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# BUSINESS DIVERSITY

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IN DOWNTOWN DURHAM

*Downtown*  
**DURHAM**

★ *Find Your Cool* ★



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*Downtown Durham's huge success has been a tremendous stimulus for our creative class. The City and downtown particularly has palpable energy.*



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## A LETTER FROM THE **PRESIDENT/CEO**

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We have a lot to celebrate in Durham.

Every year we win national accolades touting our food, entrepreneurship, innovation and culture. We're a city in demand. As the mayor says often, "20 people move to Durham each day." We are growing both in population and prosperity.

But there is a much-discussed caveat. This growth has not extended to everyone. Specifically, minority businesses have not shared in Durham's prosperity in proportion to minority populations.

African Americans make up 33% of Durham County's population, but as of 2014 (the most recent year for which accurate figures are available) only 3.4% of the businesses in the county are African-American owned. Even in downtown, which is the epicenter of Durham's growth, that figure is only negligibly better at 3.5%.

As the entity that is most concerned and familiar with the economic vibrancy of downtown Durham, we at DDI are dismayed and alarmed by those figures, and we're moving beyond just talking about the problem. The disparities are City and County-wide, and therefore the solutions must be also, but DDI has taken steps to begin effecting real change in our small geographic area, while providing data and suggestions that can help our partners begin to address the disparities in the larger community.

In 2016, at the request of the City, DDI began counting downtown minority businesses. With the growth of downtown office space, particularly incubator and coworking spaces, counting businesses at all is a challenging undertaking. Finding and counting minority businesses is even more difficult, but DDI has worked to improve the accuracy of these figures over the past two years and continues to identify other means of tracking this information.

But counting – a critical first step in understanding the scope of the disparity – was just that: a first step. To begin to understand the reasons for the lack of minority business representation, DDI took the initiative to partner with The Institute to survey current and former minority business owners, as well as other minority stakeholders. The survey collected their perceptions of the challenges inherent in doing business in downtown Durham.

The result is the report that follows: Business Diversity in Downtown Durham. It adds historical and statistical data for context and aggregates the concerns we heard into major themes. Using these themes, DDI and The Institute put together a number of considerations that may help our partners in the City and County as they begin to create policies to address these disparities. From taking the critical first step of tracking minority businesses City-wide, to creating a fully formed vision for working toward racial equity, the considerations offer suggestions for moving beyond discussions to action.



This report represents DDI's initial foray into gathering research about the lack of minority business participation, but for the past year and a half DDI has also been tackling the problem head-on. We've taken concrete steps toward making a real difference downtown by doing what we do best: using our in-depth knowledge of downtown Durham and strong relationships with property and business owners to make connections. These connections are helping to bring minority businesses downtown and helping them to succeed and grow here.

Our multipronged approach includes:

- Using pop-ups as a low-cost way of introducing minority businesses to the marketplace, allowing them to test their concepts and prepare for a brick and mortar space
- Facilitating collaborations between property owners and minority businesses, and helping to craft creative solutions that help those businesses locate or grow downtown
- Supporting cultural initiatives that reinforce diversity to ensure that minority business owners and members of the community see themselves represented and reflected downtown

We're seeing promising results from this strategy. Over the past year alone we've assisted with four pop-ups for minority businesses, and two of these businesses are moving forward with locating downtown. Initiatives like Public Space Project, and events DDI has supported like the Durham Central Park's Playlist Concert Series, Beats n Bars and the Black Communities: A Conference for Collaboration continue to bring culturally diverse crowds downtown to reinforce that all are welcome here. And in the past year we've facilitated connections that have helped two minority businesses locate downtown or increase existing space to accommodate growth. We measure results not by output, but by outcome, with a goal not just of bringing minority businesses downtown, but of helping to ensure they have the location, financing and relationships that give them the best chance of success.

We are proud that we're beginning to see results, but there is much more work to be done both downtown and throughout the City and County. We need to continue to have dialogue with minority businesses and stakeholders as well as find reliable and accurate data to create baselines that will help clearly demonstrate which initiatives result in the best outcomes. That data must also include information on ALL minorities. Frankly, what we're calling 'minority' to date focuses almost exclusively on African Americans. As one Latino survey respondent said, "It's Black and White in Durham. Where do we fit?" This cannot continue to be the status quo.

Please take a moment to review the report, our first step in studying this critical problem. As we collect additional data, and as we continue to implement our hands-on strategy downtown, we look forward to working with our partners at the City and County to address disparities in minority business participation Durham-wide.

Sincerely,



Nicole J. Thompson



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## EXECUTIVE SUMMARY

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According to a 2017 study by The Business Journals, “Minority-owned businesses represent a powerful growth engine for the U.S. business market.” Since 2007, the number of minority-owned businesses nationwide has doubled, employing more than 6.3 million people while generating \$1.7 trillion annually. The number of Black businesses has grown 34%, and the number of Latinx businesses has grown an astounding 46%. Given these trends, reducing barriers to market entry serves to enable a vibrant economy, a goal for every downtown.

With this survey as a starting point, DDI ultimately seeks to examine market barriers and opportunities to help City Council grapple with questions that are particularly meaningful to minority-owned businesses downtown:

- What are the City’s vision and goals for business diversity, more inclusive downtown development, and racial equity in decision-making and resource allocation?
- What are the tools and resources needed to achieve those goals?
- What assets and partners can be leveraged to implement these tools and resources?

