, and Koreans tend to employ their own family members instead of local community members. In addition, communication between these two groups is hampered by language and other cultural differences causing intercultural conflict (Umemoto, 1994). These complaints against Koreans are similar to the ones African-Americans have leveled against Jews (Lee, 2002, pp. 23, 29).

Grace Yun of the Inter-Relations Collaborate (IRC) conducted a study entitled, *Intergroup Cooperation in Cities: African, Asian, and Hispanic American Communities*, (1993). The study highlighted the importance of the history between African-Americans and other minority groups in the United States, and reports that African-Americans “...often feel their contributions go unrecognized or are overlooked by other groups...they feel pushed aside as other populations grow” (p. 17). While minorities in the U.S. have their own histories regarding their fight for equality, many of their successes can be
attributed to the outcome of the civil rights movement of the 1950s and 1960s and the passage of the Civil Rights Act of 1964.

Jeanita Tamayo Lott (1994) attributes increasing tension between African-Americans, Latinos, and Asians to media sensationalism about incidents of group antagonisms (p. 53). For instance, the repeated airings of the same footage of African-Americans burning Korean shops during uprisings in Los Angeles reinforced stereotypes and solidified negative evaluations between group members.

These are useful ways of understanding how and why intercultural conflict occurs, but issues such as competition based on material conditions, exposure to stereotypes, and the effects of social stratification and alienation need to be addressed as well.

Group Position Theory

Group position theory was first introduced by Herbert Blumer, a sociologist, in 1958\(^1\). Group position theory is an approach to the study of racial prejudice that is based on "a sense of group position rather than in a set of feelings which members of one racial group have toward the members of another racial group" (Blumer, p. 3). Blumer theorizes that there are four perceptions held by racial group members that lead to their positional arrangement in relation to the others: 1) a belief about in-group superiority or

\(^1\) Blumer is better known for his theory of social interaction which explains that meaning is created and negotiated through interaction between people.
in-group preference, 2) the in-group members view out-group members as inferior to them, 3) a belief that the in-group holds proprietary claim over certain rights, resources, status, and privileges, to which they are solely entitled, and 4) that there are out-group members who desire a greater share of the rights, status, and privileges that are understood to belong to the in-group (as cited in Bobo & Hutchings, 1996, p. 955). According to Blumer, how a group answers these questions in relationship to the "other" will determine where they perceive themselves to be in the racial hierarchy.

Blumer believes this is important to understand, because "...racial prejudice becomes entrenched and tenacious to the extent the prevailing social order is rooted in the sense of social position" (p. 7), and, if the sense of group position changes, groups may feel less racial prejudice towards one another.

Blumer’s theory of group position was extended by sociologists Lawrence Bobo and Vincent Hutchings (1996) who believe it explains contemporary intergroup conflicts. Bobo and Hutchings applied the group positioning theory to relationships between racial groups in the United States. Bobo and Hutchings believe that intergroup hostility is not based simply on material conditions, exposure to stereotypes, or social stratification, but that group position theory is a "synthesis" of these three approaches (p. 955).

This study was guided by the work of Bobo (1999) and Bobo and Hutchings (1996) on four perceptions experienced by racial groups that lead
to their positional arrangement: in-group ethnocentrism, out-group inferiority, proprietary claim over rights, and competition for resources. However, the minority group leaders in this case study appear to hold different perceptions than those outlined above. The contact hypotheses (or intergroup contact theory) outlined next provided a more useful theoretical explanation for the success achieved by the Alliance of Minority Chambers in forming their coalition.

**Intergroup Contact Theory**

Gordon W. Allport (1954/1979), a social psychologist, developed the contact hypothesis to explain conditions by which groups from different ethnicities, races, or cultures can reduce prejudice and enjoy positive intergroup contacts. The contact hypothesis is more than the belief that if people from different cultures communicate with one another, they will learn to appreciate their differences and prejudice will be reduced or eliminated. While this sometimes happens, Allport (1954/1979) asserts that a positive outcome can be enhanced when four conditions are met. They are: equal group status within the situation, common goals, intergroup cooperation, and authority support (Allport, 1954/1979).

Allport stresses that the groups must perceive they are equal within the specific situation, even if they don't perceive themselves to be equal outside of the situation (as stated in Pettigrew, 1998, p. 65). Pettigrew
(1998) offers Patchen’s (1983) research on racially mixed high schools where he found that it was less important for the groups to perceive equal status prior to being involved in the situation as long as they perceived equal status within the situation (p. 66).

The second condition, common goals, is explained by Pettigrew (1998) via the example of athletic teams that are made up of persons from different cultures. Their cultural backgrounds are secondary to their desire to win and they recognize that they need each other to achieve their goals (as cited in Pettigrew, 1998, p. 66).

Intergroup cooperation is the third key condition. For groups to reach their common goals they must recognize their interdependence and work cooperatively rather than competitively. Support of authorities, norms or customs is Allport’s final condition (1954/1979, p. 67). Allport posits that with explicit social sanction, intergroup contact is more readily accepted and has more positive effects because, with authority support, there is an establishment of norms of acceptance (as cited in Pettigrew, 1998, p 68).

Pettigrew (1998) posits a fifth condition required for optimal intergroup contact, which is, “the contact situation must provide participants with the opportunity to become friends” (p. 75). Pettigrew believes that people from different cultural groups will have a more positive experience together if they have the opportunity for extensive repeated contact in a variety of social contexts.
Walter G. Stephan (1999), a psychologist who specializes in reducing prejudice in the education system, believes that in addition to Allport's four factors there are two additional sets of factors relevant to the success of intergroup contact: societal and person factors. The societal factors include the prior relations between the participating groups, and the degree of acculturation of the minority groups. This also includes how the groups are organized into hierarchies based on power, race, gender, or religion, as well as the current relations between the groups, and the cultural backgrounds of the individuals in the contact situations (Stephan, & Stephan, 2001, p. 21).

The situational factors include where the setting occurs, the nature of the interaction, and the tasks the group members are involved in together (Stephan & Stephan, 2001, p. 21). The person factors include demographic variables such as age, education and social class, and personality traits such as self-esteem and authoritarianism, and competence in task relevant skills (Stephan, 1999, p. 47). Stephan and Stephan (2001) offer that "The impact of these factors is filtered through the cognitive and emotional responses of the individual participants," which they refer to as the "mediating factors" (p. 21). The cognitive and emotional responses mediate and intervene before and during the contact and affect the outcomes of the contact (Stephan & Stephan, 2001, p. 21).

Allport, Pettigrew, and Stephan and Stephan's work on the contact hypothesis is useful to this study because it describes conditions for
successful intergroup contact, in contrast with the Blumer and Bobo and Hutchings model that explains why groups may experience conflict with one another based on their perceived social group position. In fact, these two theories are complementary in that Blumer and Bobo and Hutchings describe the societal factors outlined in the Stephan and Stephan model as they take into account the effects of social group positioning as a significant factor that influences the outcome of group interaction.

The contact hypotheses is significant to this study as the three minority leaders created an alliance suggesting that they were able to mediate the effects of their social group positioning. For an analysis of the relationship among the minority leaders, see Chapter Four.

Minority Group Coalitions

There appears to be a gap in the literature on tested models for groups to follow when building minority coalitions. Ferguson (1999) confirms this saying: "...there are no standard frameworks in urban change or community development studies for guiding the analysis, design, implementation, or evaluation of alliance-building processes. Discourse on this aspect of the field’s activity is relatively disorganized." (p. 590).

A review of the research on minority-group coalitions revealed empirical evidence of coalition formation particularly for political purposes (Yun, 1993). There are some examples of non-political community coalitions
such as *Streets of Hope* (Medoff & Sklar, 1994), where residents of the Dudley Street neighborhood in Boston, Massachusetts, banded together to clean up their neighborhood, build affordable housing, and bring new life to their community.

Kahn (1991) offered general guidelines for coalition building in his book, *Organizing: A Guide for Grassroots Leaders*. He believes that first a group needs to identify other groups around them that are also affected by the issue and determine how they might benefit, what power they may bring to the fight, who is their constituency, and so on (p. 239). Next, groups need to define the issue in ways that will be persuasive to the other groups (pp. 239-240).

Kahn cautions that, “An organization’s decision to work with other organizations is a complicated and difficult one,” (p. 241) and requires careful thought. Kahn outlines advantages and disadvantages to groups forming or joining a coalition (pp. 240-241). Advantages include increased power enabling the tackling of larger issues, establishing wider community credibility, and developing useful alliances for the future (1991, p. 241). Among the disadvantages are the possible loss of decision-making power, larger or more experienced partners may get all the credit, and the concessions made to other groups in the coalition that may undercut feelings of solidarity (Kahn, 1991, p. 240).
In the field of intercultural communication, conflict between individuals and groups is highlighted, but not theories on coalition building. Much of the literature analyzes communication-style differences and encourages practitioners to be conscious of these differences to enhance communication competence. Robert Hayles, an intercultural scholar, states that conflict between cultures is much more sensational and gets the media's attention, whereas examples and models of successful coalition building "don't make the news" (personal communication, March 25, 2006). As no models of intercultural coalition building could be found, this study is significant in that it address a gap in the intercultural literature.

The goal of the AMC was to increase economic opportunities and level the playing field for people of color by competing as equals in the marketplace. No studies could be located that focused on minority group coalitions for entrepreneurial ventures. Therefore, this dissertation addresses the gap in the community economic development and the intercultural literature on this topic. This is in keeping with Ferguson's call for "...more and better research on urban problem solving and community development alliances" (1999, p. 604).
Portland's Racial Context

"Portland has been a white person’s city for most of its history"


This section presents a description of the three minority groups that make-up the Alliance of Minority Chambers of Commerce in Portland, Oregon: African-Americans, Latinos, and Filipinos.

According to the 2004 American Community Survey, the City of Portland remains a predominantly White town. As Table 2 below indicates, out of a total population of 529,944, European Americans make up 78.6% of the total, with Latinos at 8.9, African-Americans at 6.7, Asians and Pacific Islanders at 7.1 and American Indians 1.1% (U.S. Census, 2004).

Table 2

Portland, Oregon Racial Group Comparison 1990, 2000, 2004

<table>
<thead>
<tr>
<th>Racial Group</th>
<th>Year 1990 Total</th>
<th>% of Total</th>
<th>Year 2000 Total</th>
<th>% of Total</th>
<th>Year 2004 Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-Am.</td>
<td>370,135</td>
<td>84.6</td>
<td>412,241</td>
<td>77.9</td>
<td>416,617</td>
<td>78.6</td>
</tr>
<tr>
<td>Hispanics</td>
<td>13,874</td>
<td>3.2</td>
<td>36,058</td>
<td>6.8</td>
<td>47,440</td>
<td>8.9</td>
</tr>
<tr>
<td>African Am.</td>
<td>33,530</td>
<td>7.6</td>
<td>35,115</td>
<td>6.6</td>
<td>35,807</td>
<td>6.7</td>
</tr>
<tr>
<td>Asian Am.</td>
<td>23,185</td>
<td>5.3</td>
<td>33,470</td>
<td>6.3</td>
<td>37,212</td>
<td>7.1</td>
</tr>
<tr>
<td>Indian/Alaska</td>
<td>5,399</td>
<td>1.2</td>
<td>5,587</td>
<td>1.1</td>
<td>6,326</td>
<td>1.1</td>
</tr>
<tr>
<td>All Racial Groups</td>
<td>437,319</td>
<td>100</td>
<td>529,121</td>
<td>100</td>
<td>529,944</td>
<td>100</td>
</tr>
</tbody>
</table>


In Oregon as a whole, for the year 2004, Hispanics made up 8 percent and African-Americans 1.6 percent, but within the United States, African Americans comprise 12.2 percent as compared with Hispanics 14.2 percent.
(see Table 3). These figures indicate that Portland (and Oregon) minorities are smaller in number than in some other parts of the nation.

Table 3

*Portland, Oregon Racial Group Composition in 2004*

<table>
<thead>
<tr>
<th>Racial Group</th>
<th>Total in Portland</th>
<th>% of Total Portland</th>
<th>% of Total in Oregon</th>
<th>% of Total in US</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Americans</td>
<td>416,617</td>
<td>79.4</td>
<td>86.6</td>
<td>75.6</td>
</tr>
<tr>
<td>Hispanics</td>
<td>47,440</td>
<td>9.0</td>
<td>8.0</td>
<td>14.2</td>
</tr>
<tr>
<td>African Americans</td>
<td>35,807</td>
<td>6.8</td>
<td>1.6</td>
<td>12.2</td>
</tr>
<tr>
<td>Asians</td>
<td>37,212</td>
<td>7.1</td>
<td>3.0</td>
<td>4.2</td>
</tr>
<tr>
<td>American Indian/Alaska</td>
<td>6,326</td>
<td>1.1</td>
<td>1.2</td>
<td>0.8</td>
</tr>
<tr>
<td>All Racial Groups</td>
<td>529,944</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: U.S Census Bureau, 2004 American Community Survey*

It has only been in the last six years that any other racial group has been equal to African Americans in terms of population numbers; hence, that may not have been enough time for racial group animosity and competition to become deep-seated.

Portland's small minority population mirrors Oregon's as Table 3 indicates. European Americans in Oregon are 86.6 percent but are only 75.6 percent of the total population in the United States. Latinos are only 8 percent of Oregon's total population, but are 14.2 percent of the total U.S. population. Similarly, under-represented African Americans are only 1.6 percent of Oregon's total, but are 12.2 percent of the U.S. population. Oregon's population of Asians more closely matches that of the United States as a whole, with 3 percent in Oregon, and 4.2 percent in the U.S. The only other group (besides European Americans) "over-represented" in
Oregon is the American Indian/Alaskan Native group at 1.2 percent within Oregon, as compared with only 0.8 percent in the U.S. Oregon’s history, as well as Portland’s history, provides some insights into the reasons for Oregon’s small minority communities and over-representation of European Americans.

History of African Americans in Oregon and Portland

Oregon’s small African American community can be attributed to the 1800s when territorial laws mandated the expulsion of African Americans, laws that were later written into the state constitution and not changed until 1926 (Baker, 2004). In addition to the exclusion laws codified by the Oregon Constitution in 1857, African Americans and "Mulattoes" were denied the rights to live in the state, own land, work, or vote (Bosco-Milligan Foundation, 1995, p. 6). In spite of these laws, African Americans came to Portland. By 1870, the U.S. Census counted 346 African Americans in Portland despite miscegenation laws that took effect in 1866, and poll taxes (Bosco-Milligan Foundation, 1995, p. 12).

The African American population swelled to over 1,000 persons in the early 1900s due to railroad work, and many lived near Union Depot for that reason (Bosco-Milligan Foundation, 1995, p. 12). African American businesses sprang up around Union Depot to cater to the growing community there, and provided necessary services as African-Americans
were not allowed in most White establishments. As the African American community grew, so did their need for representation, and 1913 saw the formation of a local chapter of the NAACP.

The Ku Klux Klan (KKK) arrived in Oregon in 1921 (Bosco-Milligan Foundation, 1995, p. 24). Interestingly, due to the small (but growing) size of the African-American community, the KKK focused their activities mainly on Catholics.

During the 1940s the African American population grew “...from around 2000 to more than 20,000...because of the demand for labor in wartime shipyards” (Gibson & Abbott, 2002, p. 427). However, after the war many left when jobs disappeared, and “the 1945 City Club report quite accurately predicted that a more-or-less permanent population of approximately 10,000 Negroes would remain in greater Portland...” (Portland City Club Bulletin, 1957, p. 355). Over half of African Americans were concentrated in the Albina district due to residential segregationist policies and “...was reflective of the prejudice and discrimination African-American people in Oregon faced for more than a century, both by custom and law” (Gibson, 2005, p. 8). The others settled in the hastily built Kaiser Corporation community of Vanport until the levy broke and the flood waters destroyed the community.

Hotels, restaurants, motels, bowling alleys, lounges, and other forms of public entertainment lawfully refused service to African Americans and

While housing discrimination was found to be one of the primary areas of discrimination for African Americans, employment remained problematic as well (Portland City Club Bulletin, 1957, p. 357). However, The Portland City Club found that between 1946 to 1957, employment of African Americans in public agencies increased somewhat.

As elsewhere around the nation, there were racial uprisings in the 1960s in Portland, but on a much smaller scale than in communities with larger African-American populations. The Portland City Club, not yet open to minorities or women in 1968, commissioned a report to analyze the state of their community. The report, Problems of Racial Justice in Portland points out that since African-Americans were only 4.2 percent of the city's population, it was "...relatively easy for the white community to push it from its collective consciousness the group, its plight and its problems...because the group is small, this community have permitted to exist degrees of discrimination which actually exceed in some forms, discrimination in other cities with more dramatic ghetto problems" (City Club of Portland Bulletin, 1968).

Steven Reed Johnson, in his study of Portland's civic engagement, noted that the City Club report, "...identified only one civic body other than
the emerging Model Cities Program that had black representation,” the Metropolitan Relations Committee (2004, p. 104).

The Model Cities Program changed all that with the formation of the Albina Plan in 1968, where local African-American community members were elected and appointed to the committee (Reed Johnson, 2004). Yet even with African-American community involvement, the Portland Development Commission (PDC) still all but destroyed the lower Albina neighborhood during the 1960s – 1970s with the urban renewal plans to build the Memorial Coliseum, Lloyd Center Shopping Mall, and the Emanuel Hospital project (Gibson, 2005, p. 13). Recently when the PDC was gearing up to use urban renewal dollars for the Interstate Corridor project, “Harold Williams, President of the African American Chamber of Commerce, threatened to sue the city if residents and businesses were not included in the planning this time” (Gibson, 2005, p. 13).

Wealth accumulation is based on a number of factors such as education level, income, and occupation, as well as equity from home ownership. “For most Americans, excluding the very rich and the very poor, home equity represents the only major repository of accrued wealth…” (Oliver & Shapiro, 1997, p. 128). Wealth accumulation, or lack thereof, is also affected by the “intergenerational transmission of inequality” (Oliver & Shapiro, 1997, p. 128).
If African-Americans in Portland owned their home during the 1950s and 1960s, they were most often located in the Albina district in Portland, a red-lined, disinvested, segregated area of the city (Gibson, 2005). In the 1980s, some African-American homeowners fled the inner city neighborhoods because of rising taxes due to gentrification, and, therefore, had little or no equity to pass down from one generation to the next. Unfortunately, the economic situation for African Americans has not changed significantly in the past few years. Unemployment, education, and home ownership still remain problematic for African Americans in Portland.

*Latinos in Portland*

Latinos in Oregon have a long, rich history dating back to the days of the Spanish explorers. The northwest coast was of great interest to the explorers who mapped and laid claim to much of it (Beals, 1995, p. 24). In 1819, the United States purchased title to the Oregon country from Spain and Mexico, and until 1848, the northern border of Mexico was just a few miles south of present-day Ashland, Oregon (Gamboa, 1995, p. 12).

Mexicans have migrated north to Oregon and Washington since the early 1900s because of the work available in farm and railroad maintenance, even during the Depression years (Gamboa, 1995, p. 12). During World War II, between 1942 and 1947, over 15,000 Mexicans were actively recruited for the federal government's Bracero program to do farm work. Even after the
Bracero program ended, the agricultural areas surrounding Portland, such as Woodburn to the south, and Cornelius to the west, attracted large numbers of Latinos because of the farms and, later, the plant nurseries located there.

It has only been in the past 20 years that the city of Portland has seen large numbers of Latinos move from the rural communities to the city. Table 2 which compares the number of minority group members in Portland for the years 1990, 2000, and 2004, demonstrates the rapid growth of Latinos in the city. In 1990, Latinos were 3.7 percent of the total population; in just 10 years, the proportion doubled to 6.8 percent; and by 2004, the number increased to 9.0 percent, making them Portland’s largest minority group, easily surpassing African Americans at 6.8 percent (US Census, 1990, 2000, 2004).

