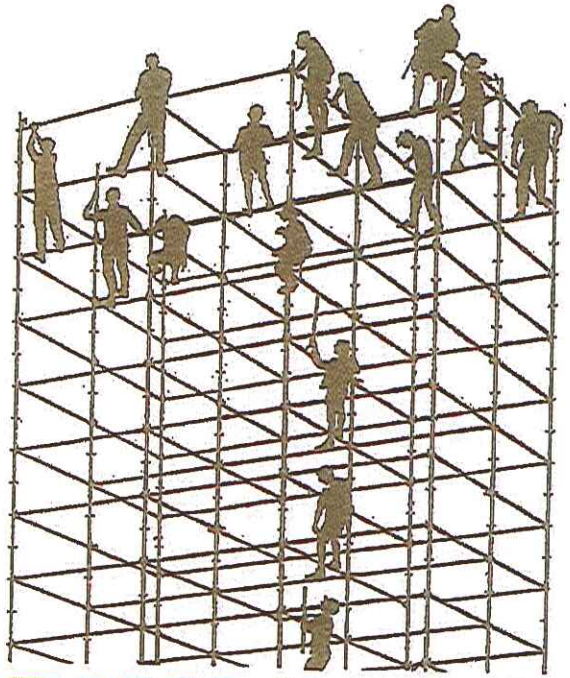


BUILDING FUTURES

Background & Overview

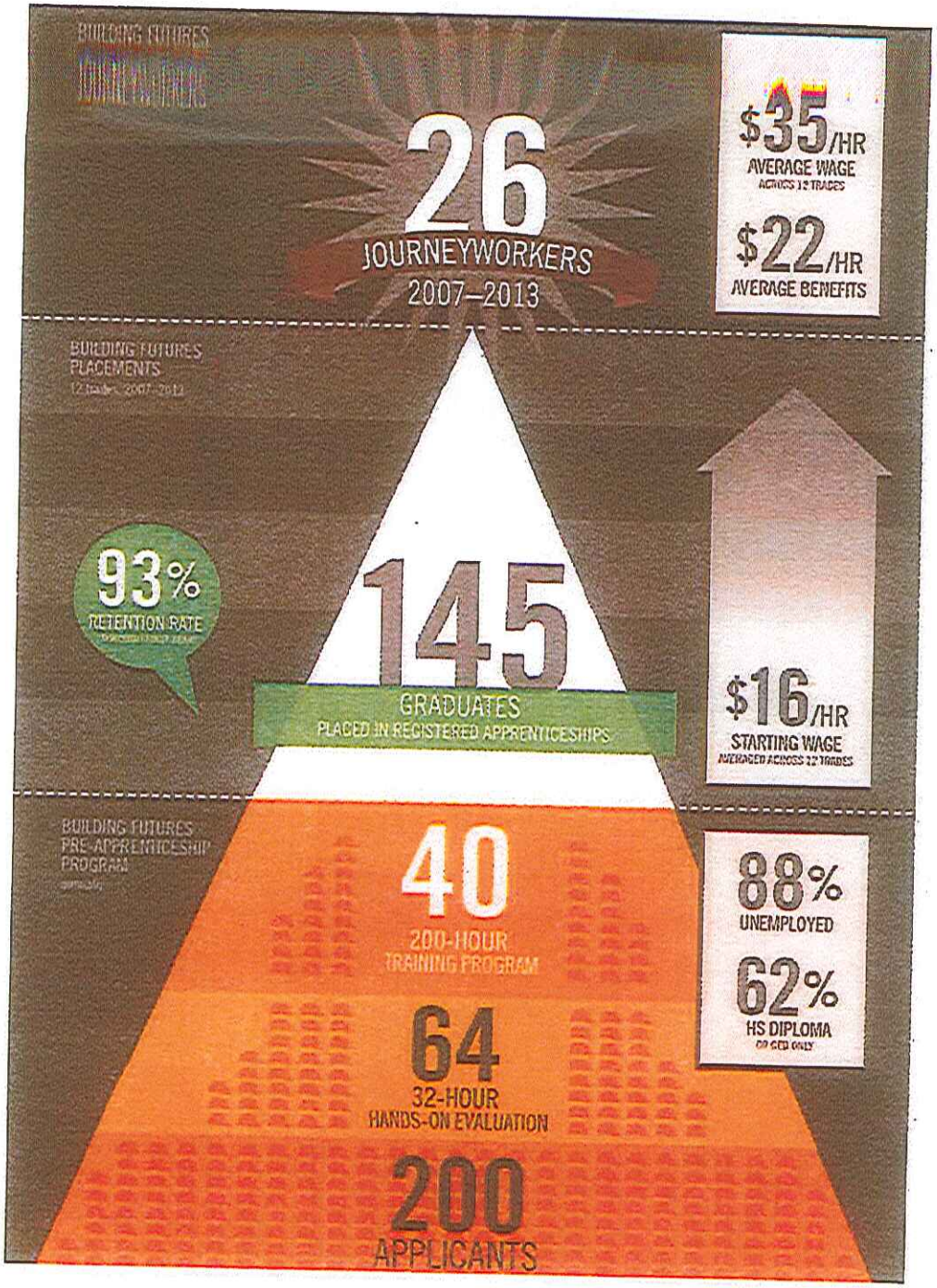
In FY10, we became a vendor to DOPD under First Source; to provide pre-apprenticeship training to residents. Each year since, our scope has increased.