ANNUAL REVENUE FROM  
MINORITY-OWNED BUSINESSES

**\$1.7 TRILLION USD**

GROWTH OF  
BLACK BUSINESSES

**+34%**

GROWTH OF  
LATINX BUSINESSES

**+46%**

In 2016, Durham City Council requested that Downtown Durham, Inc. (DDI) inventory the number of minority-owned businesses in downtown Durham, seeking to better understand whether business diversity may have eroded even as the city experiences accelerating development and growth. Recognizing that counting minority-owned businesses, while valuable, may not fully capture the experiences of minority business owners, DDI expanded the survey to include the thoughts and opinions of those business owners and other stakeholders.

In addition to reviewing the historical context of today’s downtown environment for minority business, DDI worked with The Institute and UNC’s Department of City and Regional Planning to aggregate economic and demographic data and gather and distill candid feedback and input from roughly 75 stakeholders.

The data is sobering. According to the most recent figures, minority-owned businesses comprise less than 4% of all downtown Durham businesses; a slightly higher percentage than the County as a whole. In addition to historic



urban renewal strategies, the construction of the Durham Freeway, and ultimately disinvestment in downtown, the Great Recession significantly affected the ecosystem for minority-owned business. In addition minority business growth is more concentrated in “non-street level” sectors, contributing to the perception that there is little to no minority business in downtown. This perception can affect diverse participation in downtown culture and nightlife.

The data paints a clear picture, showing that the lack of minority-owned businesses is a County-wide problem that will require City- and County-wide solutions. But the stories, perceptions, ideas and energy of the diverse people and organizations of color who engaged with DDI for this report are valuable. This lived experience tells a different kind of story about today’s downtown Durham, highlighting an enduring love and pride for the City, cautious appreciation for development and revitalization in downtown, a perception of eroded minority ownership and participation in downtown, and what the City and its partners can do to turn this picture around.

Five consistent, multi-layered themes related to these concerns emerged from the stakeholder input:

*“I believe that downtown Durham currently is quite diverse in terms of business owners, especially within the past few years – Runaway, The Zen Succulent, Liberation Threads, Empower Dance, Saltbox, and of course longstanding businesses: Dames, Beyu, Ngozi, etc. – but would like to see it stay this way.”*

- **Affordability:** The price of rent, ownership and other costs of doing business.
- **Parking:** Cost and supply for small business owners, employees and customers.
- **Gaps in the Incubation Ecosystem:** The need for alternative facilities, capital of all kinds, targeted technical assistance resources, and incubation and accelerator opportunities, especially for retail, restaurant and creative businesses.
- **Network Inclusivity and Social Capital:** Underrepresentation in policy and decision-making tables; lack of consolidated, reliable communication with and across minority-owned businesses; generational differences and trends; and influence of social capital on incentives and other resource allocations.
- **Concern about Perimeter Corridors:** Concern that a narrow focus on downtown could be at the cost of East Durham and Fayetteville Street corridors, historically Black neighborhoods and commercial districts that are experiencing heightened investor interest.

Two of these themes highlight challenges that exist for all businesses that seek to locate in a downtown environment. High demand for space in a crowded marketplace puts upward



pressure on the cost per square foot to rent or buy, and higher density creates parking challenges. While minority-owned businesses may find these obstacles more challenging due to decreased cash flow, there is little that can be done to mitigate the market forces that precipitate these conditions.

Where DDI can and has made positive in-roads to increasing inclusivity downtown are the areas of addressing gaps in the incubation ecosystem and increasing network inclusivity and social capital. Through targeted, one-on-one interactions with minority business owners, DDI continues to assess needs and connect those businesses with resources, including property owners and developers, that help attract, retain and grow minority businesses downtown. This is not a “billions served” model that measures outputs, but an intensive, relationship-based way of doing business that is woven throughout every DDI initiative, and that has positively affected outcomes. Information on specific outcomes will be included in the follow-up to this survey.

In addition to DDI’s work in this area, the outlined themes offer immense opportunity for Durham’s decisionmakers, particularly as relates to improving communication, inclusive community engagement, and creative solutions for encouraging greater diversity downtown. Short and long-term considerations that emerged as a result of stakeholder feedback include:

### **SHORT-TERM CONSIDERATIONS (12-24 MONTHS)**

1. Establish a clear vision for racial equity, diversity and inclusion in downtown Durham, and demonstrate that vision throughout the City’s decision-making processes, including development permitting.
2. Include in this vision an expanded geographic

overlay to target proactive investments in perimeter areas.

3. Apply racial equity principles to the ongoing evaluation of City-owned property downtown, with an eye for creating affordable space for sole practitioners, retail businesses or growth-stage businesses.
4. Establish current baselines by counting and tracking minority businesses City-wide, documenting openings, closures and moves, and the reasons associated with any changes.
5. Enable greater collaboration across City departments, and between the City, County, Public Schools and private stakeholders to set and pursue mutual diversity goals.
6. Re-energize the City’s Minority Enterprise Development (MED) Week participation objectives, activities, and marketing strategies.

### **LONG-TERM CONSIDERATIONS (2-5 YEARS)**

1. Create and meaningfully deploy a Minority Business Advisory Council or similar forum to help vet and adapt the City’s strategies to better support minority entrepreneurship downtown and generally.
2. Do more to celebrate and raise awareness of the historic, cultural, and current contributions of people of color in downtown Durham.
3. Facilitate reciprocal collaboration with NC Central University (NCCU) that includes the business and workforce development assets of the Biomedical/Biotechnology Research Institute (BBRI), BRITE Futures, and the School of Business.





