

Memphis

Peer Exchange Visit
March 21-23, 2017

EQUITABLE
ECONOMIC
DEVELOPMENT
FELLOWSHIP

NLC NATIONAL
LEAGUE
OF CITIES

CITIES STRONG TOGETHER





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:



SURDNA FOUNDATION
Fostering sustainable communities in the United States

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.



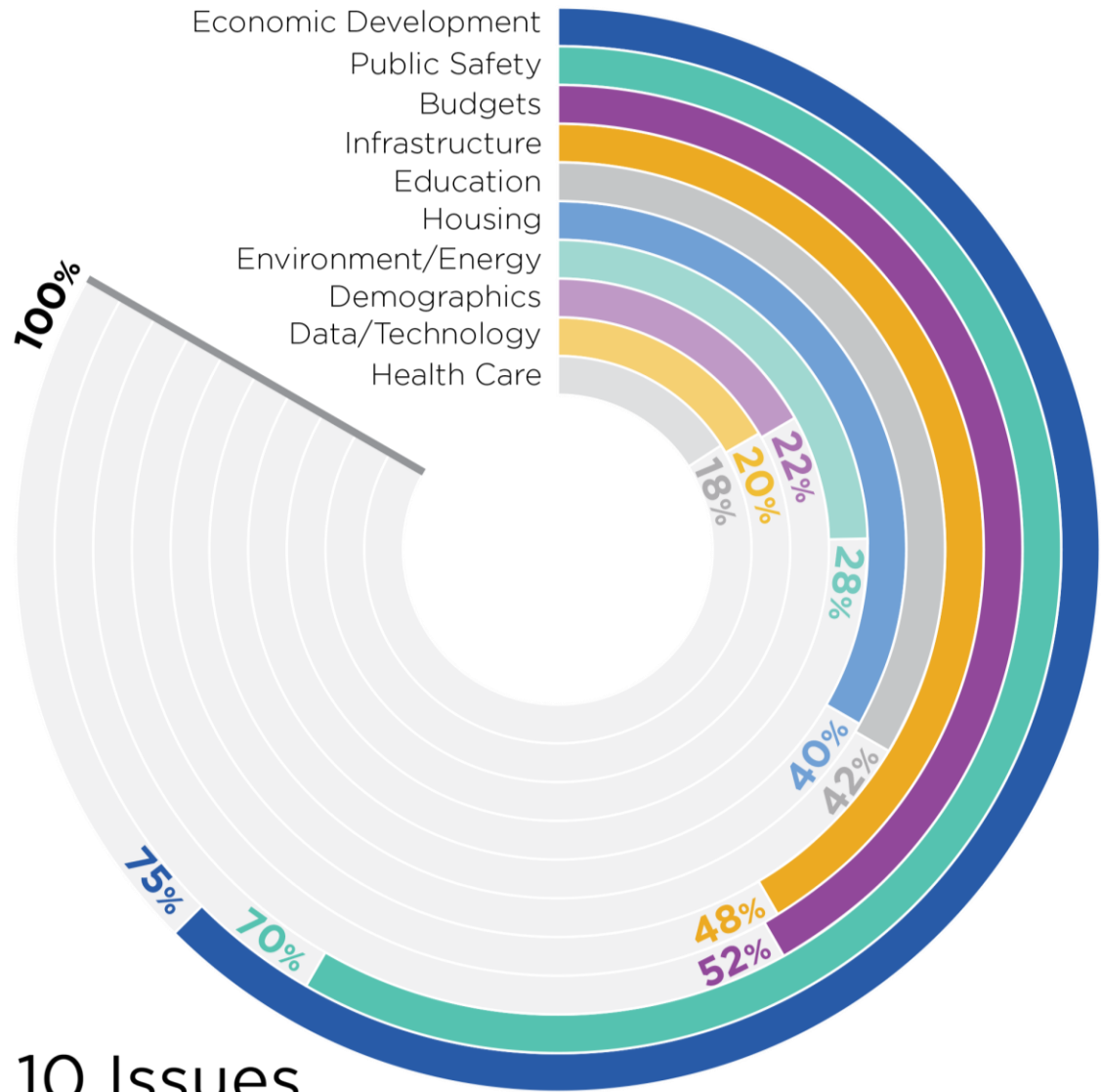
OPEN SOCIETY
FOUNDATIONS

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%

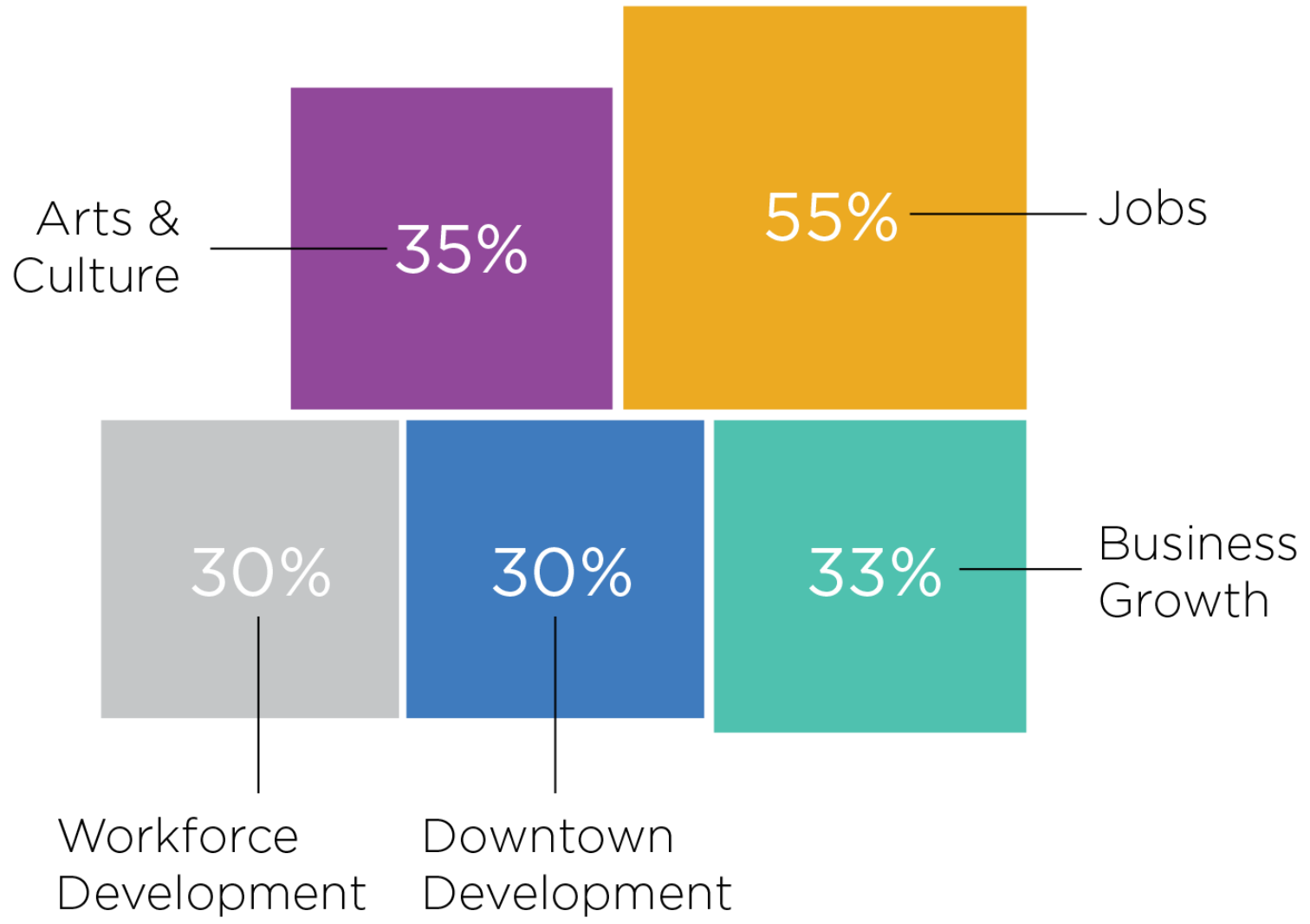
of state of the city
speeches included
significant coverage of
economic development
issues.



