

Point VII

COMMUNITY BUSINESS ASSISTANCE

"ESTABLISH A COORDINATOR OF COMMUNITY BUSINESS ASSISTANCE IN THE MAYOR'S OFFICE TO:

- a. PROMOTE THE INTERESTS OF SMALL COMMUNITY BUSINESS LOCATED IN THE CITY;
- b. COORDINATE THE DELIVERY OF EXISTING CITY SERVICES TO OUR COMMUNITY BUSINESSES;
- c. PROMOTE THE ESTABLISHMENT OF NEW SMALL BUSINESSES IN THE CITY."

"A Coordinator of Community Business Assistance in the Mayor's office..."
The initial recommendation is that the word "coordinator" be changed to "Director."

The Director should have the awareness of a creative, innovative social scientist and yet possess the pragmatism of a businessman. As a result of reporting only to the Mayor, the Director should have the authority to; initiate commercial development programs and services; establish consumer needs as a criteria for developing new business; expedite matters pertaining to City regulations, codes, etc., so that programs and services can be established without cumbersome red-tape and delay.

It is suggested that within 100 days the Director jointly with the Mayor, establish an advisory group which would meet periodically to insure that the programs and services are meeting community needs. The group should include representation from citizen-consumers, businesses, and selected resource representatives, capital sources, business and consumer associations, and government.

- a. "Promote the interest of small community businesses in the city..."

Within the first 100 days a number of programs can be undertaken which can provide tangible evidence of specific achievement. Other projects are of a long range nature that will require more than 100 days to accomplish major and significant impact. Each program and project should complement the others and provide an approach toward solidifying recognizable progress in building and revitalizing the economic fiber of Detroit.

It is respectfully recommended that the following be considered:

1. DESIGNATE AND IDENTIFY BY NAME NEIGHBORHOOD BUSINESS AND SHOPPING DISTRICTS.

This program would have the effect of drawing neighborhood businesses closer together. It would motivate the development of business organizations, collective advertising for the benefit of the whole business district at reduced costs for each participant, and encourage a working relationship for physical improvements, quality of services, and intimate involvement in the surrounding communities.

2. ESTABLISH PROGRAMS TO PROVIDE SUPPORTIVE ENDEAVORS BETWEEN COMMUNITY GROUPS AND THEIR RESPECTIVE NEIGHBORHOOD BUSINESSES.

The City should serve as a catalyst and advocate of cooperative ventures between businesses and the community. Community councils, block clubs, churches, businessmen's associations, civic and social clubs, youth groups, schools, and community agencies operated by governmental sources can be influential in solidifying viable working relations between businesses and communities.

3. COMPILE AND DISTRIBUTE PERTINENT BUSINESS INFORMATION.

In cooperation with resources and service organizations in the private sector, such information should include business opportunities, assistance resources, training programs, pertinent business events, grants, legislation, available contracts, bidding procedures, marketing tips.

4. ESTABLISH A CONTINUING PROGRAM WITH BANKS, SURETY BONDING FIRMS, AND INSURANCE COMPANIES, TO ASSIST IN FINANCE, BONDING, AND INSURANCE NEEDS OF SMALL BUSINESS AND MINORITY FIRMS.

The City should serve as an advocate of efforts designed to remove obstructions faced by small business and minority entrepreneurs in making use of financial resources on which their businesses, all businesses in fact, are dependent.

5. COMPILE AND DOCUMENT PROFILES ON MINORITY BUSINESSES AND CONTINUE TO PUBLISH A MINORITY AND PROFESSIONAL BUSINESS DIRECTORY.

This will provide better evidence regarding the capabilities of minority firms for purposes of referral than can be ascertained from listings in minority business guides or directories. The publication should be widely distributed to purchasing agents and procurement officers in government, industry, and business.