*I love downtown Durham. It is my dream home. I have a humanitarian vision for how we can all be great here – it even includes the homeless, because there's room.*



4. Catalyze and invest in local partnerships to fill capital gaps.
5. Work with local partners to design and implement an accelerator program targeting minority-owned ventures.

It is important to recognize that none of the recommendations outlined in this report suggest that the City should halt or hinder downtown development. In fact, both DDI and the Institute agree that doing so would accelerate racial disparities, putting at risk the Black, Latinx and other minority-owned businesses that are benefiting from improving foot traffic, visibility, and business-to-business opportunities downtown.

Instead, the City can implement a forward-thinking strategy by building on the many assets already available to it to improve the environment for minority-owned businesses and their customers. These assets include Durham's diverse business history; downtown's appealing urban environment; its renowned start-up culture; the City's own policy tools; and natural partners that include educational institutions, start-up support organizations, and multiple business networks, nonprofit opinion leaders and financial institutions, all with access to emerging and mature businesses and entrepreneurs of color.

DDI and The Institute thank the many stakeholders who provided their confidential feedback for this report and stand ready to contribute to and assist City Council's further discussion, planning and strategies for minority business development in downtown.



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## ABOUT DDI'S DIVERSE BUSINESS REPORT

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In 2016, Durham City Council requested that **Downtown Durham, Inc. (DDI)** inventory the number of minority-owned businesses in downtown Durham, seeking to better understand whether business diversity may have eroded even as the city experiences accelerating development and growth. Recognizing that counting minority-owned businesses, while valuable, may not fully capture the experiences of minority business owners, DDI expanded the survey to include the thoughts and opinions of those business owners and other stakeholders.

To meet these objectives, DDI contracted with **The Institute**, a nonprofit management consulting and services firm located in downtown Durham that is focused on business diversity. The Institute conducted or managed various survey components, including:

- Extensive outreach to existing minority-owned businesses and other stakeholders through an online survey tool, a series of focus groups, and one-on-one interviews.
- Collecting and examining past reports and plans from the City, DDI, and national sources for background and context.

- Partnering with the UNC Department of City and Regional Planning's 2017 Economic Development Workshop to assist with an historical overview, data analysis, and case studies of other cities' downtown experiences.

Participation in the study was strong.

- 39 of just over 100 invited individuals participated in a ten-question Diverse Business Survey (See "Appendix A") aimed at downtown minority businesses and support networks, for an estimated 35% response rate.
- Eight stakeholders attended one of three focus groups and 30 participated in one-on-one interviews. Participants included retailers, startup founders, nonprofit leaders, property owners, developers, realtors, and commercial lenders, among others.
- Dozens of current or aspiring minority business owners engaged with study representatives at the annual MED Week Minority Business Fair and Black Wall Street: Homecoming events in October 2017.

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## THE BACKDROP

# HISTORICAL CONTEXT FOR BUSINESS DISPARITY IN DOWNTOWN

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Fundamental to understanding business diversity in Durham today is understanding systemic racism and the key events, decisions and structures that comprise it. As part of this study, UNC-DCRP's Economic Development Workshop compiled a critical timeline and brief historical review, included as Durham's MBE History in Appendix B. The narrative is familiar to many readers: the draw of Reconstruction's factory jobs, the rise of Black Wall Street and a Black middle class; the destructive irony of urban renewal and the construction of the Durham Freeway; and ultimately disinvestment in downtown and other hubs of Black commerce. A modified timeline adds the recent elements of street realignments, recession, and critical projects that mark today's revitalization trends in downtown Durham.

The story of NC Mutual Life Insurance (Mutual) embodies how strong businesses can have substantial ripple effects beyond wealth-building opportunities for owners. Not only was Mutual a trailblazer in the insurance industry, it was a catalyst for downtown Durham, Black Wall Street, and the economic security of thousands of Black families. With the premiums it gathered from middle to lower-income Black customers, Mutual loaned money for businesses and development projects, including buildings on Parrish Street and subdivisions in Florence, South Carolina. These economic development investments were multiplied by employees and customers. As one stakeholder put it, "Mutual was crowdfunding. Agents bought properties for themselves, gave

money to churches and causes, and paid for college. Insurance payouts also funded families and their work in communities."

But, "as desegregation happened, competition expanded, and the base started to erode," said the same stakeholder. "We saw it in banks, colleges, funeral homes. Everywhere." Durham's Black Wall Street, Hayti, and other segregated commercial centers in Durham were not immune to the market effects of desegregation, and the effects linger today across many neighborhoods.

Still, Durham's storied past acts as an important foundation on which a new generation of minority-owned businesses is being built. Because of Durham's history as a center for the Black middle class, "It wasn't a stretch to see myself as an entrepreneur, a businessman," said one stakeholder. "I'd always seen Durham from the perspective of Black people doing significant things on all fronts: civic, culture, education, business. It's in my DNA."

Another remembered that when he arrived to further his career in the 1970s, "Durham felt like a supportive culture. It had a community that was accustomed to seeing Black success and knew what that looked like." But what drew him to Durham is not as prevalent anymore, he says. "Behind that term gentrification is the concern that the comfort zone has been eroded. The growth in Durham is different now. For Black young people, the call is not the same as it was for me. They look



to places like Atlanta.” What draws young people to a community, he says, is the “comfort zone” of opportunity that supports social connection, economic achievement, and creative expression. “All of that,” he said.