The term Latino or Hispanic is an umbrella term to describe anyone who is Spanish speaking, or from a Spanish speaking country, or whose descendents are from a Spanish speaking country. This includes people from Mexico, Cuba, Puerto Rico, and the many Central America and South American nations. In Portland, the largest Latino group is from Mexico with 70 percent in 2000.

As compared with the detailed history of African Americans in the previous section, the record for Hispanics is much less developed. This is due to the small numbers of Latinos in Portland until recent times; previously the larger Latino communities were in more rural, agricultural areas of
Oregon. The attention given by the press to the Latino population tends to focus on illegal immigration issues or bilingual education. While these are important concerns, what is not talked about is the growing disposable income of Latinos—now the largest minority group in Portland and in Oregon—or the positive contributions Latinos bring to the nation.

Filipinos in Portland

Filipino history is even more invisible than Latino history in Portland. In fact, Rick Bonus, an ethnographer who researches Filipinos in the United States, notes that although they are the second largest Asian-American group, they are:

largely invisible in most accounts of U.S. history and in contemporary scholarship, excluded from numerous position of power, and misrepresented (or not at all represented) in mainstream media, comprising a “silent minority” frequently lumped together with Chinese, Japanese, Korean, Indian, Vietnamese, and Cambodian peoples under the rubric Asian American. (2000, p. 1)

Filipinos are known to have immigrated to the United States as early as the sixteenth century as colonial subjects of Spain on trade ships exploring the galleon trade routes (Bonus, 2000, p. 7). Filipinos assisted the U.S. in winning the Spanish/American War, resulting in Spain ceding the Philippines to the U.S. for $20 million in 1898 (Bonus, 2000, p. 32). After that, the U.S. encouraged Filipinos to immigrate and settle in America as U.S. nationals “when other Asians were excluded by discriminatory immigration laws” although they were perceived as uncivilized. This was
most starkly demonstrated when they were put on display at Portland’s Lewis and Clark Centennial Exposition in 1905, where they were described as “head-hunters and dog-eaters” (http://www.ohs.org/education/oregonhistory/historical_records, retrieved December 10, 2004).

Filipinos continued to experience racism as evidenced by a letter to the Oregonian newspaper dated September 21, 1931. Written by a Filipino named Ernesto Mangaoang, who along with 60 others, complained about discriminatory treatment as hop-pickers when they were “released from their work just because the white and Indian pickers wanted their job” (http://www.ohs.org/education/oregonhistory/historical_records, retrieved December 10, 2004). In 1934, the U.S. Congress passed the Tydings-McDuffie Act which led the way for Filipino independence 10 years later (http://www.ohs.org/education/oregonhistory/historical_records, retrieved December 10, 2004).

According to the U.S. Census Bureau’s 2000 American FactFinder, Filipinos numbered 4,262 or 0.8 percent of the total population in Portland. They are a well-educated group as 2,138 have a bachelor’s degree or higher (2000 Census). Their median family income in 1999 was $46,500 as compared to that of European Americans at $52,918. Latinos and African-Americans, in comparison, reported $33,038 and $31,878 respectively (U.S. Census American FactFinder, 2000). It appears Filipinos have done quite
well for themselves in Oregon, in spite of being subjected to discriminatory
treatment in Portland.

**Social Entrepreneurship**

The concept of not-for-profit organizations and groups engaging in for-
profit self-help enterprises is not new. Sherri Wallace, a professor in political
science contends that, “Community economic development has early roots in
the nineteenth-century social and political contributions of African-American
leaders such as Booker T. Washington, Marcus Garvey\(^2\), and W.E.B.
DuBois” (Wallace, 1999, p. 2). While their methods and ideologies differed,
they were all committed to furthering the social and economic well-being of
African-Americans. Wallace states:

>African-American leaders understood that legal access to socio-
political and economic resources was genuinely interconnected to the
economic vitality of the community, [thus] ...community economic
development theory came to mean economic empowerment through
self-determination, cultural awareness and group self-sufficiency. (p. 3)

As government funds for many non-profit agencies have shrunk in
past years, there is increased interest in creating revenues to fund social
programs, and increased interest in social entrepreneurship (Dees, 2001;
Johnson, 2000; Prabhu, 1999; Shipp, 1996).

John Sibley Butler (1991) states that social entrepreneurship

>“...concentrates on the process by which ethnic groups develop, maintain,

\(^2\) Marcus Garvey was actually a leader in the 20\(^{th}\) century.
and expand business enterprises within the economic structure” (p. 1). Butler calls social entrepreneurship “self-help” as it “...stresses the relationships between economic solidarity, ethnic solidarity and business development” and “...is concerned with the activities of ethnic groups under hostile environments” (1991, p. 125).

Ganesh Prabhu (1999), from the Indian Institute of Management at Bangalore, defined a social entrepreneur as one with the expressed purpose to “create and manage innovative entrepreneurial organizations or ventures” (p. 140). The definition does not necessarily exclude profit-making entrepreneurs, but Prabhu goes on to explain that the primary mission of the social entrepreneurial organization is the “social change and development of their client group” (p. 140).

The term “social entrepreneurship” was popularized by J. Gregory Dees who defined it in the late 1990s for the Kauffman Center on Entrepreneurial Leadership (Boschee, 2006). Dees says, “Social entrepreneurs are one species of the genus entrepreneur. They are entrepreneurs with a social mission” (2001). Dees distinguishes business entrepreneurs from social entrepreneurs in that: “For social entrepreneurs, the social mission is explicit and central. Mission-related impact becomes the central criterion, not wealth creation. Wealth is just a means to an end for social entrepreneurs” (pp. 2-3).
Social entrepreneurs "Blur the traditional boundaries between the public, private and non-profit sector and emphasize hybrid models for for-profit and non-profit activities" (Johnson, 2000, p. 1). Alvord, Brown, and Letts (2002) offer that social entrepreneurship may lead to significant change in social, political, and economic contexts for poor and marginalized groups (p. 3). They include three examples of social entrepreneurship: 1) combining commercial entrepreneurship with social, non-profit concerns, 2) innovating for social impact with little attention given to the economic viability of the venture, and 3) entrepreneurship as a catalyst for social transformation (Alvord, Brown, & Letts, 2002).

In this case study, the Alliance of Minority Chambers of Commerce used the non-profit structure of their Chambers of Commerce upon which to base their alliance. By seeing an opportunity to make money by securing the parking contracts, they created profits for their respective chambers. The profits from their business venture fund their social programs, such as Castillo’s youth scholarship fund, and chamber services like workshops for emerging businesses. In addition, by winning the contracts, the AMC is serving the community by sub-contracting janitorial services to smaller, less-experienced companies, and providing jobs for minority-group members as parking lot attendants. Further, as they are the first minority coalition in Portland to become prime contractors of the Smart Park system, they see themselves as role models for other minority entrepreneurs to be innovative
and risk-takers. For these reasons, they see themselves as change agents, or in Alvord, et al., terminology, they are catalysts for social transformation.

The social entrepreneurship literature cites many case studies of non-profit organizations creating for-profit businesses to fund their social programs (Alvord, et al., 2002; Prabhu, 1999; among others), but these organizations started businesses that brought direct benefits to their participants. An example of this type of entrepreneurship is a poverty program that creates a business for the purpose of employment and training of their clients.

The AMC’s efforts differ from these types of social service agencies, in that their chambers of commerce are not direct providers of social services. Their mission is not to train people to start parking businesses, but to use the money from their parking business to help people start their own businesses by offering workshops, networking opportunities, and so on.

The AMC’s organizational and business venture is best described by Fowler’s (2000) category of “complementary social entrepreneurship,” (p. 647). He defines this as “non-profit organizations which add a for-profit enterprise division that does not in itself engender a social benefit, but whose profits can be used to offset the costs of the organization’s non-profit social mission” (p. 647). He contrasts this category with the example above of the direct provider of social services as the “integrated social entrepreneurship” (p. 645). Fowler’s third category is the “re-interpretation” type. An example
of this type is as an organization such as Meals on Wheels that provides free or low cost meals to the elderly and also earns money by delivering and charging for meals to an affluent, non-infirm elderly population for a profit (p. 646).

As Chapter Six outlines, the AMC's activities constitute an excellent case study of social entrepreneurship in Portland, Oregon.
This dissertation is a case study of the Alliance of Minority Chambers of Commerce (AMC). It details the complex strategies they used to form an alliance giving them the political influence to lobby city hall, form a partnership with Star Park (owned by the Schlesinger family), and compete successfully against an entrenched network of powerful contract holders (Portland Business Alliance and City Center Parking), resulting in the AMC and Star Park landing two lucrative municipal parking contracts.

This case study tells an important story about Portland’s social and political contexts, and the social entrepreneurship and vision of the AMC. In addition, this study contributes to the literature on community economic development and intercultural communication by presenting two best practices models of intercultural coalition building and community economic development that emerged from the case study findings.

The case study method was employed as an effective means to reconstruct the complex series of events by compiling media accounts, city documents, council meetings, and through the voices of the people who experienced it first-hand. In this chapter, the research questions are presented, the research design is discussed, data collections procedures are outlined, and the constant comparative method of analysis is detailed. The
Research Questions

This study was guided by the following three questions:

1) How and why was the Alliance of Minority Chambers formed?
   a) What problems/issues of racial group competition, (such as in-group ethnocentrism, out-group inferiority, proprietary claim over rights, competition for resources) if any, did they experience?
   b) What strategies were utilized to overcome any such problems?
   c) What factors contributed to the possible absence of such problems?

2) As minority group members, were there barriers faced by the Alliance of Minority Chambers as they competed for and secured the municipal parking contracts as compared to the non-minority bidders, and if so, what were the barriers?

3) What effect did the political and racial context of Portland, Oregon, have on the formation of the Alliance of Minority Chambers and on their ultimately winning the two city contracts?

The theoretical foundations underlying the research questions were discussed in Chapter Two, and the case study findings as they address the
three research questions is in Chapter Six of this dissertation. The next section details the research design.

Research Design

The Qualitative Case Study Method

As stated previously, the subject of this study is the Alliance of Minority Chambers of Commerce, how and why they formed their alliance, and the strategies they used to secure two municipal parking contracts. The story of the AMC securing the contracts is a unique phenomenon and since there are no cases to compare it to, it is appropriate to study this as a single case (Yin, 2003). A case study is the preferred strategy when asking how or why questions, or when the "focus is on contemporary phenomenon within some real life context" (Yin, p. 1). Therefore, this research utilizes the qualitative case study method, specifically the explanatory, embedded single case (Yin, 2003, p. 41).

The unit of analysis was the AMC; other people and events concerning the case were considered contextual information. This study was bounded in time by the activities beginning with the formation of the AMC in November, 2002, through the awarding of the attendant contract on August 4, 2004. Portland City Council meeting transcripts, city documents, media accounts and interview questions did not address events beyond that date.
**Data Collected**

This case study was constructed using three data sources: interviews, media accounts and documents from the City of Portland, and closed caption transcripts of the City of Portland Council meetings.

**Interview Data**

Twenty-one interviews were conducted by this researcher between March, 2005 through April, 2006 (see Table 4).

Table 4

**Persons Interviewed**

<table>
<thead>
<tr>
<th>Alliance of Minority Chambers of Commerce</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jo Ann Bowman</td>
<td>African-American Chamber of Commerce</td>
</tr>
<tr>
<td>Gale Castillo</td>
<td>Executive Dir., Hispanic Chamber of Commerce</td>
</tr>
<tr>
<td>Roy Jay</td>
<td>AMC member, African Amer. Chamber</td>
</tr>
<tr>
<td>Jaime Lim</td>
<td>Pres. Philippine Amer. Chamber</td>
</tr>
<tr>
<td>Harold Williams</td>
<td>Founder African Amer. Chamber</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>African-American Business Owners</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenny Bagley</td>
<td>Property Developer &amp; Contractor</td>
</tr>
<tr>
<td>Faye Burch</td>
<td>FM Burch &amp; Associates</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City Actors</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sam Adams</td>
<td>City of Portland Councilman, Katz Chief of Staff</td>
</tr>
<tr>
<td>Harriet S. Cormack</td>
<td>Citizen Selection Committee Member</td>
</tr>
<tr>
<td>Pam Erickson</td>
<td>Citizen Selection Committee Member</td>
</tr>
<tr>
<td>Casey Jones</td>
<td>City of Portland, CMG Liaison</td>
</tr>
<tr>
<td>Gretchen Kafoury</td>
<td>Past City of Portland Councilwoman</td>
</tr>
<tr>
<td>Rich Rogers</td>
<td>Aide to Erik Sten</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Newspaper Reporters/Owners</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Steven Carter</td>
<td>Oregonian Newspaper Reporter</td>
</tr>
<tr>
<td>Henry (Hank) Stern</td>
<td>Oregonian Newspaper Reporter</td>
</tr>
<tr>
<td>Bernie Foster</td>
<td>Owner, The Skanner Newspaper</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portland Business Alliance/Association for Portland Progress</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Greg Goodman</td>
<td>APP/PBA Board Member &amp; President, City Center Parking</td>
</tr>
<tr>
<td>Ruth Scott</td>
<td>Former CEO, Association of Portland Progress</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portland State University, Small Business Program</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gary Brown</td>
<td>Director</td>
</tr>
<tr>
<td>Cody Gray</td>
<td>Associate Counselor</td>
</tr>
<tr>
<td>Star Park</td>
<td></td>
</tr>
<tr>
<td>Virgil Ovall</td>
<td>CEO, Star Park</td>
</tr>
</tbody>
</table>

49
Potential interviewees were contacted by telephone or by letter on official departmental letterhead. Even with these efforts, sixteen people were unavailable or did not respond (see Table 5).

Table 5

**Attempted Interviews**

<table>
<thead>
<tr>
<th>City of Portland Officials</th>
<th>Past Dir. of General Svcs.</th>
<th>Resigned - left country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ron Bergman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>James Francesconi</td>
<td>Past City Councilman</td>
<td>No response</td>
</tr>
<tr>
<td>Vera Katz</td>
<td>Past Mayor</td>
<td>Unavailable</td>
</tr>
<tr>
<td>Randy Leonard</td>
<td>City Councilman</td>
<td>Never returned calls</td>
</tr>
<tr>
<td><strong>City of Portland RFP Selection and Evaluation Committee</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eileen Argentina</td>
<td></td>
<td>Out of town</td>
</tr>
<tr>
<td>Dan Brame</td>
<td></td>
<td>No response</td>
</tr>
<tr>
<td>Stu Hall</td>
<td></td>
<td>Unable to locate</td>
</tr>
<tr>
<td>Richard Harris</td>
<td></td>
<td>Too busy</td>
</tr>
<tr>
<td>Gloria Lee</td>
<td></td>
<td>Declined interview</td>
</tr>
<tr>
<td>Carl Talton</td>
<td></td>
<td>Never returned calls</td>
</tr>
<tr>
<td>Irma Valdez</td>
<td></td>
<td>Out of town</td>
</tr>
<tr>
<td>Ty Wells</td>
<td></td>
<td>No response</td>
</tr>
<tr>
<td><strong>Oregon Association of Minority Entrepreneurs (OAME)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sam Brooks</td>
<td>OAME founder</td>
<td>Never returned calls</td>
</tr>
<tr>
<td>Jorje Guerra</td>
<td>OAME Executive Dir.</td>
<td>Never returned calls</td>
</tr>
<tr>
<td><strong>Portland Business Alliance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Rakowitz</td>
<td>Past PBA employee</td>
<td>Unable to locate</td>
</tr>
<tr>
<td>Star Park</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul McCoy</td>
<td>Rose City Parking/Star Park</td>
<td>Never returned calls</td>
</tr>
</tbody>
</table>

The interviews were approximately one hour in length and were guided by the three research questions and information previously obtained from City documents, transcripts of City Council meetings, newspaper articles and interviews with other persons. A series of open-ended questions were developed for each interviewee based on his or her professional role and knowledge of the events in this case. For example, each of the primary AMC members were asked about their chamber and the work they do, how their alliance came about, how they got along with each other during and
after securing the contracts, their reasons for partnering with Star Park, the racial context of Portland, and challenges they experienced during the bidding process.

Public officials were asked about the reasons they changed the RFP process, their relationship with the Portland Business Alliance, lobbying efforts on behalf of the AMC and Star Park, among other questions. The selection committee members were questioned about the process of being selected, the process they followed evaluating the proposals, and if any influence was placed on them when scoring the applicants.

Interviewees were identified by newspaper reports, City meeting transcripts, City documents, and in snowball fashion during the interviews, by asking the interviewee for names of persons they believed would have information pertinent to this case (Babbie, 2001, p. 180).

The key leaders of the AMC and the CEO of Star Park were very cooperative and willing to be interviewed. A few minority businesspersons and others working with minority businesses were interviewed, and this researcher was able to secure a brief interview with Greg Goodman, owner of City Center Parking. Also, two of the citizens who served on the City’s selection committees were interviewed.

The City of Portland staff and the council members during the case study timeframe were the most difficult persons with whom to schedule interviews. The reasons given were based on their present relationships with
the key people involved in this case. Only one City official, Casey Jones, refused to be interviewed but provided short written answers to the interview questions. Councilman Erik Sten, who was running for re-election, made his aide, Rich Rogers available for interviewing; Mayor Vera Katz was unavailable.

Although interviewees were given the choice in writing to have any or all of the interview coded under a pseudonym, none of them exercised this option. There were a few times that interviewees asked to speak off-the-record, in which case the recorder was turned off and no notes were taken. The information in these off-the-record moments was not found to be crucial to the case study.

At the request of the interviewees, three interviews were done over the telephone, in which case these interviews could not be recorded, but careful notes were taken and then typed up by this researcher. The digital recordings were transcribed by paid transcribers, and recordings were compared to the transcripts occasionally to ensure the accuracy of the interview data.

The transcribed interview data were imported into the coding software, QSR N6 and details of the coding process are discussed in the following sections of this chapter.

---

3 All interviewees (except for phone interviews) signed a HSRRC approved Informed Consent letter that clearly gives them an option to have their identity protected if desired. See Appendix A for a copy of the letter.
Newspaper Accounts

In addition to interview data, archival newspaper accounts were collected from Portland's major newspapers which included The Oregonian; the African-American newspaper, The Skanner; The Asian Press; The Portland Tribune; The Portland Business Journal; and The Willamette Week. Approximately forty articles were included in this dissertation, including topics ranging from the Portland business and social context to the competition between Star Park and City Center Parking.

City of Portland Documents

Official documents from the City of Portland, such as the bid announcements and the completed proposals submitted by the Alliance of Minority Chambers, were also included in the data set. Approximately 500 pages of documentation were reviewed, and twenty-five documents were included in the analysis and building of this case.

As these documents and newspaper articles were mostly in print form, they could not be imported into the coding software, instead they were manually categorized by date and tagged with colored flags mirroring the categories used to sort the interview and meeting transcripts data.
City Council Meeting Transcripts

Closed captioned transcripts of seven City Council meetings were included in this study. These are unofficial transcripts of the meetings, and they have not been reviewed, corrected, or approved by the council or anyone associated with the City, and constitute the only written record available.

However, the transcripts provided a rich record of statements by Mayor Katz, the councilmen, and City officials on issues pertaining to the release of the RFP's for the two Smart Park contracts, the marketing contract, and the selection of the winning bidders (see Table 6).