6. ESTABLISH A CITY PROGRAM TO GUARANTEE LOANS, LETTERS OF CREDIT, AND LINES OF CREDIT MADE BY SMALL AND MINORITY FIRMS UNDER CONTRACT TO PERFORM CITY SERVICES OR TO DELIVER PRODUCTS.

This basic assistance program would further assure access to operation capital while the contractor is proceeding to complete his contractual obligations, and could offset undue delays in work performance due to lack of operating funds.

7. IMPLEMENT PROGRAM FOR WIDE DISTRIBUTION OF BID INVITATIONS TO MINORITY ENTERPRISES.

Most companies responding to notices of available City business are those who have received bid invitations. This has been the most direct means to bring to the attention of potential contractors that particular City contracts are open for bids. Unless they receive such special notice, they remain unaware of existing opportunities.

8. 50% MINORITY PARTICIPATION POLICY OF THE DETROIT HOUSING COMMISSION.

This program should be continued, but it should be activated more vigorously for fullest impact by means of organized implementation.

9. ADOPTION AND IMPLEMENTATION OF PUBLIC ACT 351 REGARDING PERFORMANCE AND PAYMENT BONDS.

Public Act 351 has been amended to provide that no Performance Bonds no Payment Bonds are required for contracts that do not exceed \$50,000, and that for contracts exceeding \$50,000, Performance Bonds and Payment Bonds would be required for only 25% of such contracts.

10. DEVELOP A PROCESS BY WHICH TO SPEED UP CITY PAYMENTS TO ITS CONTRACTORS.

It is not uncommon for contractors, doing business with the City, to wait from 30 to 60 to 90 days to receive payment for their services. This delay places undue hardships on minority and small contractors, primarily because they are without sufficient financial resources, equity capital, and operating funds.

11. ESTABLISH A CITY SET-ASIDE PROGRAM.

In order to further guarantee the allocation of an equitable share of City business to minority and small business enterprises, and to provide

direct assistance, it is both practical and prudent to make provisions for setting aside designated portions of City business in purchases of services and products exclusively for minority and small business concerns.

12. CITY AFFIRMATIVE ACTION PROGRAM TO INDUCE EACH DEPARTMENT TO SPEND AN EQUITABLE PORTION OF ITS BUDGET WITH SMALL AND MINORITY BUSINESSES.

A minority and small business officer has been named in each City department. Each officer has been charged with the responsibility of actively endeavoring to do business with minority firms on an equitable basis, in terms of spending City funds for purchases in goods and services.

The program is administered by the Minority and Small Business Enterprise Section of the Office of Industrial and Commercial Development, Community Development Commission.

Monthly reports are submitted by each City department on total expenditures, including an account of business transacted with minority entrepreneurs.

13. ESTABLISH A CITY PRACTICE BY ORDINANCE TO FAVOR DETROIT-BASED FIRMS FOR CITY CONTRACTS.

This endeavor would become part of City programs to (1) encourage businesses to remain in Detroit, (2) attract new businesses, and (3) assist in expanding the City's economy, both in money circulation and employment.

14. ESTABLISH AND IMPLEMENT A PROGRAM THAT WILL PROVIDE THAT OUT-OF-CITY FIRMS WITH CITY CONTRACTS SUB-CONTRACT PORTIONS OF THEIR CONTRACTS WITH DETROIT-BASED FIRMS OR SET UP JOINT VENTURES WITH THEM.

Many out-of-city firms will continue to receive City contracts because they are capable of providing certain City services and needs that Detroit-based firms cannot provide entirely. However, in those instances where Detroit-based firms, large or small, can service part of large contractual requirements, they should be given the opportunity to do so. This process is intended to increase the circulation of City revenue within the confines of the City, and in the process, increase the stability of the economy.

15. DEVELOP PROGRAMS TO PROVIDE FOR NEGOTIATED CONTRACTS ON A NON-COMPETITIVE BASIS.

To further assure that the City's affirmative action program will accomplish the objectives for which it is intended, it is recommended that provisions be instituted for direct awarding of City contracts to minority and small business firms for services and goods on a non-competitive, negotiated basis.