DOPD sought to leverage our capacity to assist in systems-based work related to the First Source Ordinance, beyond being a vendor. Elements of our scope expansion by year are provided below:

1. FY11: Resident Services + Analysis of FSO deficits and systems development re: construction.
2. FY12: Residents Services + systems re: §21-28.1c + FSO obligated construction projects.
3. FY13: Resident Services + implementing §21-28.1c + FSO & AU obligated construction projects

Our current scope of work builds upon success achieved in previous years. In partnership with the City, and on the City's behalf, we assist to achieve policy goals related to construction; providing services in the three correlated areas of:

1. Project Monitoring, 2. Technical Assistance, and, 3. Resident Services.


BUILDING FUTURES
26
JOURNEYWORKERS
2007–2013
$35/HR
AVERAGE WAGE
$22/HR
AVERAGE BENEFITS
BUILDING FUTURES
PLACEMENTS
93%
RETENTION RATE
145
GRADUATES
PLACED IN REGISTERED APPRENTICESHIPS
$16/HR
STARTING WAGE
BUILDING FUTURES
PRE-APPRENTICESHIP
PROGRAM
40
200-HOUR
TRAINING PROGRAM
88%
UNEMPLOYED
62%
HS DIPLOMA
64
32-HOUR
HANDS-ON EVALUATION
200
APPLICANTS

42 AUP PROJECTS 2007–2013
6
YEARS
16
PROJECTS
68
APPRENTICES
274
MILLION DOLLARS
BROWN

BUILDING FUTURES PRE-APPRENTICESHIP PROGRAM

- Comprehensive assessment
- 200 Hour hands-on training program
- Related technical instruction
- Industry relevant certifications
- Financial education & coaching
- Emergency and support services
- Academic tutoring
- Career Counseling
- Post-placement guidance and supports
- Elective trainings (welding, etc.)

BUILDING FUTURES RA PLACEMENT DEMOGRAPHICS

Total placed (2007-2013)	145
Children of those 145 graduates	135
Average starting wage	$16/hr
Male/Female	133/12
Providence Residents	60%
Non-white	80%
Average age	27
Unemployed at entrance	88%
Retained through 1st year	93%
HS diploma or GED only	62%