Table 6

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 12, 2003</td>
<td>Council voted to release Smart Park management RFP</td>
</tr>
<tr>
<td>May 21, 2003</td>
<td>Council awards management contract to AMC/Star Park</td>
</tr>
<tr>
<td>October 16, 2003</td>
<td>Council awards marketing contract to Johnson &amp; Sheen</td>
</tr>
<tr>
<td>March 3, 2004</td>
<td>Council voted to release Attendant RFP, denies CCP extension</td>
</tr>
<tr>
<td>June 30, 2004</td>
<td>Attendant Selection Committee recommends AMC/Star Park as winning bidder, Council delays approval</td>
</tr>
<tr>
<td>July 7, 2004</td>
<td>Council delays approval pending more information</td>
</tr>
<tr>
<td>August 4, 2004</td>
<td>Council approves AMC/Star Park as winning bidder</td>
</tr>
</tbody>
</table>

The meeting transcripts also included statements by the AMC and Star Park as they questioned the RFP process and encouraged the council to select them as the winning contractors. Greg Goodman, owner of City Center Parking appeals to the council to extend his attendant contract and
later his appeals of the selection committee’s recommendation to accept AMC/Star Park’s bid are also part of the council transcripts.

Since these transcripts were in an electronic format, they were imported into the QSR N6 coding software and coded in a similar fashion as the interview data for analysis. The next section describes the data coding process.

Method of Data Analysis

A student version of the qualitative software, QSR N6 was employed to ease handling of the written data. The software allowed for coding or labeling of selected passages as the subjects and themes emerged while reviewing the interviews and the City Council meeting transcripts (see Table 7). As previously stated, these codes were applied manually to the print data.

Table 7

Initial Coding Categories

| Management Contract                      | Minority Coalition |
| RFP changes to first contract           | Whose idea to apply |
| Star Park - 1st contract               | Building a coalition |
| First selection committee              | Political strategy |
| Marketing Contract                     | Latinos in Oregon |
| Attendant Contract                     | Inter-group relations |
| Goodman protest                        | African-American Chamber |
| Bias in the process                    | Philippine Chamber of Commerce |
| Selection committee                    | Latino Chamber |
| Contract terms                         | Minority business issues |
| Portland Business Alliance             | Star Park AMC organization |
| Goodman Family                         | Entrenched Networks |
|                                      | Present time |
Next, as the software allowed for compilation of all documents coded with a single code, reports were printed out and further analyzed. These reports were used to create a chronology of events, raise new issues, guide interview questions and to construct the case study.

**Constant Comparative Method of Analysis**

An iterative process of analysis took place as each new interview or document was added to the data set. Notes and diagrams emerged as new data was obtained, and a research journal was kept to test out ideas and connections. Additional interview questions were developed to take into account new levels of analysis. This process is called the "constant comparative method" developed by Glaser and Strauss (1967) and extended by Lincoln and Guba (1985). According to Glaser and Strauss (1967), this method takes place in four stages: 1) comparing incidents applicable to each category, 2) integrating categories and their properties, 3) delimiting the theory, and 4) writing the theory (p. 105). Each of these four stages is described in the following section.

**Comparing Incidents Applicable to Each Category**

As the categories emerged from the data, they were compared with previous incidents. One example of a category was "building a coalition" and statements that were made that described that process was coded within that
category (see Table 7 for a complete list of initially used categories). As new data was gathered, they were compared to other incidents in the “building a coalition” category to determine if they fit that category, or if the incident required creation of a new category such as “political strategy.” By comparing incidents within a category, patterns emerged as the category became self-defining.

*Integrating Categories and Their Properties*

In the second stage outlined by Glaser and Strauss (1967), the relationships between categories becomes more integrated and:

As the coding continues, the constant comparative units change from comparison of incident with incident to comparison of incident with properties of that category that resulted from initial comparisons of incidents. (p. 108)

In this research the data collection took place in stages, and as categories were being formed and compared with each other, the process as outlined above by Glaser and Strauss was followed. As the categories were refined and analyzed, the relevant themes of this study emerged from the data. See Table 8 for a list of the refined categories used in this study.

Table 8

*Refined Categories*

<table>
<thead>
<tr>
<th>Management Contract</th>
<th>AMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Contract</td>
<td>Star Park</td>
</tr>
<tr>
<td>Attendant Contract</td>
<td>Political Strategies</td>
</tr>
<tr>
<td>Portland Business Alliance</td>
<td>Bias in the Process</td>
</tr>
<tr>
<td>City Center Parking</td>
<td>Coalition Building</td>
</tr>
<tr>
<td>Minority Business Issues</td>
<td>Entrenched Networks</td>
</tr>
</tbody>
</table>
Delimiting the Theory

Glaser and Strauss' third step in the constant comparison analysis process involves delimiting theory and categories. Theory building begins as:

...major modifications become fewer and fewer...and later modifications are mainly on the order of clarifying the logic, taking out non-relevant properties, integrating elaborating details of properties into the major outline of interrelated categories... (Glaser and Strauss, p. 110)

The second level of delimiting occurs when the list of categories becomes more focused due to “theoretical saturation” (Glaser and Strauss, p. 111). This saturation takes place when, through the process of constant comparison, it can easily be determined whether a new incident points to a new aspect or not, thus categories are reduced and new incidents fit neatly into existing categories.

When Tables 7 and 8 are compared, they provide an example of delimiting categories. Initially there were twenty-five categories, but as the data contained in these categories was reviewed and analyzed, they were reduced or “delimited” to twelve categories. As these categories were delimited, theories also began solidifying and deepened. In other words, the breadth of categories and working theories was reduced, and those left gained more depth.

An example of an early working theory was that minority groups in Portland experienced competition and animosity towards each other. As the
constant comparison method was employed and new data was being analyzed, the early theory was not supported, but instead the data was pointing the analysis in a very different direction: one of cooperation and respect for one another. As the data continued to support positive interactions between groups, this category gained depth and led to building a theory as to why that was the case.

**Writing the Theory**

This is the forth and final stage in Glaser and Strauss' method of constant comparison. The process of writing this case study began by organizing all of the various forms of data into spreadsheets in chronological order. Next, the events were put into narrative form. As the writing continued, notes were taken on questions that would inevitably arise as the case took form. Some of these questions turned into interview questions, and others required returning to the newspaper and City Council meeting transcripts, or more web searching for clarification. Therefore, the inquiry and analysis were ongoing processes as the case took shape. The models that emerged from the case study (see Chapter Seven) are grounded on this iterative theory building model of constant comparison.
Reliability and Validity

To ensure construct validity, internal validity, external validity and reliability of the research findings, several strategies were employed during the data collection, analysis, and composition stages (Yin, 2003). For instance, during data collection, construct validity was enhanced by using multiple sources of evidence (e.g., newspaper accounts compared with interview data). In the data analysis phase, pattern matching and addressing rival explanations lead toward building internal validity.

Reliability was enhanced by minimizing the errors and biases in this study through maintaining organized records of case notes, interview data and documents. Also, the researcher returned to one of the primary persons involved in this case, Roy Jay, to verify and correct the major findings to increase reliability even further.

Limitations of the Study

As with any study, there are limitations to be considered. The primary limitation of this study is inherent in the case study research method and concerns questions of generalizability. Case studies do not aim to be generalizable, that is, to apply the results beyond the specific case. Case studies “...are generalizable to theoretic propositions and not to populations or universes” (Yin, 2003, p.10). Thus, it cannot be stated that this case explains how other minority groups could achieve the same results as the
AMC in Portland, Oregon, but it has provided a theoretical framework that may be useful as a starting point to guide the efforts of other groups in their cities.

A possible limitation of this study is the relatively small sample size. Twenty-one interviews of key people were conducted, but unfortunately sixteen interview subjects did not respond to attempts to schedule meetings. However, these twenty-one interviews were triangulated with over five-hundred pages of City documents, newspaper articles, and over one-hundred pages of City Council meeting transcripts. And, although four City officials were included in those not interviewed, their statements pertinent to this case study were part of the City Council meeting transcripts. While clearly more interview data is preferable, the data that was available offered a rich and relatively complete record of the events under study, and did not constitute a serious limitation.

In Chapter Four, the political and social context as it pertains to the City's Smart Park parking contracts is set out. The political context includes the structure of Portland's City government, the Association for Portland Progress (APP), and concludes with an introduction of the conflict between the Goodman (CCP) and Schlesinger (Star Park) families. The social context outlines the history of the Alliance of Minority Chambers of Commerce, and provides information on its members and their chambers.
Chapter Four finishes with the strategies employed by the AMC as they set out to win the Smart Park contracts.
CHAPTER FOUR

Portland, Oregon's Political and Social Context

In this chapter, the political and social context of Portland is described as it relates to the Smart Park municipal contracts. The chapter begins with a description of Portland’s commissioner structure, and the steps taken by the City Council to increase the diversity of the city contractors. Next, a brief overview of the Alliance for Portland Progress (APP) and the relationship between then-director Kim Kimbrough and the City Council is addressed. The section on the political context concludes with a discussion of the Goodmans and the Schlesingers long-term competition for parking lot and garage market shares.

The social context as it relates to the Smart Park municipal parking contracts is contained in the second part of this chapter. This section begins with an overview of the Alliance of Minority Chambers of Commerce, by providing a brief biography of each of the members and their respective chambers. This is followed by a discussion about how they formed their alliance, and concludes with their strategy to bid on the parking contracts.

To help clarify the many people involved and their organizations, the following figure (1) indicates the players and their relationship to one another (also see Appendix C). The solid lines symbolize the relationships that exist presently between the City Council, the Alliance of Minority Chambers of
Commerce, and Star Park. The broken lines show the connections between the City Council, City Center Parking, and the Portland Business Alliance between the years 1982 and 2003.

Figure 1

Flow Chart of the Relationships Between the Major Players in the Star Park Parking Contracts

Political History of the Contracts

City Hall

Since 1913, the City of Portland’s political structure of a mayor, four commissioners, and an auditor make up “the last remaining Commission
form of government among large cities in the United States,” (www.portlandonline.com/auditor/index.cfm?a=9178&&c=27481, retrieved March 29, 2006). The mayor and commissioners constitute the City Council and they enjoy legislative, administrative, and quasi-judicial powers, and are responsible for individually overseeing bureaus, which are assigned by the mayor (www.portlandonline.com/auditor/index.cfm?a=9178&&c=27481, retrieved March 29, 2006). The non-partisan mayor and commissioners are elected at-large to four-year terms, and elections are staggered to avoid a complete change of elected officials. City statutes allow Portlanders the ability to initiate legislation through an initiative petition process or by voting on a referendum petition process.

During the years under consideration of this case study (2002-2004), the City Council consisted of Mayor Vera Katz, James Francesconi, Randy Leonard, Dan Saltzman, and Erik Sten. The Bureau of General Services (BGS) was part of the mayor’s portfolio, and she worked closely with its Director, Ron Bergman, as the RFP’s for all three contracts were developed.

This municipal structure demonstrates Portland’s more transparent political system of governing. And Abbott offers that “Portland is one of the few cities where the “growth machine” business leadership of the 1950s made a graceful transition to participation in a more inclusive political system” (2001, 2004). Additionally, this more inclusive system leads to what
Abbott calls “The Portland way” as an “…emphasis on team play” (2001) and he goes on to explain:

Public life takes place around a big table. Some of the seats are reserved for elected officials and heavy hitters from the business community. But anyone can sit in who accepts the rules (politeness is important) and knows how to phrase ideas in the language of middle class policy discussion (the goal is to do “what’s good for the City”). Once an organization or interest group is at the table, or on the team, it has an opportunity to shape policy outcomes. (p. 151)

In an interview with Katz’s former Chief of Staff, Sam Adams⁴, he indicated that her personal history as a Jewish immigrant from Germany led to her commitment to equal rights. As Adams stated, “…from the first day she was in office, we really sought to do economic justice within the City, as really the, what we viewed as the final, not the final frontier, but a key under addressed problem in the City” (S. Adams, personal communication, February 5, 2006). As evidence of Katz’s commitment, she proposed the Oregon Regional Consortium Disparity Study, which was completed in May of 1996. It found:

…discrimination and bias have hindered the City’s procurement process by documenting through both statistical analyses and anecdotal information that contracting and employment opportunities have not been fairly distributed to a broad spectrum of qualified minority, women-owned, and emerging small businesses. The Study also identified inefficiencies in the City’s procurement system that limited the ability of all contractors, regardless of race or gender, to successfully bid and perform work for the City. (City of Portland Contract Coordinating Committee, n.d.).

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⁴ This researcher was unable to interview Mayor Katz, but her Chief of Staff, Sam Adams, now City Councilman granted an interview.
In response to these findings, the City commissioned the Fair Contracting and Employment Strategy report to make recommendations. This report focused solely on the construction trades, including apprenticeship programs, and did not examine other types of contracts held by the City. However, it did shed light on inequities perpetuated by the City and its bureaus on disadvantaged minorities, women-owned and emerging businesses, and demonstrated the City’s commitment to parity.

As a result of the Fair Contracting and Employment Strategy report, Mayor Katz created a forum chaired by Sam Adams, her Chief of Staff, in which they encouraged minority contractors to partner with other firms, minority and European Americans:

...as a developmental step [that] gives them credibility as a business that they might not have experience in, such as the minority partners on this particular issue [the AMC and Star Park]. So it gives them experience and you can’t get experience unless you get a contract, and you can’t get a contract if you don’t have experience...So we were encouraging folks to do that coalition-building and get the experience so the next step of the developmental process is, they’re out there bidding on their own” (personal communication, February 5, 2006).

Although the City demonstrated a commitment to encouraging partnering in an effort to increase minority participation in City contracting, they continued awarding their Smart Park parking contracts to the same bidders, the Association for Portland Progress, then the Portland Business Alliance, and the parking attendant contract to Greg Goodman of City Center Parking.
Association for Portland Progress and the Portland Business Alliance

From 1982 until May, 2003, the City awarded three contracts to the Association for Portland Progress: the management of the Smart Park parking system, the marketing of Smart Park and downtown, and the attendant contracts. These three services were bid as one combined contract, and were awarded to the Association for Portland Progress (APP) shortly after the Smart Park lots and garages were created.

According to Ruth Scott, previous CEO of APP, the Association was an appropriate choice for managing the garages and the parking attendant contracts as they were a non-profit entity with a strong commitment to the health and vitality of the downtown business district, a "steward" of the City, (R. Scott, personal communication, Feb. 22, 2006). At various times, APP subcontracted out the marketing and the lot attendant parts of the contracts, and at other times the City contracted directly with marketing firms, and City Center Parking (CCP) for attendant services. As the Goodman family, particularly Greg and his brother Doug, were active board members of the APP\textsuperscript{5}, the City felt there was a conflict of interest to continually award the Goodmans the attendant services contract with APP as the subcontractor. However, even when the City put the attendant contract out for bid themselves, CCP was the only parking company ever to win the bid.

\textsuperscript{5} The Goodmans serve on the Portland Business Alliance board as well.
Ruth Scott left APP in 2001, and Frank "Kim" Kimbrough replaced her as CEO. About one year later, Kimbrough merged the APP with the Metro Portland Chamber of Commerce and formed the Portland Business Alliance (PBA). Shortly after taking the job as director Kimbrough "gave notice early on that his predecessor's collegial relationship with City Hall was history" (Jaquiss, Feb. 12, 2003). The relationship between the City and Kimbrough began deteriorating in September, 2001, when the City's Chief Administrative Officer, Tim Grewe, sent Kimbrough a demand for compliance after Kimbrough refused to provide the City with financial information saying:

I am writing to you to express my serious concerns regarding [your organization’s] contractual performance over the past several months. At this time, the City is in the process of reviewing its legal options to correct this situation. (Jaquiss, Feb. 12, 2003)

Kimbrough responded by "referring icily to Grewe’s 'half-truths', 'open hostility' and 'poisoned communication" (Jaquiss, Feb. 12, 2003). Jaquiss, a *Willamette Week* reporter, speculated that this conflict between the City and Kimbrough could “…cost the Alliance dearly,” noting that the City was set to release an RFP for the management of its parking garages (Feb. 12, 2003).

Kimbrough irritated Katz and others on the City Council, particularly Erik Sten, due to Kimbrough’s complaints about the business climate in Portland based on the passage of the temporary income tax (I-tax), (R. Rogers, personal communication, Sept. 19, 2005). Kimbrough, whose job it was to “market the city to the rest of the world...spent most of his two years here talking about what a terrible place Portland is to do business,” (Jaquiss,
Feb., 12, 2003). He was vocal on a number of issues and "like a bulldog, Kimbrough has sunk his teeth into Portland in a way that Portland Mayor Vera Katz said was unparalleled in her 10 years as mayor..." Nobody has done business this way," Katz says. "I don't understand where he's coming from," (Jaquiss, Feb. 12, 2003). The next section discusses the Goodman family's parking business and the on-going conflict with another property developer, the Schlesinger family.

The Goodman Parking Monopoly and the Schlesinger Feud

The Goodman family is the City's largest private land owner in the downtown area, based on their parking lot holdings. They started in 1955 with six lots (Brenneman, February 4, 2003), and now conduct business under the names City Center Parking, PMC, and U-Park.

Star Park is owned and operated by the Schlesinger family. In 1993, the Schlesinger patriarch, Ralph, was quite ill, and wanted to build a parking garage at South West 6th and Alder Streets as a legacy to his sons. Ralph and his three sons, Barry, Mark, and Paul, met with their friends, Doug Goodman and his two sons, Greg and Mark. Both families are property developers, but the Goodman family's holdings far exceeded those of the Schlesinger's.

In 1975, due to high levels of pollution in the downtown area, City officials placed a lid of 44,000 parking spaces in order to encourage
commuters to use mass transit instead of driving into downtown (Zimmerman, August 23, 1993). Due to the parking space cap, there were only 550 spaces left out of 900, as 350 were earmarked for the new federal courthouse. The Schlesingers proposed parking garage required 462 of the remaining 550 spaces, but the Goodmans wanted 550 spaces for their new long-term parking garage plans (Zimmerman, August 23, 1993).

The Goodman family told the Schlesingers that they would not support their efforts to build their parking garage. Although the Schlesingers tried to persuade them by offering a piece of the building, or the management of the garage, the Goodmans vowed to stop them. After court fights and appeals by the Goodmans, the Schlesinger family won and built their parking garage (Jaquiss, June 4, 2003). Ironically, after it was clear the garage was going to be built, the Goodmans asked the Schlesingers if they could manage the garage for them. Barry Schlesinger's answer was, "No way that's going to happen!" and, instead, started their own parking company called Star Park, hiring Virgil Ovall, CCP's general manager for 20 years, (Jaquiss, June 4, 2003; V. Ovall, personal communication, October 4, 2005). Although the Schlesinger's own and operate thirty-four lots (not including the Smart Park lots and garages), it is still only ten percent of the Goodman's holdings (Jaquiss, June 4, 2003).

Eventually the parking space cap was lifted, but while it was in place it assisted the Goodman's efforts to create a monopoly, and they used their
vast holdings as leverage to increase their market share (Jaquiss, June 4, 2003). Since they owned or operated the vast majority of the parking lots, one way they leveraged power was that whenever a new building was built and additional off-site parking was required, they were able to offer the landlord nearby leased spaces that they controlled. In exchange for leasing extra spaces to the landlord, the Goodmans would receive an agreement to manage the landlord’s parking garage, thus increasing their market share (Jaquiss, June 4, 2003).

Due to the monopoly held by the Goodman-owned City Center Parking, they were the only parking company that met the City’s RFP requirements for operating the Smart Park garages and lots. There were no other parking companies that had fifteen years of experience with parking concerns, and they alone had the capacity to underbid all other parking companies. It was as if the RFP’s were tailored to ensure the Goodman’s received the attendant contract year after year.