16. DEVELOP A PROCESS TO EXERT GREATER CITY LEADERSHIP IN THE UTILIZATION OF COMMUNITY BUSINESS ASSISTANCE PROGRAMS THROUGHOUT THE CITY.

Greater alignment and coordination should exist between the City and such fundamental sources as: New Detroit, Inc., the Economic Development Corporation, the Inner City Business Improvement Forum (ICBIF), the Greater Detroit Chamber of Commerce, Economic Expansion Program, the Office of Minority Business Enterprise (OMBE), the Michigan Department of Commerce, the Federal Executive Board, Minority Business Opportunity Committee, Small Business Administration (SBA), U.S. Department of Commerce, Department of Housing & Urban Development (HUD), Internal Revenue Service (IRS), and other private and governmental aids and services, including voluntary professional assistance and technical aids.

17. DEVELOP A PROGRAM TO COMBAT CRIME AND TO PROTECT BUSINESSES AGAINST CRIME.

Such programs should include better police protection, improved lighting, community assistance, use of private police patrols, youth observer teams, improved law enforcement, active neighborhood business organizations, cooperative protective plans for businesses to assist each other.

18. DEVELOP PROCESS FOR PLACEMENT OF CERTAIN CITY FUNDS IN MINORITY FINANCIAL INSTITUTIONS.

To provide incentives for corporations with city business development programs it is recommended that the City Treasurer be instructed to require information regarding "social responsibility" activity of financial depository institutions to use in decisions regarding the placement of City funds.

It is believed that all of the foregoing can be accomplished with minimum cost to the City. Other than salaries paid to the Director and City Department Head(s) of Staff(s) utilized by the "Director", existing programs financed out of the current budget allocations may be directed toward this purpose.

Community Business Assistance

"b. Coordinate the delivery of existing City services to our community business."

After completing a.1 and a.2 a program can be more reasonably developed to provide better police protection (location of mini-stations may in part be guided by a.1 and a.2), and considered use of police cadets.

Moreover, garbage collection and street cleaning could be more effectively improved and coordinated.

Further, transportation, lighting and parking needs could easily be assessed, reevaluated, and improved where necessary.

"c. Promote the establishment of new small businesses in the City."

Undertake Demonstration Project

It is recommended that planning be implemented for at least two pilot locations, one east of Woodward Avenue and one west of Woodward. It might be feasible to enlist the support of major entrepreneurs to establish at least one large commercial business within the same vicinity to draw shoppers to the area and perhaps to help off-set the cost of the project (i.e., Kresge's, K-Mart, Korvette's etc.)

The subcommittee feels that the rebuilding of Detroit must, of necessity, include the rebuilding of business and residential areas of communities in all sectors of the City. In the main, this must be done in the sphere of economic revitalization, dealing with basic physical, social, housing, and employment needs.

The physical characteristics of urban neighborhoods as well as life styles and living patterns of the residents have undergone rudimentary changes. Satisfying the needs and services of the people can no longer be carried out sufficiently, efficiently, and effectively by means of present-day operative functions, governmental or private. This is especially true in providing near-at-hand access to needed services and goods.

Increased attention to present and future trends in urban communities living must be undertaken in order to assess these trends and the City from a new perspective.

The two trends are increased pressure as models which will not only serve as stimulus for the physical and financial utilization of community resources but will also establish a new way of viewing Detroit neighborhoods and neighborhoods.

Use of Urban Renewal Land

The subcommittee recommends that the City implement and seek financing for those urban renewal lands previously designated for commercial development.