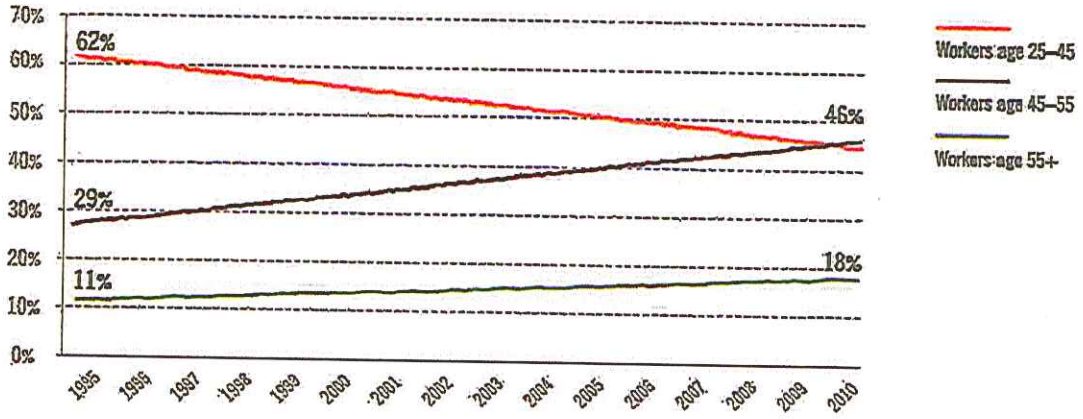
BENEFITS OF REGISTERED APPRENTICESHIPS (RA)

- Wages and Benefits increase every year until Journey level status is achieved
- RA is nationally recognized and accepted certification of occupational training
- RA provides credit towards post-secondary degrees (associates, baccalaureate)
- RA is a flexible system of workforce training that is customized to an employers' needs
- RA participants who complete their program have substantially higher earnings than nonparticipants; on average, the estimated career earnings are $240,037 more than similar nonparticipants*
- RA benefits are much larger than the costs. Over the career of an apprentice, the estimated social benefits of RA exceed the social costs by more than $49,000*

**Mathematica Policy Research, July 25, 2012: An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States*

AGING OF RHODE ISLAND'S CONSTRUCTION LABOR FORCE

Meeting the construction industry's future needs for a skilled workforce will require a significant increase in the number of individuals achieving journey level status through the registered apprenticeship system.



Building Futures' TSA Involvement

To address construction-related goals of each TSA, we provide project monitoring, technical assistance to obligated employers and, training and support for residents.

Key reasons for this approach include:

1. Real Property Improvements for TSA projects create temporary employment opportunities in construction – but the First Source system doesn't mesh well with temp. construction employment;
2. Building Futures provides an effective bridge from the community to employment opportunities in construction trades;
3. We do this by operating the only construction pre-apprenticeship training program approved by the State Apprenticeship Council and RI DLT, with many successful placements of City residents;
4. Additionally, Building Futures has a well established system of project-based monitoring and technical assistance on both private and public sector construction projects that achieve project goals.

TSA Compliance Process

Building Futures follows a standardized process to help TSA recipients achieve project goals and comply with the terms of the TSA:

1. Attends/convenes a planning meeting with the TSA recipient, their prime contractor and DOPD representatives prior to commencement of the awarded scope, to review protocols and expectations;

2. Manages the construction-reporting process, provides technical assistance to contractors as needed, receives and reviews all subcontractor reports on a monthly basis;

3. Attends periodic construction progress meetings as needed and as requested by the recipient, or their prime contractor as designee for the recipient, throughout the project;

4. Advises the City on reporting compliance and provides current performance summaries by project (by contractor upon request) and analyzes data received to ensure best faith efforts are undertaken;

5. Facilitates the placement of Providence residents, as needed, for any new non-supervisory positions created during the construction process, as per First Source;

TSA Compliance Process, Cont.

6. Reviews and advises the City on any contractor's request for adjustments in the apprentice utilization requirements received during the performance of the awarded scope (when applicable);

7. Provides the City a summary analysis upon the completion of the specific project scope of work; with the new FY14 report format, data will include:

    - Utilization of registered apprentices in aggregate and by trade;
    - Demographics of the workforce of the project in aggregate, including the trades personnel employed and their residency, gender and ethnicity;
    - Performance towards project goals by individual contractors/subcontractors;
    - Percentage of labor hours performed by Women and Minority Business Enterprises;

Throughout the project, we provide an opinion on the satisfactory/non-satisfactory performance related to the construction goals of the TSA to inform enforcement efforts of the City.