Gretchen Kafoury, a former City Commissioner, posited that the Goodmans were repeatedly given the parking lot contracts to keep them in conversation with the City Council. The City wanted the Goodmans to develop their surface lots as “it’s wasted land by our planning standards,” but to the Goodmans “…these are cash cows…a surface parking lot is a gold mine” (G. Kafoury, personal communication, April 5, 2005). And so she believed that the City continued to award the attendant contracts to the
Goodmans to maintain good relations between them, and kept them "happy with the City because with any of these developers, if they turn on the City, they decide the City is bad, they can do a lot of damage to local government" (G. Kafoury, personal communication, April 5, 2005). No other parking concern has that kind of leverage over the City, including the Schlesinger's.

The next section details the Alliance of Minority Chambers of Commerce (AMC) by providing biographical information about the primary members and their respective chambers. Next, this section discusses how the AMC formed their alliance, and the strategies they employed to win the management and attendant contracts.

Social Context

The Members of the Alliance of Minority Chambers of Commerce

The Alliance of Minority Chambers of Commerce consists of Roy Jay, President of the African-American Chamber of Commerce; Gale Castillo, Executive Director of the Hispanic Metropolitan Chamber Of Commerce; and Jaime Lim, Executive Director of the Philippine American Chamber of Commerce. However, membership is not limited to these three people, but includes officers and other members of the three chambers such as Jo Ann Bowman, and Harold Williams. Therefore, membership appears to be fluid and difficult to define beyond the three officials of their respective chambers.
Gail Castillo, Executive Director of the Hispanic Metropolitan Chamber of Commerce, was one of the founding members of the chamber, and served as board president, vice president, and then as executive director. The Chamber was established in 1994, and it has over 650 members.

The chamber’s main office is in downtown Portland, right on the bus mall, which was a strategic, pre-planned move to have a powerful physical presence (G. Castillo, personal communication, August 30, 2005). The chamber employs five staff, and provides one-on-one technical assistance to existing and emerging businesses, offers workshops and classes, and does the “typical chamber things like luncheons and after hours [social networking receptions]” (G. Castillo, personal communication, August 30, 2005).

Castillo states Latinos primarily own businesses in Portland in three sectors: retail, professional and personal services, and construction (personal communication, August 30, 2005). Castillo states one of the biggest barriers for Latino entrepreneurs in Portland is the negative press about Latinos being illegal aliens, taking from the system, not giving back to the community, and that the kids are gang bangers and drug dealers. Fighting those negative stereotypes motivated Castillo and others to form the chamber, to focus on business and economic development, and to create a power-base for Hispanics (personal communication, August 30, 2005).

6 The office has very large glass windows that face the bus mall with their name in large letters. Castillo states sometimes people spit on their window — so being visible has its pros and cons.
Castillo is a leader for minority rights in general, and she is a strong and vocal advocate for her constituency. She expressed it best when she stated:

Each [minority] community has the right and responsibility to advocate for their community. It doesn't mean that when I advocate for Latinos I think less of other communities. It means that there are certain issues such as high dropout rate and other issues that we need to address to work on with their own community, and it needs to be led by their own community, not by others. And the same for the African-American and Asian communities, etc. So there's a recognition that we're not necessarily competing with each other. In fact, when we work with each other, we're stronger in accomplishing our mutual goals. And there are times when we do have mutual goals and we can be collaborative to work with each other. And there are times when there are issues that are best addressed by that one community on their own as is. (G. Castillo, personal communication, August 30, 2005)

Castillo is active in the community and has served on the PSU Foundation board, the Portland Development Commission (appointed by Mayor Katz), as well as other organizations, including the STARS board. Her proudest achievement is her work with the Hispanic Chamber when they awarded $90,000 in scholarships to Latino students in Oregon and Southwest Washington in 2005 (G. Castillo, personal communication, August 30, 2005).

She grew up in Oakland, California where she learned to appreciate cultural differences. She spent her youth interacting with African-Americans and Latinos and she expressed her comfort with people from all cultures.

7 Students Today Are Not Ready for Sex
Roy Jay was born and raised in Portland, Oregon. He has been a businessman since his days growing up in public housing at Columbia Villa. When asked about his background Jay offered that he "...used to pick beans and berries and wash cars and everything else...so people can't tell me, oh Roy, you were born with a silver spoon in your mouth, you're an exception" (R. Jay, personal communication, April 29, 2005).

Jay was raised: "...where color wasn't a big thing. We had white friends, we had Latino friends, we had Filipino friends, we played baseball and basketball together, and we were all poor" (R. Jay, personal communication, April 29, 2005). Although he was raised by folks who believed the "White man's the devil," he decided "...life's just too damn short," to harbor prejudices against European Americans or other cultural groups (R. Jay, personal communication, April 29, 2005).

Jay's early entrepreneurial spirit continued into his adult years. The Oregonian newspaper reported that Jay runs "...no fewer than 10 companies and nonprofit organizations, from a debt collection company, to an advertising, marketing and consulting firm, to a joint venture company...for concession and catering services at the Oregon Convention Center and nearly all of Portland's other public facilities," (Love, October 11, 1999, p. 2).

According to The Oregonian, Jay spends most of his time as president and chief executive officer of the Oregon Convention and Visitor Services Network, and he is on various boards including the Portland Oregon Visitors
Association. City Councilman Leonard recently appointed Jay to serve as his liaison to the Portland Development Commission. It is no wonder why he reportedly works fifteen hours a day and owns three cell phones and a digital pager.

Roy Jay and Harold Williams started the African-American Chamber of Commerce in 1995, and Jay is presently the president of the organization. The chamber is not a typical chamber of commerce. Williams was quoted in The Oregonian as saying, “Our political interests are not always the same as the mainstream...the chamber organizes African-Americans as a whole, not only in business, but in education” (Love, March 30, 1999). Jay reinforces how their chamber differs from others as he explains they do not host “rubber chicken lunches...ours is about economics and education and trying to take care of the community” (R. Jay, personal communication, April 29, 2005).

One of the services provided by the chamber is the Minority Business Coaching and Development Program, which matches experienced business persons with those just starting out (Love, March 30, 1999).

Jaime Lim has been president of the Philippine Chamber of Commerce of Oregon (PACCO) since 2002. The chamber was formed in 1996, and it started out as a solely Philippine-American organization. Lim states that because they are the most active chamber in the Asian-American community, they have attracted other members to their group including Vietnamese, Chinese, Indian, Laotian, and African-Americans. He says they
do not try to differentiate themselves from anybody else and anyone who wants to join them is welcome (J. Lim, personal communication, April 29, 2005). Lim says it has not always been this way, but believes it changed when he became president. His vision is that one day, "once we get all acculturated to each other, will be able to be more united, and maybe have a united voice, and maybe be represented in the halls of power in this country," (J. Lim, personal communication, April 29, 2005).

Like Castillo and Jay, Lim is also active in the community, and holds a seat on the Portland Community College Board of Directors. He is also the publisher of the Asian community newspaper, *The Asian Reporter*.

**Formation of the Alliance of Minority Chambers of Commerce**

The idea of managing the City's parking lots crossed Roy Jay's mind as early as 2001. As president of the African-American Chamber of Commerce, he was asked by a contingent of parking lot workers to investigate their fifteen-year old complaints of unpaid lunches and breaks against their employers, Diamond, City Center Parking, and PMC (Herochik, April 20, 2001). As he prepared to take the parking operators to court, Jay realized that: "Parking lots are big money makers. The industry is dominated by a few large operators," (Herochik, April 20, 2001).

Another event brought parking lots to Jay's attention. A few years after the investigation just described, Jay and his wife were shopping
downtown and parked at a City-owned Smart Park parking garage. A merchant validated their parking ticket for four hours although they had only spent less than an hour in the store. Jay thanked him for the extra time and the merchant replied that, "I was just going to get ripped off anyhow, because they've got this thing rigged as to how they rip off the merchants," (R. Jay, personal communication, April 29, 2005). Jay explained that the ticket is magnetically encoded to record when a car enters and leaves the parking garage, but the merchant is billed for the time placed on the ticket by their merchant stamp not by how long the customer actually parks in the lot or garage. Jay wanted to determine what happened to the extra money that was collected from the merchant, minus the actual cost of parking in the garage.

Jay stated this experience prompted him to start looking into the parking lot system. Along with others in the African-American Chamber of Commerce, they asked the Portland Business Alliance, and later, the city, for a list of all Smart Park merchants specifically wanting to know "who's paying, [and] who's not paying" (R. Jay, personal communication, April 29, 2005). They never received a response to their request for the records.

One last event that convinced the African-American Chamber to explore the parking lot situation was the city's release of a routine audit of the Portland Business Alliance and City Center Parking in November, 2002. The
auditors "...questioned the $692,000 marketing costs\(^8\) and the management expenses of about 17 times the national norm...such inefficiencies could be costing the City as much as $1.6 million annually" (Jaquiss, December 18, 2002).

Roy Jay, Jo Ann Bowman, and Harold Williams realized that there was money to be made in the parking business, and that the City might be interested in changing contractors as they were losing money based on the auditors report. They also realized that it was in everyone's best interest to form an alliance with other minority chambers of commerce to attempt to bid on the upcoming contract.

It is difficult to put an exact date on the formation of the Alliance of Minority Chambers, but Jaime Lim and Jo Ann Bowman indicated they started to meet about one year before the RFP for the management contract was released. Roy Jay had contacted Gale Castillo and Jaime Lim and told them to "think parking" (J. Bowman, personal communication, January 19, 2006; R. Jay, personal communication, April 29, 2005; J. Lim, personal communication, April 29, 2005).

\(^8\) In 2002, marketing services were included along with the management responsibilities in the PBA’s contract.
The Alliance of Minority Chamber's Strategy to Win the Contracts

From the time that Jay approached Lim and Castillo, they began to strategize how they were going to win the City's Smart Park management, marketing, and attendant contracts. Their first step was to influence City Hall to change the requirements of the RFP. Their research indicated that previous RFP's set the years of experience required at fifteen, and the evaluation of the bids was based mainly on the costs to the City, virtually ensuring City Center Parking as the perennial winning bidder. To force changes in the RFP process, the AMC members decided to lobby City Hall and divided the members of the City Council and the mayor's office among them.

Once the RFP was modified, the AMC set out to find a business partner. Roy Jay stated that he first went to PBA to see if they were interested in working with the AMC, but he did not receive a warm response (personal communication, April 29, 2005). Coincidentally, Roy Jay and Barry Schlesinger (owner of Star Park) were simultaneously lobbying Councilmember Sten about the parking contracts, and Sten suggested the two of them meet. The AMC was clear about wanting to bid as prime contractors—not as subcontractor. Star Park was amenable to this condition, and the four organizations formed the Contract Management Group (CMG).
The CMG included a representative of each of the minority chambers of commerce, a representative from Star Park, and later, a representative from the City. They decided that the AMC would receive forty percent of the profits, to be divided equally amongst the three minority chambers, and Star Park would receive sixty percent as they were taking on a larger share of the workload (V. Ovall, personal communication, Oct. 4, 2005).

According to Ovall, joining with the Alliance of Minority Chambers of Commerce meshed with Star Park's desire to work with the minority community:

...in a way that we really wanted to. Because we were really committed to not just doing this for the show, but doing it because we really wanted to do something new and different and provide opportunities that we felt weren't being provided before. And so the more we talked to the Alliance folks, the more and more they got excited, the more and more we got excited, so after awhile we thought, wow, this is real. (personal communication, October 4, 2005)

In the next chapter, each of the Smart Park contracts is outlined in chronological order. The strategies AMC used to influence City Hall to change the RFP's, the bidding process, and the challenges faced in securing the contracts are included in the discussion. Also, the important role of the City Council is highlighted, as is Goodman's response to losing the contracts.
This chapter describes the actors and events surrounding the management, marketing, and attendant contracts offered by the City of Portland between 2002 and 2004. Table 9 below outlines the three contracts offered by the City of Portland between 2003 and 2004 and indicates the contract holders prior to 2003. A chronological list of events is in Appendix D.

Table 9

City of Portland Smart Park Contracts from 2003-2004

<table>
<thead>
<tr>
<th>Contract</th>
<th>Functions</th>
<th>Price</th>
<th>Evaluation Process</th>
<th>Previous Contract Holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garage System Services</td>
<td>Janitorial Security for 6 City owned &amp; operated parking garages</td>
<td>5 year contract $4.35 million</td>
<td>8 member selection committee reviewed RFP's, interviewed two highest bidders, made recommendations to City Council</td>
<td>Association for Portland Progress; later Portland Business Alliance</td>
</tr>
<tr>
<td>Marketing of Downtown Portland (AMC bid but was not on list of finalists)</td>
<td>Market Smart Park &amp; Downtown Businesses</td>
<td>$400,000</td>
<td>Selection committee reviewed RFP's, interviewed finalists and made recommendations to City Council</td>
<td>Association for Portland Progress; later Portland Business Alliance subcontracted with Johnson &amp; Sheen</td>
</tr>
<tr>
<td>Parking Attendant &amp; Revenue Services for Parking Garages &amp; Surface Lots</td>
<td>Manage attendants. Collect &amp; track money for 6 parking garages and 5 surface lots</td>
<td>4 year contract $5 million</td>
<td>6 person selection committee reviewed RFP's (twice), interviewed 4 highest bidders (twice), made recommendations to City Council (twice)</td>
<td>Association for Portland Progress/Portland Business Alliance &amp; City of Portland subcontracted with City Center Parking (Goodman)</td>
</tr>
</tbody>
</table>
Garage System Services (Management) Contract

On February 26, 2003, the City of Portland Bureau of Purchases proposed to the Portland City Council that a RFP for Garage System Services, RFP 102042, be released for bid. The RFP covers the six City-owned and managed garages that are located in the Portland downtown area: 1st and Jefferson, 3rd and Alder, 4th and Yamhill, 10th and Yamhill, Naito and Davis, and O'Bryant Square.

According to RFP No. 102042 (City of Portland, March 12, 2003), there were four different options on which to bid. Option A was the Master Lease option that included providing full financial, operational, and management coverage for a twenty-five year period. Option B, the Garage Management Services, included keeping garages clean, safe, and affordable, as well as ensuring the garages function efficiently and in a business-like manner. Garage Security Services, Option C, was a bid for providing only the unarmed, uniformed security services; the successful bidder would work directly with the Garage Management Services contractor and the city. Option D, the Garage Janitorial Services, included providing only the janitorial services under the supervision of the Garage Management Services contractor and the City.

This contract came up for bid every five or six years, and although there were other bidders, the contract was always awarded to the Association for Portland Progress. Later, when it merged with the Portland
Metro Chamber of Commerce on July 1, 2002 to form the Portland Business Alliance (PBA), the contracts were transferred to the newly formed group.

The Request for Proposal (RFP) was approved at the Portland City Council meeting of March 12, 2003, and it was a very different RFP than in past years. At this meeting, Ron Bergman, Director of General Services, explained the reasons for changing the RFP from past years by stating:

In the past the minimum experience levels were in the fifteen-year category of managing downtown structured parking, and so it really very narrow the field of who might propose, for example, what we have done here is we have reduced the minimum experience to five years parking management experience, so it's not quite so limited in terms of what the threshold is for submitting a proposal, so we have gone through all of the minimum criteria to make it as open as we possibly can, to have some minimum level of, you know, experience so that they are qualified to do the work, but it is nowhere near as stringent as has been in the past. (City Council Meeting transcripts, March 12, 2003)

The Alliance of Minority Chambers was instrumental in bringing about these changes through their lobbying efforts. Not only did they influence the City Council to change the required number of years of experience, but they also persuaded the City to include diversity criteria for the owners, management, and staff of the bidders (J. Bowman, personal communication, January 19, 2006).

In response to the RFP changes, Mayor Katz demonstrated her commitment to the minority community by saying, "I guaranteed them [Harold Williams, Jo Ann Bowman, Roy Jay, and unspecified others] that the elements of this document would give them the ability, if they so choose to
find a way to bid...and that we would change some of the criterion..." (City Council meeting transcripts, March 12, 2003).

Bergman also explained that the marketing contract was removed from the bidding options, although it had been included previously. Jay voiced his concerns about this decision, when he stated:

I'm hoping that this way of being able to go out here and bid, I hope that they did not split this janitorial up thinking that the ethnic groups were only interested in the janitorial or the security. We are definitely looking at the marketing money as well.

The AMC voiced many concerns at this City Council meeting including ensuring a culturally diverse citizen review committee, wanting time to review the proposed, and needing more time to bring in experts to review the bid process. In addition, Castillo reminded the City that the Portland Business Alliance did not provide public documents requested by the AMC and the City, and that this should cause the City some concern about contracting with them again. After the testimony by the AMC members at this Council meeting, Councilman Dan Salzman became frustrated with their requests and said:

You have been lobbying us for some time not to extend the contract, current contract beyond July 1st with the current operator, and now you are hinting around that you want a process that would involve a public hearing on the draft RFP public review of the members of the RFP selection committee, that the current time line proposed in the RFP to allow those comments, and to allow the changes and still award a new, and still have a new contract up and running by July 1st. You are kind of asking for a lot here, I think. (March 12, 2003)
The council voted to approve the RFP, the AMC backed off their demands and the process went forward to the pre-bid meeting as planned.

When the AMC leaders attended the pre-bid meeting on March 26, 2003, they did not inform anyone they were collaborating with Star Park. The AMC team sat together in the front of the room, and received surprised looks from others at the meeting. After the meeting, Castillo reported to Jay that a potential bidder approached her and asked if the Hispanic Chamber wanted to subcontract for the janitorial services. It appears that no one expected them to bid on the contract as prime contractors rather than as subcontractors.

During this time, another routine audit of the Smart Park facilities was released that indicated City Center Parking was losing a substantial amount of money for the City. Although City Center Parking did not submit a bid for this contract, Greg Goodman complained in writing to Ron Bergman, City of Portland's Director of General Services, stating he wished he was given the chance to review the audit prior to the results being released to the bidders, fearing that it would bias the selection committee against his company (City of Portland, April 9, 2003). Goodman may have been concerned about his reputation as his attendant contract was due to expire in 2004, or that this audit could hurt the PBA's chances of getting the management contract.

Ultimately, five proposals were considered, with the PBA and AMC/Star Park proposals being the top two. The City formed an eight-
person evaluation committee that scored, interviewed, and made final recommendations to the City Council. The committee consisted of four women and four men, and although there is no indication of their race or ethnicity, one can infer from their names that one of the women is Chinese, and another is Latina. Two members worked for the City of Portland: Dan Brame, the Parking Operations Manager for the Port of Portland, and Ken Rust, City Financial Officer from the Office of Management and Finance. Pamela Erickson, a private citizen, reported to the City Council on the process the committee used to make their selection. Erickson stated:

We reviewed a great deal of material for this proposal. We reviewed historical materials, management reports about the parking system, and we reviewed the RFP document. Then we read through all of the proposals and conducted oral interviews with each proposer to clarify their proposals. We then evaluated them based on criteria contained in the City's RFP, and individually rated each proposal. Our individual scores were averaged to obtain the recommendation. The two proposals were very close. But in the end, the committee recommends the proposal from Star Park in association with the Alliance of Minority Chambers of Commerce. As required in the RFP, we considered the experience of both the organization and the individual staff members, including the ability of the proposal to achieve the objectives of the parking system mission. We also considered cost, references, and diversity issues. So it is my pleasure to present the committee's recommendation to you for approval. (City Council meeting transcripts, May 5, 2003)

The City Council accepted the Evaluation Committee's recommendation and awarded the contract to the AMC/Star Park in a unanimous vote. Although the point-spread between the top two bidders was a mere 3.3 points out of 100, surprisingly, the PBA did not exercise their right to protest the decision. After the five-day protest period passed, the decision
was final, and the five-year contract worth $4.35 million with the option of two, one-year extensions, was signed by all parties. *The Oregonian* quoted Kimbrough as downplaying the effect on the PBA by saying, "The Alliance would lay off the equivalent of 6 ½ workers – those whose duties were directly related to the garage contract-out of a 56 employee staff" (Stern, 2003f).