Top 10 Issues

Economic Development: A Top Priority

TOP 5
ECONOMIC
DEVELOPMENT
SUB-TOPICS



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

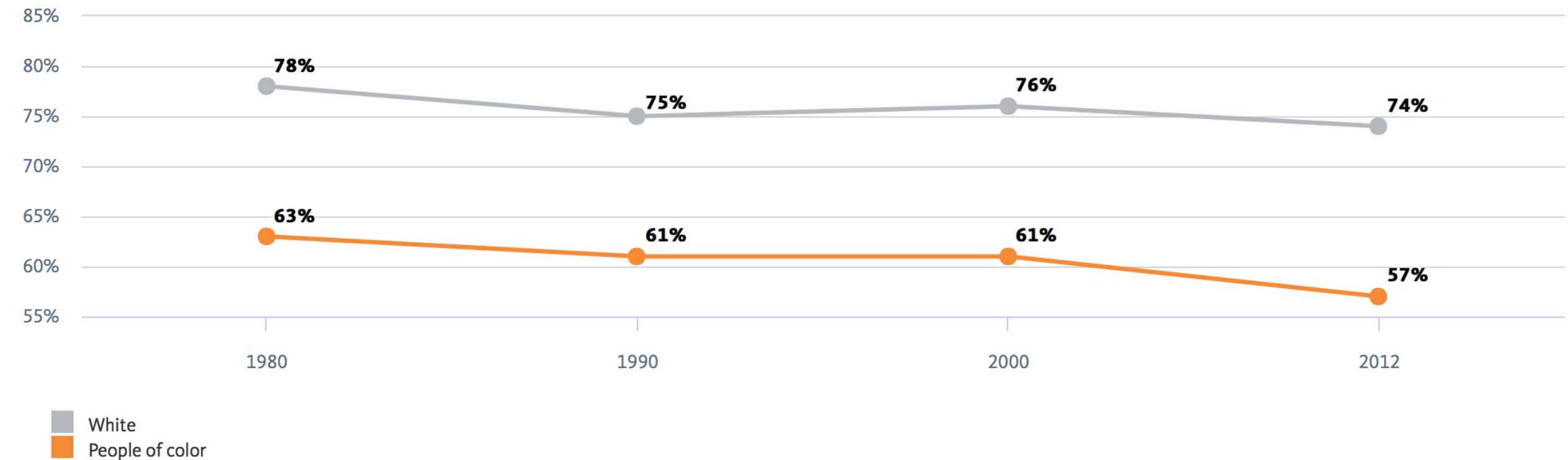
57%

of Blacks and
Latinos spend more
than 30% of their
income on
housing costs



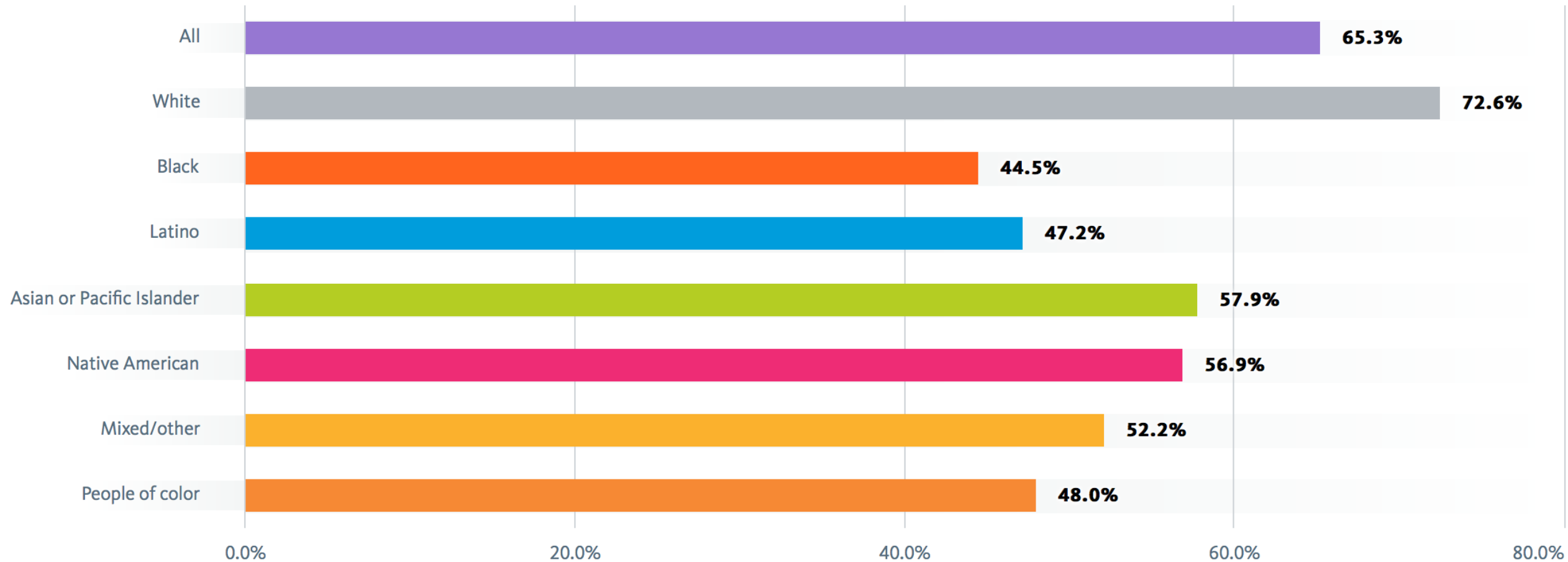
Equitable Economy: The Challenge

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





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



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

The background is a collage of various Memphis-related logos and signs. On the left, there is a blue sign with a white border that says 'MOTEL' in red letters, with a yellow oval logo above it. In the center, there is a large, circular, metallic-looking logo with the word 'SUMMIT' in the middle. To the right, there is a green sign with the word 'BEALL' in white letters. The entire background is overlaid with a large blue diagonal shape that contains the presentation outline text.

Presentation Outline

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

Observations



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



Presentation Outline

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Framing Questions – Bluff City Challenge



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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1. Observations
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3. **Small Business**
4. Commercial and Neighborhood Development
5. Next Steps

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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Bluff City Challenge (BCC) Focus



Neighborhood Revitalization – General Observations



Neighborhood Revitalization – General Observations

- 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**
guiding memphis into our 3rd century



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Neighborhood Revitalization – Assets



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- 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

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- 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

VIBRANTSTREETS



ABOUT ▾

PRODUCTS ▾

STREET BEAT

LEARNING LAB

CONTACT US



CART

REVITALIZING NEIGHBORHOODS

CREATING JOBS AND INCREASING QUALITY OF LIFE

EXPLORE

*The Elk
in the Woods*
FOOD &

Neighborhood Revitalization – Recommendations

VIBRANTSTREETS



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CART

Consider making neighborhood retail development an explicit goal of the BCC program since it is currently focused on emerging neighborhood corridors

RE

CREATING JOBS AND INCREASING QUALITY OF LIFE

EXPLORE

*The Elk
in the Woods*
FOOD &

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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5. **Next Steps**

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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Thank you to the following people for assisting our panel:

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