CUMULATIVE AUP F.S. FORM MONTHLY SUMMARY REPORT

Gilbane - Hasbro Rennovation

	Total Employees	Total Providence Employees	Total Apprentices	Total Providence Apprentices	Total Building Futures Apprentices	Total Labor Hours	Total Providence Resident Hours	% Of Labor Hours By Apprentices	% Of Labor Hours By Providence Apprentices	% Of Labor Hours By Building Futures Apprentices	# Subs On-site --> Subs in () are excluded
January	37	7	3	1	3	1,299	255	10%	1%	10%	3
February	41	8	3	1	3	3,919	1,016	11%	4%	11%	3
March	32	5	3	1	3	1,499	345	26%	8%	26%	6
April	38	4	6	2	6	1,148	425	26%	14%	26%	9
May	70	5	13	2	5	4,578	581	19%	5%	10%	11
June	106	7	18	3	5	9,599	669	21%	3%	6%	15
July	120	8	21	3	3	10,048	650	20%	2%	2%	18
August	168	10	29	4	5	16,141	847	21%	2%	3%	22
September	162	10	31	4	7	14,700	605	21%	2%	4%	21
October	213	19	30	5	9	18,682	1,720	17%	3%	5%	23
November	212	15	28	6	9	17,349	1,175	17%	3%	5%	23
December	115	4	15	2	0	6,175	273	15%	2%	3%	16
Cumulative to Date						105,137	8,561	18.79%	2.89%	5.22%	
										Goal 15%	

Year to Date AUP Project Summary Report

From: 5/1/13 Thru: 12/31/13

Project Start: 5/1/13 Projected End Date: 2/28/14

T Miozzi - Providence Road Improvements Contract # 1

Total Journey Worker Hours	5,899.8	92%
Total Apprentice Hours	547.5	8%
Total Job Site Hours*	6,447.3	100%
Total Providence Resident Worker Hours	280.0	4%
Total Providence Apprentice Hours	249.5	46%
Total Minority Worker Hours	879.5	14%
Total Female Worker Hours	1,187.0	18%

Apprentice Utilization Rate Year-to-Date: 9.5% (Calculation Net of Trucking, Security Hours)*

Total Hours by Trade:

			1,493.0	23%	Flaggers	608.3	9%	Other-Trucking*
2,382.5	37%	Laborers	1,859.5	29%	Operators	104.0	2%	Security Services*

*Not Apprenticeable Occupation.

Performance Summary by General Contractor & Subs

	TOTAL HOURS YTD	TOTAL # EMPLOYED ON THIS PROJECT YTD	TOTAL # NEW HIRES ON THIS PROJECT YTD	% APPRENTICE HOURS	% JOURNEY WORKER HOURS	% PROVIDENCE RESIDENT HOURS	% PROVIDENCE APPRENTICE HOURS	% MINORITY WORKER HOURS	% FEMALE WORKER HOURS
T Miozzi	5,962.3	30	0	9.2%	90.8%	4%	4%	10%	17%
Tonya's Trucking	150.5	1	0	0%	100%	0%	0%	100%	100%
Angel Trucking	30.5	2	0	0%	100%	0%	0%	0%	100%
CC Business Corp Security	104.0	6	0	0%	100%	29%	0%	100%	0%
Sandstone Construction	200.0	5	0	0%	100%	0%	0%	0%	0%
TOTALS	6,447.3	44.0	-						

* The total hours through 12/31/13 were 6,447.3, however, the 712.3 hours for Trucking, Security Services are not included in the Apprentice Utilization Rate calculation since these are not apprenticeable occupations. While Flaggers are not an apprenticable occupation, this project has a laborer apprentice assigned as a flagger-her hours are included in the AUR calculation.