"This is not like your daddy's City" (R. Jay, personal communication, April 29, 2005).

When the City Council awarded the contract to the AMC and Star Park (Contracts Management Group, CMG), the decision was celebrated by the City Council and members of the CMG, and it received national attention. Roy Jay exclaimed, "This is more than just a contract, this sets the benchmark for small businesses and minorities to compete for big contracts," (McCarthy, May 7, 2003). Barry Schlesinger, in response to winning the contracts away from PBA, stated: "I'm just excited to get the opportunity and it sends the message that Portland is open for business and it's not going to be a wired deal," (Brenneman, May 6, 2003). Gale Castillo commented, "This contract represents a historic milestone," (Stern, May 23, 2003). And Jaime Lim thanked the City Council "...for making this a fair, making this fair for everyone, especially to get us on the table and be able to start talking..."
about fairness and diversity within the City contracting” (City Council meeting transcripts, May 21, 2003).

The City Council members also praised their decision. Randy Leonard commented, “And I know that everybody involved in this contract is going to be aware that you didn't just win a contract, you're setting an example, and performing the role of a model for many, many people in this community, including myself,” (City Council meeting transcripts, May 21, 2003). Councilman Erik Sten also voiced his enthusiasm and placed high expectations on the new contractors by saying:

It's very exciting. I met with the members of the minority chamber groups at the front end of this, and they were making the pitch of how they wanted to be treated fairly, and I said, of course. But I want to see you come in with something exciting. Because at the end of the day, that's what's going to win this thing. And I think they did, teaming up with Star Park. It's a new approach. (City Council meeting transcripts, May 21, 2003)

*The Marketing Contract*

Prior to 2003, when the PBA held the parking contracts for the City, the marketing of downtown Portland and its parking lots were part of the overall management contract. At the City Council Meeting on March 12, 2003, the Management RFP was voted for release, Ron Bergman, Director of the Bureau of General Services, convinced the Council that the marketing contract should be offered in a separate RFP because the duties and skills required to manage the parking lots had little to do with marketing them (City Council meeting transcripts, March 12, 2003).
The AMC was dismayed when the marketing services were removed from the management contract package because it was worth $400,000. A prominent Portland African-American business leader, Faye Burch, stated, "This was the most lucrative of the contracts... the others are more the grunt work" (personal communication, September 28, 2005).

While this was not a problem with Star Park as marketing was outside of their expertise and they were not interested in bidding on it, they did support the AMC's efforts to submit a proposal (V. Ovall, personal communication, October 4, 2005).

The AMC submitted their bid, but they were not among the finalists. Two companies were chosen for the marketing contract; Johnson and Sheen who sub-contracted with the PBA, were again awarded the contract, as well as another company, The Metropolitan Group, who had some ideas the Council wanted to try out. Roy Jay contends that the "old boy's network," won this one (personal communication, April 29, 2005).

When the Council approved the contract, Mayor Katz took this opportunity to send a strong message to the PBA and Kimbrough. She was very unhappy with the way Kimbrough accused the City Council and Portland as being bad for business, and she said:

Having the continuation of the messages that Portland is not friendly to business as we spend $400,000 marketing downtown, doesn't make any sense. This is a message to Johnson & Johnson [sic], the Metropolitan group, and the Portland Business Alliance that as we think through how we brand the downtown... The message needs to be the same message, that it is a good place, it is friendly for business, it
is marketing its downtown...You can't stand those two same messages. This is not friendly place for business, and then invite everybody to come downtown.” (City Council meeting transcripts, October 16, 2003)

The awarding of the marketing contract did not garner the same media attention as did the management contract. Neither the management nor the marketing contract award processes were as contentious as the contracting process for the Attendant and Revenue services contract.

Parking Lot Attendant and Revenue Services Contract

In May, 2004, the City Council decided to open for bid RFP 102946, Parking Attendant and Revenue Services for Parking Garages and Surface Lots, rather than opting to extend the PBA’s/City Center Parking contract. At the time the attendant contract was put up for bid, CCP, owned by the Goodman family, was being supervised by the CMG. This set up an interesting dynamic as the Schlesingers, as part of the CMG, were supervising CCP for a short time; that meant Greg Goodman reported to his rival, Barry Schlesinger (Jaquiss, June 4, 2003). The attendant contract was to expire August 31, 2004, and CCP expected it to be renewed as it had been in the past. The City Council chose not to renew the contract and instead, put out an RFP for a four-year contract worth $5,001,677.00 over a forty-six month period.

Unlike the menu of options offered for bid in the management contract, the parking attendant contract required the contractor to provide
parking attendant and revenue collection services in the six City-owned or managed parking garages and the five surface parking lots (City of Portland, RFP 102946 parking attendant services, July 16, 2004). The five surface parking lots are located at SW 18th and Salmon, SW 18th and Jefferson, SW 20th and Jefferson, SW 17th and Madison, and NW 3rd and Flanders. This RFP (102946) contained a significant change in the weight of the criteria from the last time it was issued in 2000 (Bid No. 99864). Table 10 compares the selection criteria from the one issued in 2000, and the one that is the subject of this study released in 2004. As the table indicates, the weight of the Contractor's Management Fee was 50 points out of 100 in 2000, and there were no points awarded for diversity. In 2004, the Proposed Fee (renamed) maximum of 35 points was determined according to the following calculation: "The evaluation will be factored by awarding the total number of points to the lowest Proposer and total number of points times lowest proposers cost divided by other the [sic] Proposer's costs" (RFP 102946 score sheets, May 28, 2004). In this way, the finalists were given points according to how they ranked in cost in relation to the other bidders. In 2000, the maximum number of points (50) was "evaluated on its competitive merits" (Bid No. 99864, March 2000).

The CMG submitted a proposal, along with four other companies, and was one of the top three finalists. City Center Parking, who bid directly rather than through the PBA, was ranked fourth, but after complaining to the City
Council, CCP was included in a field of top four finalists (City of Portland, attendant RFP score sheet, May 28, 2004). Similar to the management contract award process, a Citizen Evaluation Committee was formed to review all of the bids, interview the top finalists, and make a final recommendation to the City Council.

Table 10

Comparison of Parking Attendant RFP Selection Criteria for the years 2000 and 2004

<table>
<thead>
<tr>
<th>SELECTION CRITERIA</th>
<th>2000 RFP</th>
<th>2004 RFP</th>
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<tbody>
<tr>
<td>Maximum Points</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm Experience &amp; Capability</td>
<td>15</td>
<td>10</td>
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<tr>
<td>Revenue Control &amp; Cost Mgmt.</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Supervision &amp; Staff Management</td>
<td>5</td>
<td>10</td>
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<tr>
<td>Hiring &amp; Training Staff</td>
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<tr>
<td>Proposed Operation</td>
<td>10</td>
<td>10</td>
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<tr>
<td>Contractor's Management Fee</td>
<td>50</td>
<td>35</td>
</tr>
<tr>
<td>Diversity in Employment &amp; Contracting</td>
<td>*</td>
<td>15</td>
</tr>
<tr>
<td>Supporting Information</td>
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<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
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</table>

Note. Data from City of Portland RFP's for the years 2000, and 2004. * indicates selection criteria added in RFP for 2004 only.

The Citizen Evaluation Committee consisted of six persons, half of whom were females and the other half males. According to the document released by the City, four were "Caucasian," one was Hispanic, and one was African-American (City of Portland, Selection Committee List, n.d.). One member worked for the Port of Portland, and another for the City's Office of Transportation. The others worked for companies and organizations not
affiliated with the City. Two people, Daniel Brame, from the Port of Portland, and Pam Erickson, served on the described previously evaluation committee for the Garage Systems Services RFP in 2003.

In a letter of June 10, 2004, the Citizen Evaluation Committee recommended the contract be awarded to Star Park and AMC (the CMG). They concluded that the CMG had the highest score based on four factors: 1) providing concierge-oriented services, 2) weekly information sheets handed out to customers, 3) their diversity efforts, and 4) the transparent nature of their operation (City Council meeting transcripts, June 30, 2004).

During the City Council meeting of June 30, 2004, Ron Bergman, Director of Bureau of General Services, explained the selection committee’s concerns about a possible conflict of interest between City Center Parking and the Smart Park operation, believing that it was possible that CCP could use City money or personnel to support their own parking operations rather than those of the City’s. Bergman stated:

My understanding is that the City Center proposal had a supervisor that not only dealt with the City's garages within the management fee, but was responsible for a good number of other garages as well whereas some of the other proposals had management oversight in their management fee that was strictly dedicated to the Smart Park garages and the committee felt that that was more intensive kind of oversight that was necessary to ensure that things were working correctly. (City Council meeting transcripts, June 30, 2004)

Greg Goodman questioned the selection committee’s recommendation, raising two issues. First, he charged that the committee did not check references saying: "...there's a lot of things that they would
have found out..." (City Council meeting transcripts, June 30, 2004). He went on to say that he was told by the BGS (Bureau of General Services), "...we were only going to choose [sic] references if it was close. Well, the scores were within five percent" (June 30, 2004).

Goodman's second concern pertained to a "Flawed RFP process that ...underweighed the significance of costs to the City" (June 30, 2004). His argument centered on the scoring system that represented only a maximum of thirty-five points for cost of the bid, in light of the City's stated goal of saving money. Goodman contends that he would have submitted a bid for, and won, the first management contract if the scoring system for that contract had been the same as this one9. Ultimately, "Goodman wanted the City to rebid the RFP with an increased emphasis on saving money. Bergman responded to this issue by saying:

...in the RFP process there was ample opportunity for any of the proposers to question the evaluation criteria, to either protest or ask for a clarification on that. We received none in either written form or in preproposal conference that we had. There was plenty of opportunity for somebody to say we don't think this is the right way to evaluate the proposals. (City Council meeting transcripts, June 30, 2004)

In response to Goodman's complaints, Virgil Ovall and Roy Jay reiterated that they proposed providing increased level of services, but it was Gale Castillo who addressed Goodman's arguments directly by testifying:

The City has had the same vendor for over 20 years with an organization that frankly has a monopoly on the City's parking business. One way of keeping a monopoly, when you can't compete

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9 The management contract RFP No. 102042 weighted the costs a maximum of 45 points.
head on in a fair, open bid process is to buy the business. Thus the low, low bid. (City Council meeting transcripts, June 30, 2004)

The City Council agreed to hold the matter over for a week to give the Council time to get their questions answered by Bergman’s office. One week later, the issue came before the Council on July 7, 2004. At this meeting, Bergman requested the matter be referred back to the Mayor’s office, and the selection committee be given an opportunity to review the proposals again, and ensure that the cost components are comparable between the various proposals. The Council agreed.

On August 4, 2004, the City Council took the matter up once again, and the selection committee reaffirmed the recommendation to award the bid to CMG. Pam Erikson outlined the process for the Council:

On behalf of the City, we were asked to evaluate proposals for attendant and revenue control services for the City’s six parking garages and five surface parking lots. After reviewing five proposals, we elected to interview four firms. Based on our initial review and subsequent interviews, we completed a final scoring and ranking of each proposal based upon the criterion set forth in the RFP. We recommended to City Council that Star Park be awarded the contract. Based on questions that were raised during council sessions on June 30 and July 7, we developed a list of clarifying questions aimed at ensuring that the proposals were evaluated on an equal basis, and submitted these questions to the four proposers we originally interviewed. After reviewing the answers and reexamining our original scoring, we concluded once more that it is the City’s best interest to award the contract to Star Park. Star Park’s proposed concierge oriented service, the weekly information sheets, their diversity effort, and what we perceive as a more transparent operation, are all reasons we think Star Park will better serve the City than the other proposers. While Star Park’s management fee is higher than the other proposers, we think the costs are justifiable investments in stabilizing and growing the City’s parking business. (City Council meeting transcripts, August 4, 2004)
Greg Goodman again protested the decision by saying:

...this process has been a complete and utter joke, I don't think there was anything ethical about it. I think it was predetermined and I think it is a fiasco. So in my opinion, for the benefit of the taxpayers, I mean if you're going to give it to somebody, just say we're going to give it to somebody. But don't stand up here and say that this is in the best interest of our City, because it isn't in the best interest of our City. (G. Goodman, personal communication, January 19, 2006)

In a personal interview with Goodman (January 19, 2006), he expanded on this statement by arguing that if the City wanted to give this contract to the minorities, they should have just done it instead of pretending that the process was fair. He added that, "The whole thing was a set-up. At the meeting there were 100 African-Americans in the audience—what Councilman in their right mind would vote against them?" In spite of Goodman’s protest, the City Council voted to accept CMG's bid.

The CMG was understandably excited about winning both the management and the attendant contracts. Schlesinger stated that this decision ended: "City Center's monopoly on downtown parking...There's a new sheriff in town and a new attitude" referring to Star Park and the AMC, (Learn, June 14, 2004). The City Council expressed considerably less enthusiasm than they did when they awarded the CMG the management contract, feeling that they were caught in the middle between the Goodmans, the Schlesingers, and AMC, even though CCP scored third in the selection.

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10 Jo Ann Bowman from the African American Chamber responded that the African Americans present at the council meeting that day were not there because of the contract vote, but were there to support some other matter in front of the council that day (Jan. 12, 2006).
committee's ranking. Star Park/AMC was first, Advanced Parking ranked second, CCP was third, and AMPCO came in forth. Only Goodman, on behalf of CCP complained about not winning the contract (City of Portland, BGS memo, June 9, 2004).

Councilman Leonard expressed his frustrations regarding the contentious process of choosing between the CMG and the Goodmans by saying:

I mean, for me this process isn't about the charges and counter charges that have gone back and forth. It was said they weren't too vicious. Maybe I'm getting special emails, because that was not my impression. I'm frankly tired of it...I'm sorry that this has fermented to the point where it appears as though as we have to take a side over another side.

(City Council Meeting transcripts, August 4, 2004)

Commission Sten agreed with Leonard saying:

Well, I have not enjoyed this process much, but I think to some extent the heatedness of it is good, because there's --you want competition for these types of jobs, and you want competition to create a different product. On the one hand I think that—from my estimation, too, and I agree with Commissioner Leonard, that a lot of the negative arguments against the different sides have not sat well with me. (City Council meeting transcripts, August 4, 2004)

Even with these concerns voiced by Sten and Leonard, the Council voted unanimously to give the contract to Star Park and the AMC. Missing were the self-congratulatory comments they gave so freely at the meeting on May 21, 2003, when they awarded the management contract to the CMG. However, during that decision-making process, the Portland Business Alliance did not elect to exercise their option to protest the decision, and City
Center Parking did not bid on that contract, so the process was less publicly contentious.

The political and social context discussed in the previous chapter, and this chapter's handling of the three Smart Park contracts, comprise the events and people involved in this case study. In the next chapter, this case study is analyzed to highlight the formation of the Alliance of the Minority Chambers of Commerce. Also, the questions of barriers faced by the AMC as they relate to the literature are examined. The chapter concludes by applying the case study to the sociology of entrepreneurship and community economic development literature.
CHAPTER SIX

Racial Alliances, Barriers, and Winning Strategies

This chapter begins by analyzing the reasons the Alliance of Minority Chambers of Commerce came into existence. Next, the question of racial group competition is discussed, and reasons for its absence are outlined. The barriers to winning the contracts are explored, and the chapter concludes with an examination of the effects of Portland's racial and political context on the AMC's success in winning the contracts.

Research Question 1: How and why the Alliance of Minority Chambers of Commerce was formed

How the Alliance of Minority Chambers came into existence was discussed previously in Chapter Four, so will not be repeated in this section. Instead, the reasons why the groups formed their alliance are offered next.

Strategic Reasons of the Formation

The Alliance of Minority Chambers of Commerce cited two major reasons for forming their coalition: to provide a united front, and to increase opportunities for all citizens.

Both Roy Jay and Jo Ann Bowman stated that the African American Chambers of Commerce could have bid on this contract alone, without the
other Chambers, but they felt it was very important to form a coalition and provide a united front. Typically, when one group has applied for a contract or a sub-contract, a company or organization tells the group they are already working with another group, when in fact they are not (J. Bowman, personal communication, January 19, 2006). The companies or organizations use this as a way to get the minority groups to leave them alone, but also places one minority group in competition against the others (J. Bowman, personal communication, January 19, 2006; G. Castillo, personal communication, August 30, 2005).

Faye Burch, a local African-American businesswoman, stated “There is never the commitment to work together, there’s more encouragement to compete,” therefore, part of the motivation for forming the Alliance of Minority Chambers was to prevent others from putting them in competition with one another (personal communication, September 28, 2005).

According to Bowman, she is not aware of any minority chambers or groups ever aligning themselves in Portland or elsewhere (J. Bowman, personal communication, January 19, 2006). The minority chambers realized there was strength in numbers, and they wanted to make an impact by banding together.

The second reason the AMC formed a coalition was based not only on their desire to increase opportunities for their respective chambers, but to
provide opportunities for all Portlanders. Castillo states that by forming a coalition:

We feel it is important that all citizens have the opportunity for contracting and participation in our City. Not just for our chamber members, but for all citizens. Many of us are involved with our own communities, but we're involved in other broader issues as well. We are concerned about the quality of life for all citizens in Portland. (personal communication, August 30, 2005)

The profits gained by the AMC through the Smart Park contracts are used as "self-help" money to further the economic needs of their Chambers. Castillo notes that 100 percent of the monthly revenues\(^\text{11}\) earned from the parking lot contracts goes directly into of her Chamber's coffers for operating expenses and other activities, and none of it goes to her personally (personal communication, August 30, 2005). In this way, the AMC acted as social entrepreneurs by raising money through the contracts to help their constituencies. Also, the AMC is using the organizational structure of the Chambers of Commerce as a vehicle for community economic development. This innovative approach toward community economic development is discussed in the next chapter. In addition, the AMC believed that by winning the contracts, the playing field was leveled just a little, paving the way for others to have a fairer shot at municipal contracts.

\(^{11}\) The profits from the parking contracts are divided 60-40: Star Park gets 60% and the chambers each get an equal share of the remaining 40%. 103
Research Question 1a: What problems/issues of racial group competition if any, did the AMC experience?

The AMC did not report experiencing problems due to racial group competition. That is not to say that problems have not existed in the past, only that none of the people interviewed for this study shared any statements that would support a finding of competitive relations between them. If competition existed, it was created by companies and organizations that claimed they were already committed to working with a particular minority group, rather than stemming from the groups themselves (J. Bowman, personal communication, January 19, 2006; F. Burch, personal communication, September 28, 2005; H. Williams, personal communication, January 27, 2006).

As discussed in Chapter Two, this study was guided by “group position theory.” The theory states that there are four perceptions held by racial group members that lead to positioning themselves in relation to the other groups. The first perception is that in-group members experience ethnocentrism. None of the persons interviewed expressed a perception that their cultural group was superior to others, and Roy Jay stated that he believed that by aligning with the other minority groups the perception that “…Blacks are fighting with Hispanics, the Blacks are fighting with Asians, [and] the Indians…” was debunked (personal communication, April 29, 2005).
None of the data supported any of the other three conditions: in-group members did not view out-group members as inferior to them; in-group members did not hold proprietary claim over certain rights, resources, statuses, and privileges to which they felt they were solely entitled; and out-group members did not desire a greater share of the rights, status, and privileges that belong to the in-group—just an equal share.