Stakeholders at once hailed the history of Black business in Durham while mourning the loss of a number of specific landmarks in the past decade or two, including the beloved club Talk of the Town; Scott Tailors; Scarborough and Hargett Funeral Home; Blue Coffee Cafe; and Hairizon. Not all of these businesses were lost to Durham entirely; Hairizon, for example, operates even more successfully in its Northgate Mall location.

### **GENERATIONAL DIFFERENCES**

While long-time business and property owners feel both the pride and weight of history acutely, there were some differences in the gaze of young people who participated in this study. Many had lived in Durham for most if not all of their lives, and while familiar with the narrative of Black Wall Street and other once-thriving minority business communities, they are too young to have lived through what older people have described as dramatic change. “I don’t remember downtown before this, so I know my perspective is different,” said one Millennial stakeholder. “It would be great to learn more from that generation. What went wrong? What can we learn? There’s a sense of hope and opportunity to effect change this time around. What is the platform to do that?”

Like so many stakeholders young and older, he expressed intense loyalty and love for his city and the desire to retain a strong sense of place. New development brings both good and bad. “My opinion about downtown changes every other month. I’m really excited and really irritated at the same time. It feels like development is

happening quickly, and it is not always transparent what is happening, what the motives are behind it,” he said. “Motivations drive opinions. People like it when it feels like people are in it for the right reason -- to boost Durham, to connect with Durham.”

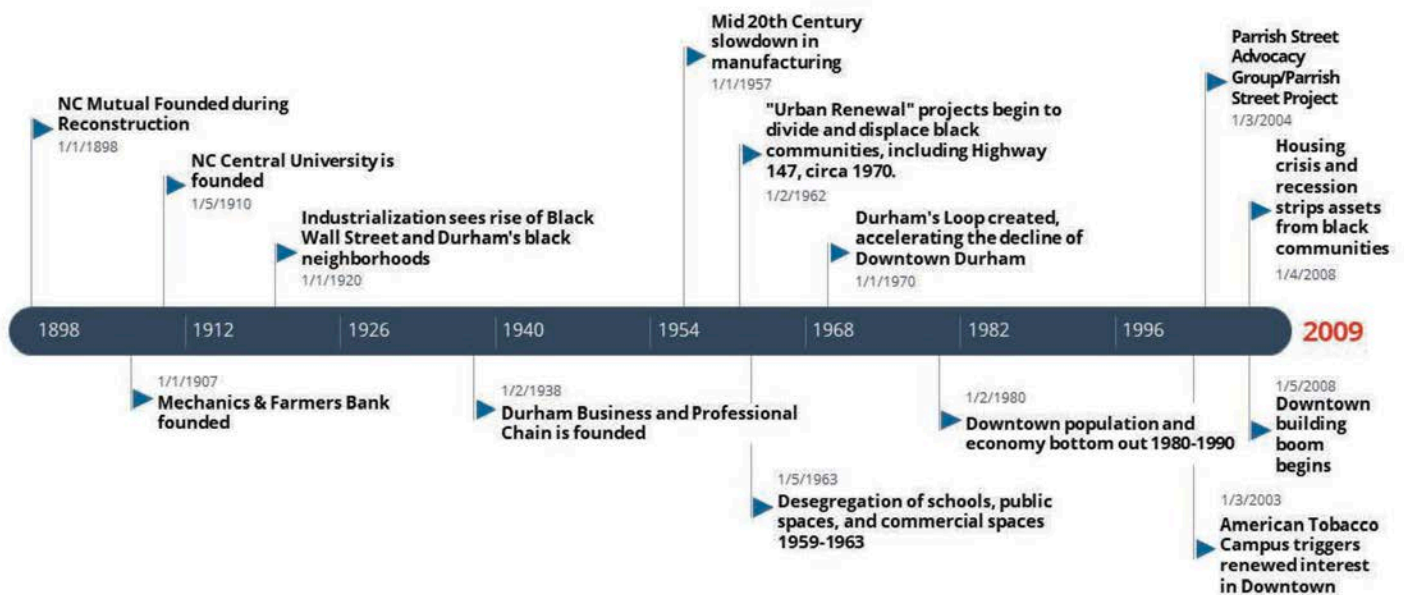
Gen Xers have something to say, too, and many are mid-career with disposable income, eager to take part in a thriving downtown that is changing and growing, but with some concerns. “My husband and I go out in downtown Durham a lot, but we’re often the only Black people in a restaurant,” said one stakeholder. “This is Durham, for God’s sake. It does not dissuade us, but it is very disturbing.”

### **IMPORTANCE OF EMERGING HISTORIES**

For many in Durham, their history is still emerging. Perhaps the best example is the rapid change in the City’s Latinx population, which stands at roughly 14%. Cooperativa Latina, El Centro Hispano, El Futuro and other Latinx organizations were founded or have made their home in downtown, but few for-profit Latinx businesses have found traction here.

By far the largest Latinx business financially and in customer traffic is Cooperativa Latina, a community development credit union which runs its statewide operations from its headquarters at the corner of Morgan Street and Mangum. The credit union branch does 9,000 to 11,000 transactions at its teller windows each month. It is an extraordinary number.