Current TSAs

Building Futures has been provided a list of TSAs to prioritize for compliance efforts. From these, projects with active construction have been given first focus.

TSA projects on this list include:

1. Empire LaSalle LLC
2. HMI Ventures LLC
3. Roger Williams Brewery LLC
4. 50 Agnes Street LLC
5. 95 Chestnut Street LLC
6. The Providence Biltmore Hotel
7. Butcher Block Mill LLC
8. JAG Investment Reality LLC (Victory Place)
9. Music House LLC (Fete)
10. 130 Westminster Street LLC (The Arcade)
11. Providence Capital LLC (Providence "G" Building)

TSA Performance – Hasbro

EMPIRE LASALLE, LLC. (HASBRO)

This TSA was entered on 12/11/2011, with commencement date of 7/1/2012 for construction. Terms as related to construction include:

1. Award to MBE firms no less than 10% of the construction hard cost value §7(a)(i);
2. Award to WBE firms no less than 10% of the construction hard costs value §7(a)(ii);
3. Achieve no less than 10% employment during construction by minorities and females, as related to new non-supervisory hires for construction §7(a)(iii);
4. Hiring for construction-related employment in accordance with "First Source Ordinance" §7(b);
5. Quarterly reporting as required by First Source §7(c);

Summary

1.	Construction Period:	January - December of 2012
2.	Total Labor Hours:	105,137
3.	Total Resident Labor Hours:	8,561 (8% of all hours)
4.	Total Labor Hours by apprentices:	19,755 (18.79% of hours)

TSA Performance – HMI

HMI VENTURES, LLC. (122 FOUNTAIN STREET)

This TSA was entered on 4/20/2012, without a specified commencement date for construction.

Terms as related to construction include:

1. Award to MBE firms no less than 10% of the construction hard cost value §8(a)(i);
2. Award to WBE firms no less than 10% of the construction hard costs value §8(a)(ii);
3. Achieve no less than 10% employment during construction by minorities and females, as related to new non-supervisory hires for construction §8(a)(iii);
4. Hiring for construction-related employment to be made in accordance with "First Source Ordinance" §8(b);
5. Quarterly reporting as required by First Source §8(c);
6. Developer/Project Owner required to utilize contractors that have Registered Apprenticeship programs, regardless of tier, for the performance of construction §15a;
7. Developer to require, through contract documents, that all contractors utilize Registered Apprentices for not less than 10% of the total labor hours of their respective scopes §15a(a);
8. Developer to require, through contract documents, that all contractors are to provide reports to ensure compliance §15a(b);
9. Finally, §15a(c) provides a mechanism to the developer for adjustments (if needed) in the Registered Apprenticeship requirements and enumerates 4 reasons for such a petition.

TSA Performance – HMI

HMI VENTURES LLC (122 FOUNTAIN STREET), CONT.

Initially, the developer had awarded to a General Contractor that didn't meet the TSA qualifications of Registered Apprenticeship. Through compliance meetings, the developer re-bid the project and awarded to a General Contractor who does operate a Registered Apprenticeship program. The resubmitted bid was comparable in price.

Summary

1.	Construction Period:	March – November of 2013 (project totals in process)
2.	Total Labor Hours to date:	29,003
3.	Total Resident Labor Hours:	6,744 (23% of all hours)
4.	Total Labor Hours by apprentices:	6,984 (24% of hours)
5.	Total MBE hours to date:	8,604 (30% of hours) contract value TBD

There have been 13 contractors involved in the project and all are now meeting the TSA terms through compliance intervention.

TSA Performance – RWB

ROGER WILLIAMS BREWERY

This TSA was entered on January 1, 2012, which is also the commencement date, and construction is specified to be completed by December 31, 2014. Terms as related to construction are the same as the preceding TSA.