There are a few possible explanations for the absence of the four conditions. First, the interviewees were not known personally by this researcher, and it may be that there needs to be a higher level of trust before sharing feelings about this potentially volatile subject. Second, knowing that the interviews were being recorded, it is possible interviewees may have refrained from saying anything that could be interpreted as potentially negative by their alliance partners. However, it is entirely possible that the minority leaders involved in the formation of the AMC did not harbor any feelings of competition or ill feelings among them.

*Research Question 1b, What strategies were utilized by the AMC to overcome such problems?*

Given that the AMC did not report problems with racial group competition, this becomes a moot question.
Research Question 1c: What factors contributed to the possible absence of such problems?

Since the answers to Parts 1a and 1b are that the AMC did not report competitive relationships between their cultural groups, this becomes a more relevant question. As discussed in Chapter Two, Portland’s small population of minority group members, coupled with the recent growth of groups other than African-Americans, may have led to an absence of racial group competition. Gale Castillo supported this notion when she stated:

I think in LA and Oakland you have strong historical roots of division and competition in employment. So groups get in and then they don’t let the other groups in because they want their people there and they’re rude and ruthless. So there’s a lot of ill, and I’m saying it nicely - feelings between the races down there. So I think we do have, just like we have the opportunity to build our buildings in a green, natural, organized and strategic manner, we have the opportunity to build our communities in an equally strategic manner where we’re working together towards a mutual goal. (personal communication, Aug. 30, 2005)

Dr. Janet Bennett, Executive Director of the Intercultural Communication Institute in Beaverton, Oregon, agrees that the size of Portland’s racial groups, and their lack of negative history together contribute to a context conducive to positive racial group interaction (personal communication, February 18, 2006). Portland’s unique racial context raises an important question that is discussed in Chapter Seven, regarding the replicability of AMC’s alliance and their ability to obtain the parking contracts.

As the group positioning theory did not apply to this particular group, it proved necessary to view the AMC from a different theoretical perspective.
Instead of analyzing why the AMC did not experience problems with each other's group, it is more instructive to apply a theory that focuses on the conditions that lead to positive group relations.

**Positive Intergroup Contact**

As discussed in Chapter Two, Allport (1954/1979) and later Pettigrew (1998) developed a theory of intergroup contact (also known as the contact hypothesis) that stressed that when different cultural groups interact, a positive outcome is more likely to result if five conditions are met. The conditions outlined by Allport (1954/1979) are: 1) equal group status within the situation; 2) common goals; 3) intergroup cooperation; and, 4) institutional or authority support. Pettigrew (1998) offered the fifth condition, that the “…situation must provide the participants with the opportunity to become friends,” (p. 75), believing that repeated positive intergroup contact in a variety of social situations will produce a more positive outcome.

Stephan and Stephan (1999, 2001) posit two additional factors, societal and personal. The societal factors consider the prior relations between the groups and their degree of acculturation; the personal factors take into account demographic variables such as age, education, social class, or personality traits like self-esteem, and competence in task-relevant skills.
When these seven factors are used to analyze the formation of the Alliance of Minority Chambers of Commerce, they support the research finding that the AMC experienced an absence of intergroup conflict and competition, but did possess the seven conditions necessary for positive intergroup contact. Each factor will be discussed in turn to further demonstrate this point.

1) *Equal Group Status Within the Situation*

The AMC members experienced high levels of mutual respect based on their informal acquaintances prior to joining with the African American Chamber to form their alliance. All three of them (Jay, Castillo, and Lim) are officials in their respective Chambers and are recognized as leaders in their minority communities.

When their alliance formed, it was understood that each of their Chambers would receive an equal portion of the profits. Upon partnering with Star Park, the four groups formed the Contracts Management Group. The CMG meets as equals at least monthly to make decisions and deal with the details of meeting the management and attendant contract responsibilities (V. Ovall, personal communication, October 4, 2005). These assertions support a finding that the members of the AMC formed their alliance based on their equal group status.
2) Common Goals

This second factor of common goals is supported by the AMC’s shared sense that, although they were representing minority groups, they wanted to be regarded as business people first. When the AMC members first lobbied the City Council members regarding the problems with the past parking RFP’s, Bowman states “… we didn’t go in saying we’re people of color, therefore we deserve our cut of this parking contract,” (personal communication, January 19, 2006). Williams also strongly expressed this sentiment when he said that the AMC refused to sign up to be certified as a minority business which would get them on special affirmative action lists. He argued that by refusing to become a “minority” business, the City would have to deal with them as equals and allow them to compete as equals (H. Williams, personal communication, January 27, 2006).

Jay shared Bowman’s and William’s feelings about this issue saying to Lim and Castillo: “…this is not a minority program…I’ve never wanted anybody to use race on this bid or I’m out of it…Give it to us because we’re Black, give it to us because we’re Asian, oh woe is us!...I don’t care about those things, we come to the table as legitimate, hard business people” (R. Jay, personal communication, April 29, 2005). While they shared a common goal of being regarded as business people, they used their profits to better their communities. Therefore, the AMC can appropriately be defined as social entrepreneurs.
3) Intergroup Cooperation

The AMC manage themselves with a high degree of intergroup cooperation. Although Smart Park gets a 60 percent share, and the AMC members equally split the remaining 40 percent of the profits, they come together monthly to co-manage the contracts. The AMC’s cooperative relationship is not without conflict however. Each of the three representatives reported dealing with conflicts that would inevitably arise among them during the proposal-formation processes and during the CMG meetings. Jay commented that working together had its challenges saying: “Oh, we fight like hell...oh yeah we get mad,” (R. Jay, personal communication, April 29, 2005) and Castillo agreed when she stated “We’ve had some very rough, very frank discussions, but see, someone like myself, I don’t back down because I’m not afraid and so once we got past that, it’s like, oh, okay!” (G. Castillo, personal communication, August 30, 2005). However, Lim stated “We get along just fine,” (J. Lim, personal communication, April 29, 2005). All of these views were reflected by Ovall, who stated they all get along well, but there are times during the CMG meetings when he feels “like a referee” as the AMC work through their differences (V. Ovall, personal communication, Oct. 4, 2005).
4) Institutional or Authority Support

According to psychologist Yehuda Amir (1969), institutional support, “may come from the law, a custom, a spokesman for the community or any other authority which is accepted by the interacting group” and can come from “…a social atmosphere or a general public agreement” (p. 334). In this research, Sam Adams, City Councilman and ex-Mayor Vera Katz’s Chief of Staff, stated that the mayor’s office was encouraging coalition building among minority groups to build clout and capacity in order to be competitive (personal communication, Feb. 5, 2006).

The AMC also enjoyed institutional support from their respective Chamber’s board members. For example, Board Member Jo Ann Bowman (African American Chamber), Board President Clara Padilla Andrews (Hispanic Chamber), and Board President Bob Aguirre (Philippine Chamber) attended City Council meetings along with Jay, Lim, and Castillo. Depending on the particular chamber, some of their members, along with others, were involved in the proposal writing, and provided various levels of support (Portland City Council meeting transcripts, March 12 & May 21, 2003, June 30, July 7, & August 4, 2004; J. Bowman, personal communication, January 19, 2006, J. Lim personal communication, April 29, 2005; H. Williams personal communication, January 27, 2006). Therefore, the AMC received institutional support for the alliance both from within their respective Chambers, as well as from the Mayor and Councilman Sten.
5) *The Situation Provides the Opportunity to Make Friends*

Many of the members involved in the AMC spent countless hours together preparing bids for the three City contracts (management, marketing, and attendant). After winning the management and attendant contracts, they continued to attend the CMG meetings, as well as each other's cultural events. These contacts certainly provided ample opportunity for the members to develop friendships.

6) *Societal Factors*

The societal factors include a consideration of the prior relations and degree of acculturation of the groups in contact (Stephen, 1999). As stated previously, the primary members of the AMC knew each other, and as Bowman said, “We all had a good working relationship, and level of respect and trust because of the work we’d seen each other do in our local communities” (personal communication, Jan. 19, 2006).

As for the acculturation factor, Jay and Castillo both were exposed to different cultural groups as they were growing up, and Lim’s commitment to welcoming persons from all cultural groups as members of his Chamber indicates a sophisticated level of acculturation among these AMC members. As further evidence of their acculturation level, they partnered with a European-American, family-owned firm, Star Park, to further their collective
goals. Therefore, the evidence suggests that the societal factors exhibited by the AMC supported positive intergroup outcomes.

7) Personal Factors (demographic variables age, education, social class, personality traits)

The last condition that constitutes positive intergroup contact is based on the personality factors of the group members. The primary AMC members (Castillo, Jay, and Lim) share similar personal factors in terms of age and social class. From direct observation, it appears that they are around the same age, and given their professional standing in the community, and they are upper middle class economically. Interview data supports the assertion that they are visionaries and willing to take risks in order to further their aspirations for their constituencies. The data also indicates their shared outgoing personalities (particularly Jay and Castillo), and willingness to fight for what they think is important.

In conclusion, when addressing research questions 1a, 1b, and 1c, asking what problems or issues of racial group competition were present, and if so what strategies were employed or what factors contributed to their absence, it was found that in light of the absence of racial group competition, the group position theory did not characterize the relationships between the AMC members. However the theory of intergroup contact with its seven conditions was found to be a useful framework to understand why the AMC
was able to form their alliance and maintain it successfully from 2002 to the present.

Research Question 2: As minority group members, were there barriers faced by the Alliance of Minority Chamber as they competed for and secured the municipal parking contracts as compared to the non-minority bidders, and if so, what were the barriers?

There were no barriers that were found to be specific to minority groups; the barriers that emerged from the data were experienced by both the members of the AMC and Star Park. The major barriers were based on the process and requirements used by the City of Portland in years past.

Previous to March 12, 2003, the City awarded one large Smart Park contract to the Association for Portland Progress, later the Portland Business Alliance, who managed the overall Smart Park concern. They either subcontracted the attendant and revenue collection to City Center Parking, or other times, the City contracted directly with CCP themselves (H. Scott, personal communication, Feb. 22, 2006).

Sam Adams said that from time-to-time Paul McCoy, an African-American who owned Rose City Parking, bid on the Attendant and Revenue Services contract, but never won. Adams stated that it was because McCoy’s firm was too small to be competitive against City Center Parking,
and that is why the mayor’s office was encouraging minority firms to form alliances (personal communication, Feb. 5, 2006).

Ruth Scott, CEO of the Association for Portland Progress, who managed the contracts almost from the beginning, stated that CCP, with their many other parking lots and garages downtown, had the infrastructure in place to be able to outbid other competitors, White or minority (personal communication, Feb. 22, 2006). It was not until the RFP’s and scoring systems for both the Management Services and Attendant and Revenue Services contracts were changed that others could compete successfully against CCP.

Therefore, it appears, on the surface, that the size of the parking company proved to be a major barrier to winning the Attendant and Revenue Services, not necessarily minority group status. However, when the history of minorities, particularly African-Americans in Portland, Oregon, is considered, a case can be made that minority group status had an indirect effect on limiting the size of minority firms, one that is not shared by majority group members.

Another barrier in the previous RFP’s for the parking contracts was also removed. The number of years of parking-lot experience was lowered from fifteen to five, allowing newer companies to compete. Star Park started their parking company in 1997, so they had a total of six years of parking-lot experience at the time that the Management RFP was put out to bid on
March 12, 2003. Although they do not take issue with this basic qualification in their protest letter to City Hall in 2000, it would have been just as much as a barrier as the influence of the amount of the bidder’s proposed costs had on the management RFP discussed previously.

The last major barrier faced by both the minority groups and Star Park was entrenched networks. Roy Jay understood the power of entrenched networks firsthand. For example, one of his business ventures is the Oregon Convention and Visitor Services Network, which he started in 1989 (Love, October, 11, 1999). Through this company he brought in eighteen minority conventions, however, because his name was too close to the nonprofit Portland Oregon Visitors Association (POVA), Jay was taken to court in 1992 by POVA, but it was later settled (Love, October 11, 1999).

Although Star Park is owned by a White family considered to be part of the downtown elite in Portland, they also suffered as a result of entrenched network of the Portland Business Alliance and the Goodman’s parking monopoly, but not to the same extent as minority groups or for the same reasons. The on-going competition between the Schlesingers and the Goodmans kept them out of the parking contracts network even though these two families socialize in similar circles, even belonging to the same synagogue (Zimmerman, 1993).

According to Bates (1997a, b, 2001) and Bates and Howell (1998), minority entrepreneurs face barriers that their White counterparts do not face.
They contend that the barriers include: 1) limited access to capital (Bates, 1997b), 2) blocked competition with White-owned firms due to entrenched networks (Bates, 2001, p. 53), and 3) limited access to training, education and skills necessary to succeed in business (Bates, 1997b, 2001).

While minority entrepreneurs may indeed face barriers when accessing capital, the data suggests that at least in Portland, European Americans as well as minority group members have similar challenges trying to access funds to either start or capitalize a business (G. Brown, personal communication, Feb. 3, 2006; F. Burch, personal communication, Sept. 28, 2005; C. Gray, personal communication, March 25, 2005). The problem stems from lack of collateral (F. Burch, personal communication, Sept. 28, 2005), or limited business experience including the absence of a business plan (G. Brown, personal communication, March 25, 2005). The lack of business acumen appears to be a problem for many small entrepreneurs, regardless of their ethnic or racial group membership (F. Burch, personal communication, Sept. 28, 2005).

In 2002, in the State of Oregon, minority-owned firms total 21,113 including: Asian and Pacific Islanders owning 9,068 firms; Hispanics owning 6,399 firms; American Indian/Alaska Native owning 3,070 firms; and African-Americans owning 2,207 firms (U.S. Census, 2002 Survey of Business Owners). The breakdown by industry for minority-owned firms in the State of Oregon is: 7,477 firms engaged in the service industry; 7,000 in retail trade
and industries not classified; 1,347 in the construction trades; and 748 specialize in finance, insurance, and real estate. Manufacturing, agricultural services, and transportation all have about 500 firms in each (1997 U.S. Economic Census).

According to the 1997 U.S. Economic Census of Minority and Women Owned Businesses for Portland, Oregon, there were 5,118 minority-owned firms. Asians and Pacific Islanders lead with 2,680 firms, followed by African Americans with 1,457, Hispanics with 836, and American Indian and Alaska Natives with 260. Unfortunately, this was the latest data available that separated business ownership by minority groups for Portland. Given that there has been substantial change in the Latino population since 1997, it would be reasonable to assume that the number of Hispanic businesses has increased in the last 10 years.

While it is true that the barriers of the previous RFP’s blocked Star Park, a White-owned firm, from bidding on the parking contracts, that is not to say that in other business sectors of Portland racial barriers do not exist. Therefore, barriers that existed prior to the AMC bidding on the parking contracts had been lowered for the purpose of increasing competition for the contracts. However, blocked opportunities may be more indirect in nature, and so it is important to go beneath the surface and examine the history of African-Americans in Oregon, particularly in Portland to understand how entrenched networks may have blocked opportunities and competition.
Research Question 3: What effect did the political and racial context of Portland, Oregon, have on the formation of the Alliance of Minority Chambers and on their ultimately winning the two city contracts?

It is difficult to determine which of the factors had the most influence on the awarding of the contracts to the AMC. Hank Stern, who followed these events closely as a reporter, called it “A perfect storm,” (personal communication, April 7, 2005). He was referring to the simultaneously occurring events that led to the AMC ultimately winning the contracts.

The political and social events that led to the formation of the AMC and their political savvy, were used to lobby City Hall, and push for information and accountability for Smart Park. By teaming up with a competing power broker such as the Schlesinger family, and submitting excellent proposals, they provided the City Council with the means to live up to their commitment to increase the diversity of their contractors. At the same time, while the City was given the opportunity to rectify a situation that caused them some discomfort, Kimbrough and the PBA were embarrassing them with their negative comments. All this, coupled with Smart Park losing money, gave the City reasons to end the perception of a conflict of interest between City Center Parking and the Smart Park operations. The racial and political contexts are examined next to highlight their effects on the formation
of the Alliance of Minority Chambers, and on their winning of the two city contracts.

The Racial Context

As in other communities, Portland had its own entrenched network of men who belonged to the same segregated churches, clubs, and fraternal organizations, and through the years formed strong bonds that served them well in their business dealings. Assuming Portland is like other communities, contracts and sub-contracts were passed out to friends, and people not part of the “inner circle” were not privy to insider information.

Minority-business owners were excluded from these entrenched networks—much to their detriment. Without the insider connections, they were limited to the types of contracts for which they could bid, the size of business was often dictated by the size of loans they could acquire or the money they could gather together, and the location of their businesses was limited by their clientele.

In this particular case study, the barriers of the size of their firm and the number of years in business were shared by White-owned companies as well as those owned by African-Americans. However, the barriers that blocked Star Park and other White-owned firms from competing against the Goodmans were far less than those experienced by the minority firms. Had the contracts not been tailored specifically for the Goodmans, others could
have been competitive, including Star Park; however, African-American owned firms would not have been competitive because they do not have the resources available to them that Star Park enjoyed.

The Schlesinger family owned and managed downtown properties, and their wealth was passed down from one generation to the next. In the case of the Goodman family, wealth has been passed down at least two generations. In contrast, African-Americans were segregated to the Albina area, when redlining and real estate covenants were finally made illegal during the 1990s (Bosco-Milligan Foundation, 1995, p. 47). While African-Americans were finding themselves living in ghetto-like conditions, Greg Goodman’s grandfather bought his first six parking lots in downtown, starting the City Center Parking Company in 1955.

The barriers experienced by the African-Americans were so historically institutionalized that they barred African-Americans from attempting to compete against power brokers such as the Goodmans, even if the RFP’s had been less restrictive. With little accrued wealth, segregationist policies, and limited access to clubs, churches, and other social opportunities for networking with the White elite, the minority community in Portland, Oregon, is playing catch-up with their White counterparts.
Political Context

The preceding section discussed the racial context of Portland, Oregon, and this part examines the political context of the City during the times between November 2002 and August 2004.

Portland City Hall Politics

While the Mayor's office did not bring Star Park and the AMC together, they supported the partnership, “because they had the enthusiasm [AMC] but they didn’t have the experience” (S. Adams, personal communication, February 5, 2006). In the eyes of the Mayor’s office it was the partnering of the AMC and Star Park and the high quality of their bid that allowed them to support the AMC.

The 1989, U.S. Supreme Court’s *Crosen* decision did not allow set-asides unless the City could prove there was a disparity, and so “as much as we wanted to see more contracts go into the hands of minorities and women, we couldn’t in good faith do that unless it was the best bid, because we do not have set-asides, we’re not allowed to have set-asides” (S. Adams, personal communication, February 5, 2006). To comply with the *Crosen* decision, and because the City’s Fair Contracting and Employment Strategy report (n.d.) did not prove disparity existed at the level set by the Supreme Court, the City was forced to eliminate its minority and women’s business goals program in 1989. One of the only legal means the City had at its
disposal was to encourage more minority contractors to form partnerships with each other and with White-owned firms.

In regard to this case study, the Mayor and City Hall encouraged partnering by awarding points for staff diversity in the RFP scoring system for the management and attendant contracts. This was the first time diversity points were factored into the scoring system for the parking contracts. The AMC took this a step further by lobbying the City to include diversity points for the ownership and community participation of the bidders, not just for the staff of the bidders. Gale Castillo stated:

...when we went around and met with the City Council members before the RFP was written, we asked them to include in the grading score a weight for minority and community participation, and that was included. So when the RFP came out, that’s why we were approached by several parking people, because they knew they were going to get extra points. (personal communication, August 30, 2005)

This gave any company that partnered with the AMC an advantage over other companies that would only earn points for staff.