Cooperativa Latina is one of only a few minority businesses that owns its building in downtown. Greatly in need of ample and free parking for its members, the credit union purchased in 2008 after nearly a decade of leasing space from Self-Help. While the credit union does not have downtown





branches in other cities, management felt “We wanted to be downtown. The Latino community deserved to own a building downtown. Showing you can have a stand-alone building and still be well-used means you are doing the right thing.”

As rent has risen and parking has shrunk downtown, other businesses that serve the Latinx community are leaving. El Futuro, a mental health agency, was unable to renew its lease in a ground-floor space because of plans to convert it to retail. In early 2018 it will move to Lakewood, where El Centro Hispano, a statewide services and advocacy organization once located in downtown, has already moved. Lakewood offers free parking, more affordable rents, and is a growing hub for a variety of consumer goods and services.

While recognizing the complex dynamics of revitalization, stakeholders like these are disappointed that the changes downtown have not accommodated greater ethnic and economic diversity. “Twenty years ago it was a much more diverse place, but also less populated.” said one.

It is fair to say that the Latinx community is simultaneously making history in Durham and yet remains outside the historical narrative that underpins the City’s interest in diversity and equity. “Someone from Preservation Durham came to talk

to us,” said one stakeholder. “It was an interesting conversation. We are not included in the history they are preserving. Many of us don’t even “exist.” It’s Black and White in Durham. Where do we fit?”

### IMPLICATIONS FOR RACIAL EQUITY

The questions are implicit but clear: Has Durham learned from its racial history? As it strives for diversity and inclusion, will it also strive for equity, repairing the damage of past public policies and (dis)investment? To most stakeholders, the City’s commitment to equity is still unclear. “Downtown projects are requiring bigger returns, and public sector dollars are enhancing the wealth,” said one stakeholder. “The gap is widening.”

“They’ve made some great things happen, but in one direction,” said another, referring to early joint efforts between the City and DDI to catalyze downtown development. “There’s been a monolithic approach to race. The businesses they recruited, the ambition to transform the city, was done in a very White way. It felt very comfortable to them, but not to others.”

“When people don’t see themselves in what is occurring, the past should tell us that this is not a healthy thing,” said another stakeholder. “We need to see positive reinforcement in economic terms.”



**“Many people of color don’t feel welcome downtown. Between the parking, the businesses, the restaurants or the happenings, it doesn’t feel good to many people.”**

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## WHAT THE NUMBERS SAY

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The UNC-DCRP Fall 2017 Economic Development Workshop utilized the National Establishment Time Series (NETS) database to examine changes in minority-owned businesses in downtown Durham and Durham County from 1990 to 2014. The analysis defined downtown Durham by the Business Improvement District (BID) boundaries and included Durham County data as a comparison. Three key findings:

***Minority-owned businesses comprise less than 4% of all downtown Durham businesses.***

Appendix C illustrates the number and proportion of minority businesses in downtown Durham and Durham County annually from 1990 - 2014. In

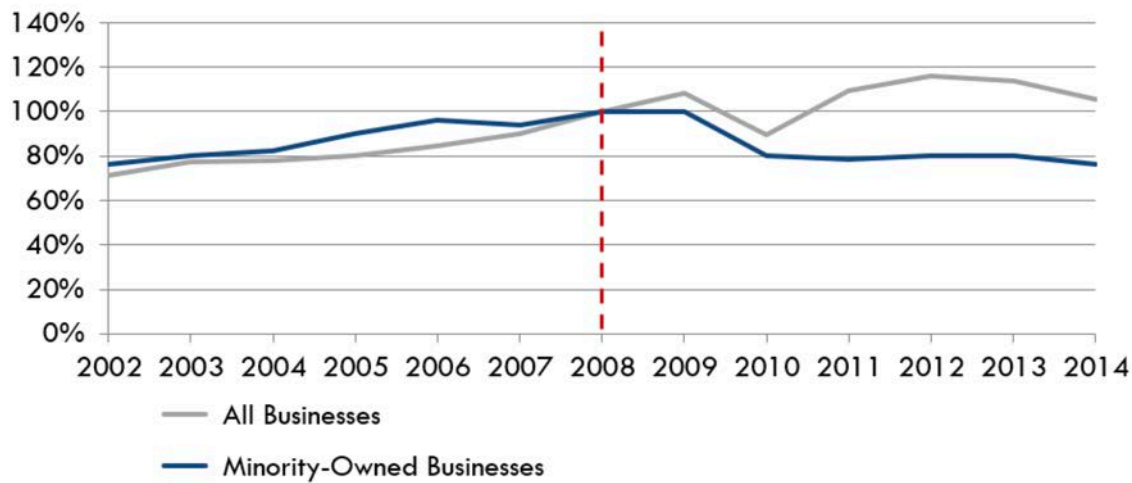
1990, 14 of 466 businesses in downtown Durham were minority-owned, or just 3%. While this proportion increased to above 5% from 2000 – 2007, it declined steadily to 3.5%, or 39 of 1,116 businesses, in 2014. These businesses employed 400 individuals and generated \$88 million in sales, but given that Durham’s non-White population is more than 51%, they represent a disproportionate share of downtown economic activity. The disparity is even wider in countywide data. While the total number of businesses operating in both downtown Durham and the County has nearly doubled since 1990, the study concluded that “...over the past decade the growth of non-minority businesses has outpaced the growth of MBEs [Minority Business Enterprises]. After a brief period of moderate growth in the 1990s and early 2000s, MBE growth has been stagnant.”

