Memphis Peer Exchange Visit
March 21-23, 2017
The National League of Cities (NLC) is dedicated to helping city leaders build better communities.

PolicyLink connects the work of people on the ground to the creation of sustainable communities of opportunity that allow everyone to participate and prosper.

The Urban Land Institute (ULI) has a mission to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.
The EED Fellowship is made possible with support from:

The Surdna Foundation seeks to foster sustainable communities in the United States - communities guided by principles of social justice and distinguished by healthy environments, strong local economies, and thriving cultures.

The Open Society Foundations work to build vibrant and tolerant societies whose governments are accountable and open to the participation of all people.
Economic Development: A Top Priority

75% of state of the city speeches included significant coverage of economic development issues.
Economic Development: A Top Priority

**TOP 5**

**ECONOMIC DEVELOPMENT SUB-TOPICS**

- Jobs: 55%
- Business Growth: 33%
- Downtown Development: 30%
- Workforce Development: 30%
- Arts & Culture: 35%
Equitable Economy: The Challenge

6 in 10 of U.S. prisoners are Black/Latino
(yet only comprise 30% of the U.S. population)

35% Black or Latino men won't graduate from High School
(80% of White males will)

Black and Native American unemployment is 2x that of Whites

57% of Blacks and Latinos spend more than 30% of their income on housing costs
Equitable Economy: The Challenge

Share of workers **earning at least $15/hour** by race/ethnicity: United States, 1980-2012
Equitable Economy: The Challenge

% owner-occupied households by race/ethnicity: U.S., 2012

- All: 65.3%
- White: 72.6%
- Black: 44.5%
- Latino: 47.2%
- Asian or Pacific Islander: 57.9%
- Native American: 56.9%
- Mixed/other: 52.2%
- People of color: 48.0%
Equitable Economic Development Fellowship
What is Equitable Economic Development?

- Unlocks the full potential of the local economy by dismantling barriers and expanding opportunities for low-income people and communities of color.
- Through accountable public action and investment, it grows quality jobs and increases entrepreneurship, ownership, and wealth.
- The result is a stronger, more competitive city.

Definition developed by: the EED Fellows at the June 2016 Fellowship Retreat in Portland, Oregon
The Panel

- **Anthony Askew**, Motor City Match Program Manager, Detroit Economic Growth Corporation, City of Detroit, MI
- **Michael Banner**, President & CEO, Los Angeles LDC, Inc. (LDC), Los Angeles, CA
- **Kimberly C. Driggins**, Director of Strategic Planning / Arts & Culture, City of Detroit, MI
- **Alan Razak**, Principal, AthenianRazak LLC, Philadelphia, PA
- **Mott Smith**, Co-Founder, Civic Enterprise, Los Angeles, CA
- **Jim Terrell**, Principal Project Coordinator, Community Planning & Economic Development, City of Minneapolis, MN
- **Gwendolyn Tillotson**, Deputy Director, Economic Development Department, City of Houston, TX
Presentation Outline

1. Observations
2. Framing Questions
3. Small Business
4. Commercial and Neighborhood Development
5. Next Steps
Observations

- Memphis 3.0 – Capture momentum
- Strong institutional anchors (Medical, Education, Cultural)
- Logistics Infrastructure
- Successful homegrown local and independent businesses
- Desire to create ecosystem of opportunities and innovate
- Many initiatives, many services, many champions that can benefit from improved coordination and collaboration
- Business services capacity?
- New city leadership brings environment to pilot and test ideas
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Framing Questions – Bluff City Challenge

- Are both goals (small business development and neighborhood commercial corridor development) equally important? Is that achievable?

- What is the city’s primary focus or the driver? – small business development or neighborhood commercial corridor revitalization?

- Is there a timeframe for launching Bluff City Challenge? Is it time sensitive?