The AMC provided the City with the opportunity, through its lobbying efforts, to change a situation that, as Jo Ann Bowman of the African American Chamber of Commerce, said:

...no matter what City Council person we talked to, no matter whether it was the major or anybody on the City Council, everybody could agree that, yeah, this is kind of a little bit out of control and I really think that because it had been the way it had happened for so long, nobody wanted to like, stop a long term contract with government if it’s always been that way. We’re actually really trying to give them [the City Council] an opportunity to step up and say, ‘we know you’re right, we really do need to change this process’ and in fact, when we started having the meetings, that was the question the commissioners asked
us: so how do we change the process? (personal communication, January 19, 2006)

Bowman’s comments indicate the City admitted that the Goodman/PBA entrenched network existed, and even they thought it “a little bit out of control,” that the contracts were given to them for so many years without question.

Not only did the City change the process of bidding for the RFP’s, but the City also demonstrated to the Portland Business Alliance that there were consequences for Kim Kimbrough’s behavior. In numerous public accounts, particularly in The Oregonian and Willamette Week newspapers, the ongoing conflict between Kimbrough and the City Council, specifically with Mayor Katz and Councilman Sten, were well reported.

However, as previously stated, Kimbrough himself made it difficult for the City to want to collaborate with the PBA, although the City continued to award the PBA the Clean and Safe downtown contract12. When Sam Adams was questioned by this researcher as to whether the City was punishing Kimbrough for his anti-city comments and actions, his response was:

The mayor wouldn’t legally be able to punish Kimbrough, she wasn’t on the selection committee, no one from my staff was on the selection committee, the contract language itself was done by professional staff, and approved in a public council meeting, no one objected...so it wouldn’t have been any legal way for her to hand this contract to anyone because of the process requirements, the transparency requirements in place. There was no question there was no love lost.

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12 Kimbrough no longer works for PBA. The Clean and Safe program provides a variety of services, including private security officers, ambassadors to answer questions, and street cleaning and graffiti removal, to name a few.
between the mayor and Mr. Kimbrough but there would be nowhere for her to bias this process that I know of. (S. Adams, personal communication, February 5, 2006)

An interview with one of the selection committee members on the management RFP however, indicated that while the Mayor or anyone on the City Council did not have anything directly to do with punishing Kimbrough, the process was not quite as unbiased as Adams thought. Harriet Sherburne Cormack offered that the “political scene created the opportunity” for the change in RFP requirements due to “PBA being in a pissing match” with the City (personal communication, January 18, 2006).

Cormack described the bidding process for the management contract as “very rigid,” finding the scoring system so frustrating and confusing that not everyone scored the questions in the same way. She also mentioned that some of the committee members, whom she would not name, had previous experience with City Center Parking and the PBA; they wanted to give the contract to the minority bidders because they did not want to give it to PBA, so awarded more points to the minority bid than it deserved (personal communication, January 18, 2006). Cormack also noted the PBA did not spend as much time as they should have on their bid (personal communication, January 18, 2006).

An interview with another management RFP selection committee member did not focus on the scoring by the committee, but instead talked about the PBA. Pamela Erickson stated that:
We asked the Portland Business Alliance representatives if they had any ideas for making more money, and they said no. They said, when the economy improves, there will be more money. Period. And I was a bit offended by that, to tell you the truth. These are business people. They ought to be able to come up with some ideas, but they had none. Zero. I was rather put off by that. Another thing that impacted my assessment was the experience of the City staff. [They] had extreme difficulty getting cooperation from the Portland Business Alliance. They couldn’t get reports, they couldn’t find out how they spent their money. They just were not cooperative. And having been someone who’s worked in government, you just can’t have a contractor who won’t work with you and is not cooperative. And it didn’t look like that was going to change very much. (personal communication, January 20, 2006)

Therefore, as the data does not indicate that the Mayor and the City Council had a direct influence on the PBA losing the contracts, it appears that Kimbrough’s own behavior and that of his staff lost PBA the contracts.

As Ruth Scott stated:

It was not Kimbrough being punished but Kimbrough was epitomizing PBA, but he was saying, this is who PBA is, and he was being obnoxious, dishonest and a whole variety of things that is not acceptable in someone you contract with...it was his methods and his practices on behalf of PBA that were being punished. PBA’s practices were unacceptable” (R. Scott, personal communication, February 22, 2006).

*The Goodmans*

As discussed previously, the Goodman and the Schlesinger families have a long-standing public feud. The parking lot cap allowed the Goodmans to create a monopoly of downtown parking lots and garages, and they tried their best to keep out competitors. The Goodmans are important to consider as part of the Portland political context since they are part of the
downtown elite power brokers and benefit from many years of being a part of
the entrenched network. The Goodmans, particularly Greg but also his
brother Doug, were very active board members of the Association for
Portland Progress, and now the Portland Business Alliance. Gretchen
Kafoury confirms this stating: "he [Doug] and Pete Mark were two of the
movers and shakers for the downtown business people" (personal
communication, April 5, 2005). Ruth Scott commented that one of the
reasons the City choose to handle the attendant contract themselves was
because the City was concerned about the conflict of interest created by APP
when they were subcontracting the operator's contract themselves (year after
year) to an APP board member (personal communication, February 22,
2006). Although the APP put the attendant contract out for bid, it was always
awarded to the Goodman's City Center Parking company. Scott explained
why when she stated:

They're a good parking operator ...I didn't find them to be dishonest. They always underbid Diamond Parking and Amco, they always had supervisors they could share time with, and they always had the capacity that if they had someone who was sick, they could pull in from another of their lots...They had plenty of capacity. (R. Scott, personal communication, February 22, 2006)

The Goodmans had enjoyed the City's Smart Park contract since
1982, and were always granted contract extensions. March 3, 2004, was the
first time their contract was not going to be extended, and Greg Goodman
protested the City Council's decision to put the contract out for an RFP,
especially after Ron Bergman, Director of the Bureau of General Services
told the City Council that City Center Parking had done a good job all of
these years (City Council meeting transcripts, March 3, 2004).

The audit results in November, 2002, and those of March, 2003, which
indicated that the Smart Park operations were losing money, coupled with
the AMC's push for documentation from both the PBA and then later from the
City regarding the PBA's and CCP's handling of the parking receipts, put the
issue on the forefront. It may also have created the need for the City to
change the RFP process and to make a change in contractors. The
Goodmans and Kimbrough refusal to provide the necessary records, which
increased the already negative climate between the City Council and the
Office of General Services. When this is taken into account, along with the
Mayor's commitment to increasing minority contractors, this political context
led to, at the very least, the decision to put the contracts out for bid and for a
change in the requirements and scoring system.

During the time the attendant contract was being discussed by the
City Council (March 3, 2004), Councilman Francesconi was running for the
Mayor's seat and this whole issue of the parking contracts "put him in a really
tough political spot" (H. Stern, personal communication, April 7, 2005).
Francesconi received strong donor support from the Goodmans, the PBA
was endorsing him, but "he had a lot of support traditionally in the African
American community" (H. Stern, personal communication, April 7, 2005).
However, Francesconi voted not to extend CCP’s contract, and voted for AMC and Star Park receiving both of the contracts.

The Goodmans exercised their power and influence over the operator’s contract process at least three times. The first time occurred when Greg Goodman forced the City to include CCP as a top bidder, even though his bid came in fourth place. Goodman wrote an angry letter protesting his ranking and being shut out of the process any further. Although the RFP clearly stated that only the three top bids would be involved in further interviews, Sue Klobertanz, Director of the Office of Management and Finance, issued a memo stating that the Evaluation Committee recommended interviewing the top four contenders, and a review of the third and fourth bidder scores (City of Portland, Notice of Short List – Revised, June 3, 2004).

The second instance of the Goodmans influence over the City Council came in June, 2004, when the Evaluation Committee recommended that the contract be given to the AMC and Star Park. Greg Goodman raised two issues at the City Council meeting on June 30, 2004: the committee failed to check references, and the RFP scoring process put more weight on issues other than just costs, as has been done in the past. This appeal resulted in the City holding the vote over for a week, and having Ron Bergman’s office (General Services) investigate the matter further. Bergman asked the Evaluation Committee to review the proposals again.
The third time the Goodmans wielded their influence over the City Council was after the Evaluation Committee recommended Star Park and the AMC for the second time as their choice for the operator's contract at the July 7, 2004, Council meeting. As a result of Greg Goodman's protest, the City Council did not vote on the recommendation, but instead asked the Evaluation Committee to review the bids once more. Finally, on August 4, 2004, in spite of new protests by Greg Goodman, the City Council voted to approve Star Park and the AMC as winners of the operator's contract.

The Schlesinger Family

The Goodmans were not the only ones attempting to wield their influence over the City Council. As stated in Chapter 5, the Schlesingers protested the way the RFP weighed the costs the last time the RFP was issued in 2000, which they felt blocked them from competing against the bigger and stronger Goodman family. The next time they tried to sway the City to vote in their favor was after winning the management contract, and after submitting their bid for the attendant contract in May of 2004. The Schlesingers sent letters to all five Council members saying "It appears, and we believe that CCP has the ability to control price or exclude competition" (Jaquiss, June 4, 2003). Around this same time, the Schlesingers were due in court to answer complaints about their Alder Street parking garage, and, although they could not prove it, the Schlesingers believed the Goodmans were behind the complaints (Jaquiss, June 4, 2003).
The feud between the Schlesingers and the Goodmans was discussed previously, and will not be duplicated here. It is important to note though, that their stature and power in the downtown community, their public competition with each other, and their attempts to influence the City Council are key factors in the political context surrounding the awarding of the contracts.

*The Social and Political Effects on the AMC Winning the Contracts*

As stated at the beginning of this section, the social and political contexts had a great impact on the AMCs ability to form an alliance, and on their winning the contracts. It is important to note, however, that while it may appear that events serendipitously came together at just the right time, the AMC must be given credit for seeing an opportunity unfold, and then using that opportunity to their best political advantage. The case study is clear in its findings that the AMC were politically astute actors who deserve credit for being skilled entrepreneurs.

In the last chapter of this study, two models are presented, and conclusions are offered for contributions to the field of community development, policy recommendations, and implications for future research.
CHAPTER SEVEN

Strategies, Implications for Future Research, and Policy Recommendations

Two sets of strategies emerged from the case study findings. These strategies contribute to the body of literature on community economic development and intercultural coalition building. After the strategies are presented, the replicability of the strategies is discussed, as well as the endurance of the intercultural coalition. Contributions to the literature and limitations of the study follow, concluding with implications for future research, and recommendations for policy.

Intercultural Coalition Development Strategies for Minority Groups

This set of strategies is built on the interview data, particular interviews with the Alliance of Minority Chambers of Commerce major participants: Gale Castillo, Jaime Lim, and Roy Jay. This information is supplemented with the experiences of Jo Ann Bowman and Harold Williams of the African American Chamber of Commerce, since they were instrumental in the procurement of the contracts and the formation of the AMC. As stated elsewhere in this dissertation, there is a gap in the literature on inter-racial coalition-building, especially coalition building for the purposes of economic development, and so these strategies are unique in that regard.
The strategies are theoretically grounded in Allport (1954/1979), Pettigrew (1998), and Stephan and Stephan's (1999/2001) work in intergroup contact theory. In order to explicate the Intercultural Coalition Development Strategies, they are presented in a linear form. However, they are not intended to constitute a step-by-step model. In reality, events often take place simultaneously, in a more circular fashion; therefore, many of the activities outlined below may be undertaken at the same time, or may overlap one another as the coalition building takes place and projects are identified. An explanation of each strategy follows Table 11.

Table 11

Intercultural Coalition Development Strategies for Minority Groups

- Have a vision
- Be inclusive
- Share a common value of economic development for all groups
- Identify a project
- Build institutional support for the coalition
- Develop a Strategy

*Have a Vision*

This first strategy begins with a group or groups having a vision that focuses on ways to increase revenue for their minority group(s). It requires courage, risk taking, and "thinking outside the box" beyond traditional forms of income production. Seeing what is possible and not allowing oneself to be
influenced negatively by past experiences is certainly difficult but necessary to be a visionary.

In this case study, the African American Chamber of Commerce had a vision of social entrepreneurship. To enact that vision, they conducted research into viable projects in an effort to locate one that would bring money and jobs for their group members (J. Bowman, personal communication, January 19, 2006; H. Williams, personal communication, January 27, 2006). They did not allow potential barriers to block them, but remained steadfast and committed to their vision.

*Be Inclusive*

Once a project is identified, it is important to be inclusive and to invite other stakeholders to form a coalition. This will increase the political and social capital of the coalition. An important requirement of inviting stakeholders to join in a coalition is that there must be a level of mutual trust and respect for each other. This not only allows the groups to work together, but also brings with it the assumption that the groups will come together as equals and work together cooperatively. That is not to say that conflict will be absent or that the minority chambers will agree all the time, but in order to lessen or eliminate competition, the members must feel a sense of equality amongst them.
One of the primary reasons given by members of the African-American Chamber of Commerce for inviting other chambers to join them was to increase capacity, both politically and socially, and also to prevent competition among minority groups by eliminating it from the beginning with the City Council, and, later, with the parking companies.

The social context of Portland, Oregon, was shown in this dissertation to be conducive to forming an intercultural coalition based on the history (or lack thereof) of the minority groups' interactions with each other. This lack of negative history between the groups was based on the small size of the minority communities, and the slow growth within the City of other minority groups, particularly, until recently, Latinos. This is certainly not the case in other cities such as Chicago or Los Angeles, where minority communities are much larger, and there is a history of negative group interactions based on competition and mistrust. In fact, when a contingent of African-Americans from Los Angeles came to Portland to learn how the AMC formed their coalition and bid on the contracts, they commented on how different Portland is from Los Angeles, and they questioned whether it could be replicated there (G. Castillo, personal conversation, August 30, 2005).

For the strategies to be effective in cities dissimilar to Portland, inviting other minority groups to join a coalition may prove very challenging. Since the literature on intercultural communication tends to focus only on conflict management (see Chapter 2), there are few guidelines to follow other than
the previously mentioned theory of intergroup contact by Allport, et. al, whereby they articulate conditions that must be met to facilitate a positive contact experience. It may be preferable for groups with a protracted history of conflict to choose a small, short-term project upon which trusting relationships could be built before attempting to take on a project such as described in this case study. It may also be necessary to involve, at least initially, groups that already share some success at working together to create a foundation of trust before including other minority groups.

*Share a Common Value of Economic Development for All*

Just as important as being inclusive, is to determine if the other groups share common visions and goals with other members of the coalition. In particular, the members of the coalition must share a common value of believing in economic development for all people, not just their particular racial or ethnic group, otherwise competition between the groups may result. This does not mean that each group cannot advocate for its unique issues on other projects separate from the coalition, or that all projects undertaken by each minority chamber must be done as a coalition.

While this may seem like too fine a distinction, it is crucial that each group be clear about where the boundaries among them lie. For example, Harold Williams, of the African American Chamber of Commerce, stated that since the AMC won the contracts, the Chambers call each other to share
information about upcoming RFP's and whether or not they intend to submit a bid. “Sometimes we compete and we have respect for each other, other times we come together on these things, it works because we understand the rules of the game” (H. Williams, personal communication, January 27, 2006).

In a very real sense, the AMC created their own communication network whereby information is exchanged and enhanced by their coalition membership.

*Identify a Project*

In this case study, the African American Chamber already had chosen a project, the City of Portland Smart Park contracts, before inviting other minority chambers to join them. Had they formed the coalition earlier than they did, they may have been able to share the costs of researching the viability of the project. It was not until the project was found that the African American Chamber decided to invite other minority chambers to join them.

There is no reason that an existing coalition could not jointly research and select a project. This may actually be preferable, allowing for trust building at the very beginning of the relationship; it may be risky to choose a project first and then attempt to get other groups to buy into it after-the-fact. This did not create an issue for the AMC, but in other situations where there is less trust, the potential for jeopardizing coalition building could be great.
Build Institutional Support for the Coalition

The more institutional support for the coalition, the better its chances of surviving. Institutional support needs to come from within the involved organizations as well as from the community. Support can take many forms, as simple as recognizing that the coalition exists, to more direct forms. Institutional support from outside the coalition strengthens it by not only recognizing its existence, but also by a willingness to collaborate with and pay attention to the coalition’s leaders and the role they play. For example, in this case study, once the AMC was formed, City Councilmen and the Mayor were willing to meet with the AMC leaders, and more importantly, incorporate their ideas and suggestions into the plans. Simple recognition is not enough; there also needs to be a willingness on the part of the institution to truly listen and act on the needs expressed by the coalition.

In addition, the AMC enjoyed institutional support from its members, beyond the leaders of the various chambers. At crucial Council meetings, it was not uncommon to find testimony from Jo Ann Bowman, Harold Williams, Clara Padilla Andrews, and Bob Aguirre, all presidents or active members of their respective chambers. In this manner the AMC was given credibility which strengthened their political and social standing.
Develop a Strategy

Once the intercultural coalition is formed and a project is chosen, a strategy must be created for how the coalition will proceed towards its goal. Strategies employed by the AMC included lobbying efforts with City Council and the Mayor, researching possible projects, attending and testifying at City Council meetings, talking to the press, and raising funds to implement the strategy. This organizational step insures the coalition members are each working together by allocating the workload evenly; besides creating trust, they begin speaking with one voice and a clear, consistent message to all concerned. This strengthens the coalition and brings it credibility in the eyes of the public.

Forming the intercultural coalition only accomplishes the first part of the equation, the rest happens once a project is chosen. In the next section strategies of community economic development are described, again based on the findings that emerged from this case study.

Community Economic Development Strategies

As in the case of the Intercultural Coalition Building Strategies, the Strategies for Community Economic Development are presented as steps in a linear fashion; however, in practice, the steps may overlap with one another. An explanation of each of the steps follows the outline in Table 12.
Table 12
Community Economic Development Strategies

- Watch for new opportunities
- Consider partnering with established businesses
- Develop an organizational structure to take needed action
- Work with decision-makers to identify contract opportunities, and encourage fair and equitable contract selection processes

Watch For New Opportunities

This step involves watching media sources, networking with others, having contacts in the decision-maker’s offices, being on email notification lists, and using any other resources available to identify new contracts that may come up for bid, or in this case study, being watchful for problems with contractors that were publicized in the media. This is where being entrepreneurial or networking with other entrepreneurs is crucial. A true entrepreneur creates money-making opportunities by being aware of how others are creating wealth, and develops ideas to do the same.

Consider Partnering With Established Businesses

This needs to part of the strategic plan developed by the coalition, so the group has consensus on desirable qualities of the partner, as well as determining which members have the authority to follow-up on potential contacts. In this case study, a City Councilman suggested the AMC and
Star Park discuss the idea of partnering and bidding on the contracts together. Although this situation may not happen in other cities, had the AMC and Star Park not been actively lobbying the same Councilman, their partnership may not have occurred. Although their partner turned out to be a White-owned firm, this did not appear to be an issue to the minority chambers; they were far more interested in being full and equal partners in the relationship than they were in the cultural group membership of the owners. Each of the partners brought something the other needed: the AMC needed to partner with a company that had experience and the capacity to be a competitive bidder, and Star Park wanted to (and later needed to) partner with minorities in a meaningful way, not just as subcontractors or operators. In this win/win situation, both partners were getting what they wanted: a way to compete effectively against the long-term holders of the contracts. As the partnership continued, they developed a method of working together cooperatively by forming the Contracts Management Group, which assured an equal voice amongst all participants.

Develop an Organizational Structure to Take Needed Action

Any coalition should be prepared financially and personally to put in many hours of work in this process. The AMC and Star Park worked many long hours into the night gathering documents, hammering out the details, and working with a professional proposal writer in developing their bid.
RFP's can involve very lengthy and highly detailed documents, requiring expert assistance to produce the professional and competitive product necessary to be taken seriously. Had the AMC and Star Park not turned in such a high-quality response to the RFP, they certainly would not have ranked in first place in the management and attendant contracts.