***The Great Recession significantly affected the ecosystem for minority-owned business.***

The NETS data suggests that the Great Recession, which was precipitated by the 2008 mortgage lending crisis, affected the resilience and endurance of minority-owned businesses. The study notes that the total number of all active businesses experienced a sharp decline in 2010 countywide. By 2011, overall business counts had rebounded but the same was not true for minority-owned businesses alone. The study notes that by the end of 2014, the gap between White and minority-owned businesses “remained notably large.”

*“I think that the focus of any business should be to attract as wide an audience as possible, which generally leads to a better bottom line.”*



*Total Firm Count as a Percentage of 2008 Levels – Downtown Durham*

**Minority-owned business growth is more concentrated in “non-street level” sectors.**

Based on the North American Industry Classification System (NAICS), by 2014 more than a third of downtown minority-owned businesses were concentrated in the professional, technical, and scientific services sector. This sector includes traditionally white-collar businesses such as attorneys, management consultants, architects and engineers. Remaining minority-owned businesses were diversified among construction, administrative and support, waste management and remediation services, and a few “street-level” sectors like retail and food services. The report suggests that the concentration in “non-street level” sectors could mean that “...further progress [in the growth of minority business] is at risk of remaining invisible or undervalued in Durham’s economy.” In other words, engaging, highlighting, and supporting diverse businesses on “upper floors” is as important as the diversification of retail-level businesses. These businesses often offer professional stability, higher wages, and opportunities for advancement that are critical wealth-building tools.

There are some limitations to the NETS data, including the nature of self-reported data and the four-year lag between the most recent year (2014) and the present. Over the past year DDI has sought – with limited success – to collect and maintain a more accurate list of minority business ownership within the BID and currently counts 139 active minority-owned businesses, including 72 located at American Underground, which made a significant commitment to diversity in 2015.



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*It's hard for retail businesses to locate downtown due to extremely high rents per square foot. Parking continues to be an issue, which could be offset by improved transit options city-wide.*



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## MAJOR THEMES

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Survey responses, focus groups and one-on-one interviews were candid, revealing and consistent. Five consistent yet multi-layered themes emerged, summarized here and supported by inset quotations throughout this document.

### **AFFORDABILITY**

"It is more difficult to start a new business today than ten to twenty years ago," particularly for people of color, said one stakeholder. "So many economic and political things have changed," including tightened credit standards; erosion of minority-owned assets, particularly home equity; new development; subsequent changes in the downtown real estate market; and more. When asked what are the three greatest challenges for people of color seeking to start or retain a business in downtown Durham, 82% of survey respondents ranked affordability of real estate—both rental and ownership—as number one. Access to start-up funding and working capital was second at 69%. The availability of appropriate space, regardless of affordability, and parking or transportation tied for third at 40%. (See Appendix D). Survey respondents also were asked to rate how various changes in the downtown environment had affected their business—positively, negatively, or not at all. Half of respondents rated rent or facility expenses as a negative change, and 63% rated other costs of doing business the same way. At the same time, almost 60% rated as positive the increase in visibility for their business, more than 50% were happy with the increase in foot traffic, and approximately 64% rated as positive the quality of

life for their employees. (See Appendix E.)

Another concern expressed is not just the number of minority businesses located downtown, but encouraging minority ownership of downtown property. Like other rational investors, Black property and/or business owners have taken advantage of the hot marketplace, cashing out of buildings and condominiums they have owned for years, reinvesting their capital into their families, their businesses, and/or more lucrative and updated spaces outside of downtown. For example, stakeholders close to NC Mutual Life Insurance cited "business decisions" that led to the sale of its landmark building, which will still be occupied by the insurance company and Perkins & Will, the architecture firm that acquired the renowned Freelon Group. The Perry, Perry and Perry law firm sold its building and purchased more updated space outside of downtown, which is more accessible to its regional market. And Vert and Vogue purchased its lower-level condominium from a Black investor-owner.

Most retail and start-up businesses prefer to rent, and competition for affordable space is fierce. With supply limited, property owners and managers have the luxury of being very selective. "If a client doesn't have a long history or a certain cachet, then they will be seen as riskier," said one realtor. "It's not just who can pay the rent, it's who is less risky." The perception of risk can be steeped in systemic bias, a point not lost on one survey respondent. "The perception of landlords to businesses run

by people of color is often clouded by negative stereotypes. When looking to rent and expand, we heard things like, 'We think that concept might be too loud,' or, 'You're not a good fit,' or, 'We're not sure you have the skills and experience it would take to run this size of operation.'"

Competition for space is most acute for businesses seeking Class B space, as nearly everything that has been added to the market since 2010 has been Class A. One leasing manager noted that when he started in 2005, Class B lease rates offered by his company ranged between less than \$12 per square foot to about \$15 per square foot. Now his company leases at \$14 - \$20 per square foot, and prices on the lower end are rising. Meanwhile, market rate for Class A space downtown is easily \$22 to \$30 per square foot and higher. As costs have increased for tenants, this landlord has assisted with retention by helping tenants to more efficiently occupy their spaces. "We've had to work with them to use their spaces better," he said. "The value of the space had to go up."