Special Aids in Providing Assistance to Community Businesses

1. With regard to providing services to stimulate business development in the City, it is recommended that the City assign the Director to parties who are in process of locating or expanding a business in the city. Aside from acting as liaison between development projects and City services, the Director should have the authority to expedite City involvement in the project so that there is not undue delay.
2. With regard to creating opportunities for shopping area and merchant renovation projects, it is recommended that the special tax assessment program being explored by the City's Industrial and Commercial Development Department of the Community Development Commission (CDC) be endorsed. This program would permit the City to make special assessment toward groups of merchants over some extended period of time, such as ten years. It may be possible for banks to cooperate with this program by purchasing revenue bonds which can be repaid over a similar time period.
3. It is recommended that one stop service and counseling be provided so a businessman can go into one location to obtain information on regulations, ordinances, and clearance from each of the departments in order to start a business. This would be essential to a small business who could be guided in the actual purchase or leasing of potential site or building. Moreover, it could save several thousands of dollars of an unplanned or unbudgeted item which is necessary to opening his business.

This one stop service should provide fast, quick and efficient service to a prospective businessmen in order to save money and time.

It is believed that as a result of money previously spent for research, planning, and studies will not have to be repeated. Moreover, by carefully choosing the Advisory Board, costs to the City itself will be nominal.

It has been observed that the consumer who chooses to live in Detroit pays a special price. Goods and services that are economically priced withdraw to the edges of the City and beyond. Service stations for portable appliances are in the boondocks. Detroit's consumer problems are exacerbated by our poor transportation. (A matter which is to be observed by the Transportation subcommittee.) There are no competitively priced shopping outlets in this community. This creates a totally locked-in market, where the consumer has no choice but to pay more for what little is offered in one's neighborhood.

It has been observed that City store space and lack of parking space has not permitted old stores or businesses to expand sufficiently. Moreover, most merchants do not act as their own developers.

The City, therefore, must act as a final developer. Parcels of land suitable for commercial development, located in high density areas, have already been identified. (See Evaluation of Nineteen Suggested Neighborhood Shopping Center Locations prepared for the Community Development Commission - City of Detroit, by Howard L. Green and Associates, Inc., February 5, 1973). Other parcels can be acquired and cleared for such development, under present City authority.

The "Director" can coordinate information on these sites now distributed among many city agencies; survey, quantify and identify consumer needs in each area; (The New City Charter establishes a Consumer Commission which could be utilized), identify sources of capital, and entice them into these projects; act in an advisory capacity to new business people, small business and minority business. Armed with the foregoing one could dissuade a potential merchant from opening a record shop in an area that already has four and look for a shoe store merchant where there are no shoe stores.

In addition to small and minority businesses, organized community entrepreneurships can play a major role if assisted and given the needed ancillary support by the advisory group, heretofore mentioned and recommended.

While strip commercial developments have been looked to as a possibility, innovation and creativity is now the byword. There is no reason, for instance, why shopping in the City cannot be done in multi-story, multi-purpose buildings, with underground parking and shops, offices and malls arranged at various levels and angles above and below ground, in esthetically pleasing structures, (i.e., Watergate shopping area in Washington or the Cannery and Ghiradelli Square in San Francisco.)

It is believed that these centers must be a combination of big and small capital. To draw consumers the base must be a major supermarket or variety store offering a large variety of economically priced consumer goods. Around this core will be a satellite of small businesses, specialty shops, customized service, repair shops, benefiting from the crowds drawn by the major store.

This center should not die after dark. Meeting and community halls must be a part of the structures, as well as social services. Mini-police stations and City Halls, consumer information centers (as described in the Downtown Task Force) must be in the shopping center; Secretary of State branches, unemployment compensation offices could be housed there. (Four Corners Shopping Center in Alexandria near Washington, D.C. represents an ideal).

The one thing grossly important and to be kept in mind is that all of this is suggested to take place within different neighborhood areas within the City of Detroit. It is believed that the energy crisis is just a tip of an iceberg. Transportation will play a vital role in our City's rebirth. Won't it be nice to have in our own neighborhood or within a reasonably short distance something like what has been suggested?

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