- Data and funding questions?
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Small Business – Champions/Owners of BCC

Understand who are the current champions of BCC
• Mayor Strickland
• City of Memphis staff
• EDGE

Understand whether other champions are needed
• What are potential Champions/Leadership types?
• Are mission-driven small business advocate/messengers needed?
• Private sector CEOs that support & prioritize small business engagement
• Targeted Community/neighborhood advisors
• Should the project explore a more collaborative model?
Small Business – Understanding the Need
Small Business – Understanding the Need

- Be clear about definition of “small business”
  - Start up
  - Fledgling <3yrs
  - Lifestyle
  - Growth - High Job creator

- Assess and fully understand the capacity of the operator/founder
  - Competency of business
  - Capital needs of businesses (human or financial)
  - Coaching for success

- Right size your resources to meet program goals and objectives ($20MM)
  - Determine a sustainable portfolio mix
  - Business Types
  - Understanding how small businesses use real estate (C&I vs CRE)
  - Financial assistance products/use of proceeds
  - Inclusivity objectives
  - Exit strategies

- Market research - How is BCC any different from existing programs?
  a) Who is your customer and how do you reach them?
Small Business – Resources/Capacity

• Assess and fully understand current resources:
  a) EDGE - to extent programs serve target population
  b) EpiCenter - provider of technical assistance & pipeline
  c) OBDC – leverage existing program offerings
  d) RBC Loan Fund
  e) StartCo

• Determine whether new resources are needed
  a) Other funders/foundations – Leverage Kresege award, i.e. Kaufmann
  b) Inventory of small businesses – (number, type and clearer definition)
  c) Data & analytics on current SBE environment / trends for growth
Small Business – Partners/Collaborators

• Existing partners:
  a) Are more external partners needed?
  b) Have other potential partners been identified/engaged?

• New external partners:
  a) Chamber of Commerce participation – (ethnic & community chambers)
  b) Reach out beyond “core” partnerships
  c) Private sector businesses
  d) Community non-profits/technical assistance providers
  e) Small business lenders

• Development of outreach and communication partnerships
Small Business – Recommendations

• Determine the measurement to define success and develop performance metrics for short and long term

• Develop long term program sustainability strategy around people and financial resources

• Continue to assess and measure effectiveness of each component of BCC
  ▪ Small business growth
  ▪ Real estate development goals
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Neighborhood Revitalization – General Observations
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• Only certain businesses need real estate
  • Businesses with multiple employees
  • Retail and Restaurant
  • Specialized facilities/equipment users
    • Manufacturing
    • Food & Beverage
    • R&D/Tech
    • Arts & entertainment
Neighborhood Revitalization – General Observations
Neighborhood Revitalization – General Observations

• Complete neighborhoods can facilitate businesses for example:
  • Co-working
  • Third-place/Social spaces
  • Childcare
  • Bike/transit connections
  • Proximity to workforce
Neighborhood Revitalization – Assets

• Memphis 3.0 – Comprehensive Planning effort.

• Strong coordination with other city resources and/or investments.
Neighborhood Revitalization – Asset/Challenge

• Asset
  • Cheap real estate means lots of choices, low barriers to entry

• Challenge
  • Cheap real estate and lack of density are obstacles to creating demand in a few targeted areas.
  • Are you taking energy away from emerging commercial areas by focusing exclusively on the most distressed areas?
  • Real estate supply doesn’t lead (especially in retail), it follows demand.
Neighborhood Revitalization – Recommendations

- Better connect Memphis 3.0 to the Bluff City Challenge project opportunity

- Neighborhood selection process

- Consider Developing Neighborhood Corridor Typology (i.e. distressed, emerging, stable) when selecting neighborhoods for the BCC program.
Neighborhood Revitalization – Recommendations
Consider making neighborhood retail development an explicit goal of the BCC program since it is currently focused on emerging neighborhood corridors.
Neighborhood Revitalization – Recommendations

• Develop shared vision from all stakeholders
• Cultivate strong community-informed leadership on the ground
• Build community trust in institutions
• Ensure adequate support for the BCC project
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Next Steps

• Compile data to develop dashboard report of small business by type and needs
  • Determine which business sectors best align with BCCs goals
• Identify potential technical assistance providers and potential lending partners
  • Engage with providers that have competency to serve the target business types
• Develop a robust outreach strategy
  • Leverage community partner relationships with existing outreach programs
• More research and engagement to be done to better inform the BCC project
  ▪ Establish a group of key stakeholders to facilitate collaboration on BCC
  ▪ Take inventory of real estate opportunities. Engage with property owners.
  ▪ Identify strong partners in each focus area
  ▪ Assess community experience with similar programs/city government

Next Check-in:
Fellowship Retreat: Washington, DC | June 6-8, 2017
Thank You
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