The retail business model is perhaps most vulnerable, but others are at risk in tight markets. One experienced, office-level downtown business owner has weathered the difficulties since 2008 through some contraction in size and adjustments to business strategy, including pursuing diverse revenue streams in order to survive. With markets back up in her industry, she still has to hedge against uncertainty. "We have to be very selective about the work and pursue the return. We are maximizing our resources and manage a very strategic and deliberate agenda," she said. Anticipating staff expansion, she is now looking for larger space downtown "in the low twenties." Thirty dollars or more per square foot "would be out of the question."

*"We are a Black-women led organization that focuses on the lives of low-wealth families. We chose to be located in the downtown area near the bus depot as a way to be centrally located for all of our constituents. The implementation of parking costs has become a very challenging issue for the ability of people we work with to visit us regularly."*



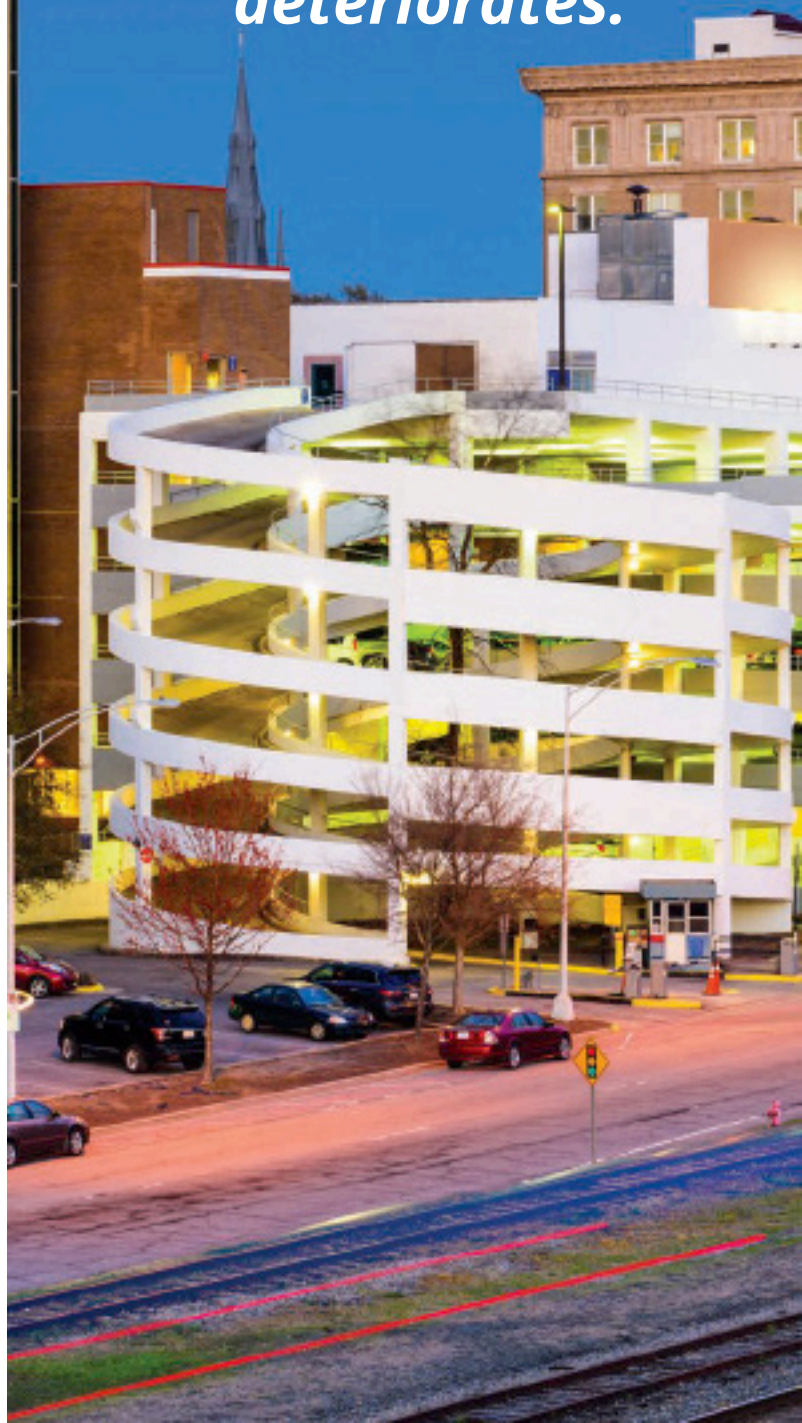
## **PARKING**

Related to affordability, but not exclusively, is parking. When asked to rate a series of downtown features as Excellent, Good, or Could Be Better, 85% of survey respondents ranked parking as Could Be Better. (See Appendix F for all ratings.) Comments focused on the expense, time limitations, logistics and prioritization of parking for both employees and customers. “The parking decks require a \$10 a day rate, which cuts into my bottom line,” said one business owner. “Why does it go until 7pm?” asked another. “Retail owners in downtown Durham need a better parking solution or priority parking when it comes to signing up for parking decks for ourselves and our employees,” said a third.

These complaints are not unique to business owners of color, but there is no question from stakeholders as to the effect of Durham’s parking dynamics on racial equity and diversity in downtown. “Why didn’t the city get meters with different languages like the deck near DPAC?” asked one respondent. “I watched a Latinx family struggle to understand, and I struggled to translate to help them. It doesn’t reflect our diversity at all.”