Roger Williams Brewery LLC, (RWB) was not able to achieve compliance with the terms of the TSA. After much difficulty arranging an initial compliance meeting, project data was requested, gathered and reviewed, and revealed the following major compliance findings:

8. (a) (i): RWB has not made any efforts to award to Minority Business Enterprises;

8. (a) (ii): RWB has not made any efforts to award to Women Business Enterprises;

8. b.: RWB has not made any efforts to hire new non-supervisory positions per "First Source";

8. c.: RWB has not submitted quarterly reports, as required to document efforts to comply with Sections 8(a) and (b) of the executed TSA;

14. a: RWB has not made any efforts to ensure construction contractors, regardless of tier, have or are affiliated with an apprenticeship program as defined in 29 C.F.R. §29 et seq.

-more-

TSA Performance – RWB

ROGER WILLIAMS BREWERY, COMPLIANCE FINDINGS CONTINUED

14. a. (a): RWB has not made a requirement in any contracts between its Construction Manager, General Contractor and their subcontractors that, 1) applicable contractors have apprenticeship programs as defined and, 2) those construction contractors with apprenticeship programs utilize not less than ten percent (10%) of the total labor hours are performed by registered apprentices;

14. a. (b): RWB has not required that Burbank Construction and/or its subcontractors submit quarterly verification reports to ensure compliance with Section 14 a. (a) through (c) of the TSA within contract documents with RWB.

These findings of non-compliance were provided to TSA recipient along with an 11 step corrective action plan. After more than 30 days with no actions taken by RWB, a letter of non-compliance was issued by the City Solicitors' Office to reiterate the factual findings and provide a time-frame for corrective actions to be taken.

Revocation of the TSA was recommended – only after adequate corrective actions were not taken.

TSA Performance – 50 Agnes Street

50 Agnes Street LLC

This TSA was entered on January 1, 2012, which is also the commencement date, and construction is specified to be completed by December 31, 2014. Terms as related to construction are the same as the preceding TSA.

An initial meeting in late October revealed similar findings of non-compliance; information was requested of the recipient determine the extent that corrective actions could be taken and to inform recommended next steps to the City.

Partial Summary:

1. **7891.06** total labor hours performed since the commencement date;
2. **5183** of the total labor hours were performed by 22 "contractors";
3. **788** of the total labor hours have been performed by six business entities/companies, each of which has 1 employee and none of which are verified as registered contractors;
4. **33** individuals have performed work since the commencement date (totaling 7891.06 hours);
5. **.05%** of the labor hours have been performed by minorities or women (414.5 /7891.06 total);
6. **91%** of the labor hours have been performed by Providence residents.

50 Agnes reports 12 registered contractors; only 3 can be verified as registered and none of which meet the TSA terms or have labor hours reported on the project. Recommendations are to be provided shortly.

Summary of remaining TSA projects

STATUS SUMMARY ON REMAINING TSA PROJECTS

In the interest of time, below is a summary of the currently known status of the remaining TSA projects for our discussion. The terms related to construction vary by agreement.

1. 95 Chestnut Street LLC
   - Meeting held with recipient and prime contractor, TA provided, solicitation for construction to begin.
2. The Providence Biltmore Hotel
   - Recipient pro-actively reporting, need to meet to clarify TSA goals and reporting requirements
3. Butcher Block Mill LLC
   - Construction complete, recipient gathering requested information for analysis
4. JAG Investment Reality LLC (Victory Place)
   - Initial compliance meeting to be scheduled, construction has not commenced
5. Music House LLC (Fete)
   - Construction complete, have not met with recipient re: compliance
6. 130 Westminster Street LLC (The Arcade)
   - Construction complete, have not met with recipient re: compliance
7. Providence Capital LLC (Providence "G" Building)
   - Construction status complete/uncertain, have not met with recipient re: compliance.

In Closing

Strong systems of achieving project goals and compliance have been developed and executed over the past years. Improvements going forward are possible when engaging these systems.

Related topics of discussion could also include:

- Terms of Tax Agreements
- Registered Apprenticeship
- Compliance process improvements

Thank you for this time –

I look forward to any questions and our discussion.

BUILDING FUTURES