*Work With Decision-makers to Identify Contract Opportunities, and Encourage Fair and Equitable Contract Selection Processes*

Once decision-makers are identified, the groundwork of relational development begins. This step includes such activities as assigning the people to be contacted to specific individuals by determining past relationships, commonalities, or whatever connections are effective for the coalition. It is each member's task to meet with designees and develop relationships based on the goals of the project, the needs of the decision-maker, and the interests of the coalition member.

Another facet of lobbying decision-makers entails keeping up with the issues and building institutional support for the coalition. This allows several things to happen: the decision-makers become familiar with each of the coalition members, the decision-makers begins to relate to the members as part of a coalition, and, through these actions, the coalition's commitment to the issues becomes clear to the decision-makers. This constant reminder by the coalition helps to keep the decision-makers accountable, and also
demonstrates to them the need to attend to minority economic development issues.

Keeping a close relationship with a decision-maker may prove fruitful in detailing upcoming opportunities or renewal of contracts. Once an idea or contract opportunity presents itself, they may feel a partnership with the coalition, and provide political clout and even advocacy with their colleagues and the press.

This is a crucial step that the AMC took at the beginning of the process, after having decided to persuade the City Council to open the parking contracts up for bid, and once the Council voted to release the RFP. The AMC lobbied successfully for details of the process including scoring points for the diversity of the bidders, urging the Council to appoint a diverse selection committee, and setting the date of the pre-bid meeting. In this manner, the AMC acted as partners with the City in creating RFP's to facilitate a fair and just process. Much of this was accomplished in private meetings with City Council members, but also in the public City Council Meetings that they attended as a group, each of them testifying even if only to express their thanks to the Council for being responsive to their needs.
Conclusions

Replicability of the Models in Other Cities

Minority chambers of commerce in cities outside of Oregon have expressed an interest in replicating the success of the AMC in terms of building an intercultural coalition and securing municipal contracts (J. Bowman, personal communication, January 19, 2006; R. Jay, personal communication, April 29, 2005; V. Ovall, personal communication, October 4, 2005).

This case study demonstrated that there are four areas that need to be considered for replication to be successful: 1) minority coalition building, 2) municipal politics which may be closely aligned with the power brokers, 3) dealing with entrenched networks, and 4) timing.

Minority Coalition Building

As discussed previously in the model of intercultural coalition building, Portland’s small-sized minority community, coupled with the lack of a contentious history within it, contributed to their ability to form the coalition. This may not be the case in other cities where minority groups have experienced serious competition and conflict over a long period of time, and there may be a lack of trust impeding coalition formation.
Ferguson is quick to note that “Despite the importance of alliances, there are no standard frameworks in urban change or community development studies for guiding the analysis, design, implementation, or evaluation of alliance-building processes” (pp. 590 – 592). Even in the absence of tested models, this case study offered emergent strategies based on the experiences of the Alliance of Minority Chambers, and, while replicability cannot be guaranteed, especially in a context dissimilar to that found in Portland, Oregon, this study provides useful guidelines.

Municipal Politics

Portland’s municipal structure of a commission form of government allows for more citizen involvement. This more inclusive system leads to what Abbott calls “The Portland way” as an “...emphasis on team play” (2001) and he goes on to explain:

Public life takes place around a big table. Some of the seats are reserved for elected officials and heavy hitters from the business community. But anyone can sit in who accepts the rules (politeness is important) and knows how to phrase ideas in the language of middle class policy discussion (the goal is to do “what’s good for the city”). Once an organization or interest group is at the table, or on the team, it has an opportunity to shape policy outcomes. (p. 151)

“The Portland Way” was evident when reviewing the City Council meeting transcripts. The Mayor was very concerned that all who wanted to speak were afforded that opportunity, speaker time limits were relaxed in some cases, and it was clear the Council was influenced by the speakers’
messages. In addition, the AMC presented themselves strategically to the Council and communicated their willingness to be a team player, even couching their criticisms and concerns in “the Portland way,” and consequently became part of “the team.” Bowman clearly articulated that strategy by saying that, after the African American Chamber studied the parking lot contracts and the audit reports, they had a choice to make. They could have embarrassed the City by going to the press with their findings, or they could offer the City an alternative way to handle the contracts. Bowman stated,

Now are we going to take the information we have and do a PR campaign and bash the City Council and make them hold their head in shame, or are we going to actually bid on the RFP once we force them to make the RFP one that’s going to be more inclusive for more folks? (personal communication, January 19, 2006).

The strategy worked, as evidenced by the changes in the RFP's that were clearly influenced by the AMC, who after winning the contracts, are now part of the Portland Council team, at least in terms of running the Smart Park parking lots.

Although other cities may not operate with the same level of openness to citizen input as Portland, the AMC’s strategy of being a team player provided the City with the opportunity to live up to their values of increasing diversity in their City contracts, creating a win-win situation for the minority chambers and the City. This strategy may be useful for other minority groups to replicate in their cities.
Superficially, it may appear that the AMC was “selling out” by working with the City rather than against them, but it is important to note that the AMC did not compromise or dilute their needs, but communicated them in a spirit of cooperation and goodwill. With that said, municipal governments need to be willing to listen to, and be influenced by minority groups, and be committed (or at least compelled) to make changes in their bidding processes. They also must have the courage to challenge the power elite if necessary, to review long-standing contracts to make them more accessible to a wider range of bidders.

One barrier explained in Chapter Six was that minority contractors may lack the capacity to manage large projects, or at least the municipalities may perceive this to be the case due to discrimination, lack of wealth accumulation, etc. Portland dealt with the capacity issue by encouraging and even brokering the partnership between the AMC and Star Park, as they have done in the past with minority trucking firms (S. Adams, personal communication, February 5, 2006). There is no reason other cities could not encourage such capacity-building partnerships, though not necessarily between White and minority firms, as was the case in this study.

Entrenched Networks

The Goodman's social and political position with other movers and shakers in the City created an entrenched network that others, even the
Schlesingers did not share. Bates (2001) argues that entrenched networks are one of the major barriers for minorities. In this case study it was found that, while this is particularly true for minorities, it was also true for the White-owned Schlesinger firm.

Entrenched networks operate simply enough; it is a matter of proximity based on one's social and political circles. Playing golf, spending time at the local athletic club, being seen at the opera, eating lunch together, or being on the board of the Portland Business Alliance tends to be shared with those of the same social class. These informal activities allow time to exchange business tips, leads, and information with each other, creating a shared network. The network becomes entrenched when the same people have access to insider information that is not released publicly, or as in this case study, the RFP's are tailored for a particular business or organization, effectively shutting others out. Breaking through an entrenched network can prove difficult, and in this study, it took pressure from minority groups, a willing City Council, and serendipitously, a CEO and Director of the PBA that did not play politics “The Portland way” (Abbott, 2001).

**Timing**

In Portland, the timing was fortuitous as the City Council was ready for a change in contractors, and primed (and committed) to providing an opportunity for minorities to compete. Roy Jay and the African American
Chamber of Commerce used timing to the AMC's benefit when he first became aware of the audits. By gathering as much information as they could, they constructed a persuasive argument for changing contractors, thus timing their actions strategically. The leaders of the minority chambers were equipped with the political savvy to work together on such a project, and Star Park had the organizational structure and the political will to be competitive against the Goodman family.

These conditions can be duplicated, but the groups involved would require a strategic, possibly long-range, plan to work on the social and political changes necessary to build the foundation for such an event to happen. However, in some cities some of the conditions may have already been met, for instance, the minority coalitions may have already been formed, or a possible project identified. Quite possibly, the City Council or other political body has already demonstrated a strong commitment to identifying contracts that could be made more accessible to minority groups, not as set-asides, but with some capacity-building strategies such as partnering. This could help minorities become more competitive as prime contractors, rather than utilizing the typical model of minority subcontractors.

*Endurance of the Alliance of Minority Chambers of Commerce*

The AMC was formed in November, 2002, giving it nearly a four-year history as a coalition. The members report political and social benefits as a
result of forming their coalition and winning the contracts. An important benefit, as described by Harold Williams, is their increased trust and willingness to share leads on RFP’s, and support each other’s efforts to obtain contracts as individual chambers (personal communication, January 27, 2006).

Another benefit for the AMC includes Star Park. Virgil Ovall stated that since winning the contracts, “It has changed all kinds of downtown relationships” (personal communication, October 4, 2005). He added, “It gets [AMC] chamber members in places they weren’t before, in areas where they’re getting input and having a chance to influence how things happen” (V. Ovall, personal communication, October 4, 2005).

The past four years have demonstrated to the City and others that minority groups can work together effectively, and demonstrates their capacity to follow through on large projects as the prime contractor, rather than as sub-contractors. Therefore, the coalition has increased their credibility as competitive and competent contractors.

The AMC and Star Park are preparing to bid on the management contract when it comes up again in 2007. In addition to the Smart Park contracts, they are looking at various options such as parking at the airport, although they are not limiting themselves to parking concerns and certainly remain open to bidding on other contracts together.
Four years is clearly not long enough to determine whether the AMC will endure as a coalition. However, the interview data revealed a high level of respect and commitment on behalf of the AMC and Star Park members towards each other, indicating the good health of the coalition. Their preparations for keeping the management contract when it comes up for renewal is a strong sign that the coalition of the AMC, and its partnership with Star Park, has the potential to endure long into the future.

Implications for Future Research

There are four areas that readily lend themselves to further study. The first is the issue of replicability. These models need to be tried in other cities to see if they are effective strategies outside of Portland, Oregon’s unique social and political context. Until then, they remain as explanations of what worked in this single case. A real test of the efficacy of the models would be to apply them in cities with long histories of intergroup conflict and competition, or in cities with municipal structures that operate in conjunction with highly entrenched business elites.

The second area that would benefit from further research is the area of community economic development activities undertaken by coalitions of minority groups. The literature is replete with case studies of minority group coalitions formed for the purpose of influencing local elections, including the case of the oft-cited Streets of Hope (Medoff & Sklar, 1994), a report on the
grass-roots neighborhood revitalization of Dudley Street. Yet, a gap remains in the community economic development literature on case studies similar to the one that is the subject of this study. The models in this study are presented as a beginning point from which to expand upon, and so more studies of a similar nature would begin to build tested applications that other communities could use as they practice sociological entrepreneurship.

The third recommendation for further study is to explore and report on what other cities and minority groups are doing that is innovative and effective in bringing about intercultural cooperation and social entrepreneurship. It is difficult to believe that Portland, Oregon, is the only city in the United States where minority leaders are banding together and attempting to secure municipal contracts. However, assuming that similar activities are taking place elsewhere, they are not attracting the attention of researchers or they are not being published. Again, this points to a real gap in the literature, denying activists and others the opportunity to learn from the successes and challenges others experienced.

The fourth and final recommendation for further study is to continue to follow the progress of the Alliance of Minority Chambers of Commerce over time to determine the endurance of their coalition. Four years is not long enough to ascertain the lasting effects of their successes of winning and executing the contracts. Nor is it enough time to conclude that "Portland is
now open for business" for minorities (R. Jay, personal communication, April 29, 2005).

Policy Recommendations

The emergent findings in this case study culminated in the creation of two models. The success of one of the models, the community economic development model, includes steps that are contingent on municipalities’ willingness to change processes and welcome diverse voices to the decision-making policy table.

There are two main policy recommendations for municipalities. They are: make a commitment to creating opportunities for minority entrepreneurs and minority coalitions, and encourage coalition building among minority group members.

Commit to Creating Opportunities for Minority Entrepreneurs

This recommendation differs from the traditional affirmative action programs that create minority set-asides or sub-contracting opportunities. Instead, this recommendation calls for reviewing and identifying contracts and RFP’s for unrecognized barriers, particularly contracts held by the same contractor over a long period of time. Many minority group members (similar to those in this study) want to be regarded as effective business people and treated as such. By reviewing long-held contracts and opening them up for
bid, and by removing the negative effects of any barriers contained in RFP's, the municipalities benefit by enjoying a wider, and thus more diverse, field of bidders for contracts. And clearly, minority entrepreneurs benefit by getting an opportunity to compete on a more level playing field.

Encourage and Support Minority Coalitions

The second policy recommendation is for municipalities to encourage and support minority coalitions. This is accomplished indirectly by recognizing existing or emerging coalitions, by meeting with the leaders, asking for feedback, and incorporating feedback into bidding processes. A more direct form of encouraging minority coalitions is to actually facilitate coalition partnerships, create or add to a policy encouraging coalition partnerships as part of a broader strategy to increase minority contractors, and to award points in RFP's for diversity of owners and managers of bidding firms.

If instituted, these policy recommendations would aid in creating a climate of cooperation, and set the stage for a partnership between municipalities and minority entrepreneurs. By themselves the recommendations are merely creating a supportive foundation. Coupled with a municipality's commitment to increasing minority contractors, and providing a more level playing field on which to compete equally with non-minority contractors, the benefits to both partners are beyond measure.
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Appendix A

INFORMED CONSENT

Redrawing the Color Line: A Case Study of the Alliance of Minority Chambers of Commerce in Portland, Oregon

You are invited to participate in a research study conducted by Ms. Francisca (Franki) Trujillo-Dalbey, Ph.D. Candidate in the School of Urban Studies and Planning at Portland State University. The researcher hopes to learn about the formation of the Alliance of Minority Chambers and the awarding of parking lot contracts by the City of Portland to the Alliance. This study is being conducted in partial fulfillment of the requirements for a doctoral degree and is under the supervision of Dr. Karen J. Gibson. You were selected as a possible participant in this study because of your knowledge or your direct participation in this situation.

If you decide to participate, you will be asked to consent to a one-hour interview at a time and place that is convenient for you. You may be asked for a follow-up interview at a later time as well. Your permission will be sought to audio tape and take hand-written notes of the interview. While participating in this study, it is possible that you may be inconvenienced by having to give up your time, thus you can stop the interview at any time. If you feel uncomfortable answering any questions, you have the option of not providing an answer or you may request that your identity be made confidential, in which case the interview data will be coded with a pseudonym. In most cases, the information requested is attributed to you in a public record and with your consent you will be identified by name in the dissertation document.

If you would like, you can review the transcribed notes of the interview. Please let me know at the time of the interview or within a few months after the interview that you would like a copy. The interview transcription should be available within two weeks of the interview. I can be reached at 503 725-4939 or by email at trujilf@pdx.edu.

You may not receive any direct benefit from taking part in this study, but the study may help to increase knowledge which may help others in the future. Your participation is voluntary. You do not have to take part in this study, and it will not affect your relationship with the School of Urban Studies and Planning or Portland State University.

If you have concerns or problems about your participation in this study or your rights as a research subject, please contact the Human Subjects Research Review Committee, Office of Research and Sponsored Projects, 111 Cramer Hall, Portland State University, (503) 725-4288. If you have questions about the study itself, contact Ms. Francisca (Franki) Trujillo-Dalbey at (503) 282-4784.

Your signature indicates that you have read and understand the above information and agree to take part in this study. Please understand that you may withdraw your consent at any time without penalty, and that, by signing you are not waiving any legal claims, rights or remedies. The researcher will provide you with a copy of this form for your records.

_________________________________________  ___________________________
Signature                                      Date
APPENDIX B

Sample Interview Questions

NOTE: The interview questions will differ depending on the subject's role in the events under investigation in this case study. Here is a sample of questions for two subject groups.

City Officials:

1. In your role as _______________, please tell me about the City of Portland bid process for the two Smart Park contracts.
2. Was the bidding process for the contracts different than in the past? How?
3. What precipitated the change in the RFP in years of experience required?
4. How was the Citizen Review Committee formed? What is their role in the bidding/award process?

Directors of the Alliance of Minority Chambers and other minority business groups

Business experiences
1. What are your experiences as a business person in Portland, Oregon during the past decade, up to and including the present?
2. Do you feel that your race/ethnicity in any way impacted your business experiences? And if so, how?
3. Have you responded to municipal RFP’s in the past? What was the outcome?

Formation of the AMC
1. How was the Alliance of Minority Chambers formed?
2. What process was followed?
3. Why did you form/join the Alliance of Minority Chambers?
4. What was your group’s situation like before joining? After joining?
5. What benefits /disadvantages have you experienced since joining?
6. Did you experience any conflicts or challenges during the formation of the AMC?

Minority Group History
1. What is your group’s history with other minority groups prior to the formation of the Alliance? After the Alliance?
2. In what ways did your group’s history of interacting with other minority groups have on forming alliances generally and this alliance in particular?
3. How have you viewed your group’s status in the past? Has it changed?
   Did you experience (as a group member) problems such as housing, jobs, and so on?
APPENDIX C

List of Major Players Involved in Case Study

**Alliance of Minority Chambers of Commerce Members**

- Jo Ann Bowman  
  Founding Member, African American Chamber of Commerce
- Gale Castillo  
  Executive Dir., Hispanic Chamber of Commerce
- Roy Jay  
  Pres., African American Chamber of Commerce
- Jaime Lim  
  Pres., Philippine American Chamber of Commerce
- Harold Williams  
  Founding Member, African Amer. Chamber of Commerce

**Star Park**

- Virgil Ovall  
  CEO, Star Park
- Barry Schlesinger  
  Owner, Star Park

**City Center Parking**

- Greg Goodman  
  President, City Center Parking

**City of Portland**

- Vera Katz  
  City of Portland Mayor
- Erik Sten  
  City Councilman

**Portland Business Alliance**

- Frank "Kim" Kimbrough  
  CEO and Director
APPENDIX D

Major Events and Activities of the Alliance of Minority Chambers of Commerce

2002

November
Routine audit of the Portland Business Alliance (PBA) and City Center Parking’s (CCP) management and attendant contracts indicates possible losses of $1.6 million in revenue

Roy Jay, Gale Castillo, and Jaime Lim began meeting about parking contracts and formed the Alliance of Minority Chambers of Commerce (AMC)

December
The AMC informs City Hall of their interest in competing for parking contracts

Councilmember Sten suggests the AMC talk with Star Park about forming a partnership to bid on upcoming management contract

AMC filed request with City for contract and performance documents on PBA’s contracts

2003

January
AMC and Star Park consider partnership

February
The Skanner threatens to sue the City unless they create a “fair way of doing business”

March 12
City Council releases Management contract RFP #102042 for bid

March 31
City performs another routine audit of PBA and City Center Parking (Goodman) management of parking lot and garage contracts

April 17
Deadline for Management RFP

April 30
AMC and Star Park form the Contracts Management Group (CMG) and invites the city to assign a liaison should they be awarded the contract

May 7
City awards the CMG the Management contract. PBA does not file a protest

July 1
Management contract takes effect. CMG supervising CCP who still has the Parking Attendant contract. AMC submits bid for Marketing contract without Star Park

August 31
Attendant and Revenue Services contract expires
October 16
Marketing contract awarded to previous PBA subcontractor, Johnson and Sheen

2004
March
City Council declines to extend CCP's contract for Attendant and Revenue Services contract

May
Parking Attendant and Revenue Services RFP # 102946 is released for bids

May 20
The CMG submits bid for Attendant RFP

May 26
Star Park sends letter to all City Councilmen accusing CCP of having a parking monopoly

May 28
City announces top 3 bidders for Attendant contract – CCP is not in top 3

June 3
City Attorney's office includes CCP as the 4th top bidder

June 7
Citizen Selection Committee rescores proposals but reports to City Council no change in scores

June 30
Citizen Selection Committee recommends CMG for Attendant RFP

July 7
CCP (Goodman) appeals City's decision. City asks Selection Committee to review scores second time

July 16
Selection Committee recommends CMG for contract. City Council asks them to gather additional information from top 4 bidders

August 4
City awards CMG Attendant and Revenue contract