Several nonprofit businesses noted the particular challenges that parking has caused them, their clients, or their tenants. Cooperativa Latina was motivated enough by parking supply and restrictions to purchase a building with its own surface lot. When El Futuro lost its ground-floor lease in a desirable location, management did not consider looking for a new downtown location due in part to parking proximity and costs for its clients and its staff. Self-Help, which in addition to its office spaces owns several desirable Class B locations, reports that parking has affected both its employees and its tenants. “To the extent that folks are leaving, they have left because we could not

**“Parking is nearly unavailable, and parking rates are increasing while service (e.g. elevators) deteriorates.”**





guarantee parking. People are on a waiting list in City lots.”

### **GAPS IN THE INCUBATION ECOSYSTEM**

Durham has earned a reputation for being a hub for start-up businesses, with such notable resources as American Underground, once named “the Start-Up Capital of the South” by CNBC; iNvictus; The Institute; NC Central University’s Small Business & Technology Development Center; Durham Technical Community College’s Small Business Center; The Helius Foundation; and more. Nonetheless, stakeholders engaged in this study noted that there are gaps in the business incubation ecosystem, which, if targeted and filled appropriately, would encourage greater business diversity downtown. Facilities gaps include affordable workspace for retailers, professional services, creative entrepreneurs, and others for whom co-working is undesirable or inappropriate. Capital gaps include access to equity tools, accelerator programs, and affordable working capital with amenable loan-to-value requirements, relaxed credit criteria, or alternative equity considerations. Technical assistance and other business support services, it was noted, are available, but these resources are dispersed, of varying quality, and do not fully or explicitly address the needs and ideas of minority entrepreneurs. (Technical assistance needs are addressed further in the next section.)

Targeted business incubators or accelerator spaces that also offer technical assistance, shared services, mentorship, and in some cases, capital, were frequently mentioned, and many stakeholders were specifically interested in nurturing more retail, restaurant, and creative businesses. Among other suggestions were the creation of one or more subsidized public market spaces, such as Philadelphia’s Reading Terminal Market or



Charlotte's 7th Street Public Market; live-work space for artists and creative entrepreneurs; and curated pop-up shop venues. One artist noted that in many cities, selling on the street is a common practice and serves as a gateway to commerce and starting a business. While food trucks abound in downtown Durham, he expressed concern for what he considered a City bias against other kinds of "street vendors" outside of sanctioned festivals and events.

Like space, capital needs differ for different kinds of business, but all business capital requires some risk-taking on the part of both the investor and the recipient. Particularly in the early stages of business development, investors are "betting on something intangible," as one stakeholder put it, and the history of capital in the United States demonstrates that the intangible concept of race is part of the calculation. "Black businesses are not considered a good bet," he said. If Durham is to resist the systemic racism in capital markets, said one stakeholder, "let's make sure that when there's an immense amount of capital being invested [in downtown], a portion of it is going to resources for diverse businesses."

One stakeholder noted that smaller public investments can make a huge difference. "It does not take a large incentive package for a small business to add a new employee, to create a delivery service, or to offer a new product to expand revenue," she said, adding that smaller investments also help the City meet other economic and social goals. "If every small business [had the resources] to hire one extra person, it could cut the unemployment rate in half." Another stakeholder agreed, saying "It is good for everyone to have people with ideas and ambition to also have capital and grow."

Some business models are simply more difficult for mainstream financial institutions to fund, particularly without real estate or cash reserves to collateralize the loan. (The erosion of minority home equity and other assets since 2008 has been well-documented.) One owner described self-funding her construction-related business for many years, but it has not always been easy, particularly after the downturn. "In the past four years we have looked at other resources, but we don't fit with traditional banks," she said, noting that most capital available to her is short term, including accounts receivables financing, which is expensive, and lines of credit.

Access to mainstream capital is particularly difficult for immigrants, the primary customers of Cooperativa Latina. As a federally-regulated credit union, it is unable to offer true business loans but can offer microloans for business purposes under a certain threshold. "We underwrite them as personal loans," said a credit union representative. "We don't look at cash flow or typical business underwriting criteria. That's too expensive. The loans perform well anyway." Microloans are typically used to purchase tools or technology for service businesses, landscapers and food trucks, but funding limitations are generally not adequate for restaurants and certain retailers..

Another stakeholder was concerned about a different kind of attrition: that many start-ups catalyzed at Duke and other well-networked institutions will leave Durham as soon as they are ready to raise serious funding, or that some minority entrepreneurs might not have a shot at capital at all. "If potential entrepreneurs are not tied in to angel investors at Duke and American Underground, regular 'Durhamites' are going to be shut out," he said. "The City and others should think about tying in NCCU students to these



networks” to ensure a more robust and diverse startup ecosystem.

### **NETWORK INCLUSIVITY AND SOCIAL CAPITAL**

“I was 50 years old before I went up to the top of SunTrust building,” said one stakeholder. “I had lived in Durham most of my life. I saw those views and realized that every day there are people that see the world this way. Black people are not in those rooms.”

Perhaps more than any comment, this one best illustrates the feeling among stakeholders that minority-owned business leaders are the last to know about visions, decisions and plans for downtown Durham, and that deals between the City and developers are struck without inclusivity at the fore. Communication is hampered by the lack of a consolidated, reliable method for communicating with and across minority-owned businesses in downtown, which limits business-to-business networking and intentional engagement in downtown planning decisions and problem-solving. Many do not know how to offer input in City processes and to advocate for their own interests, while others feel that some City efforts, including its utilization of the Small Business Advisory Committee and Minority Enterprise Development (MED) Week, could be updated, strengthened, or re-energized.

Durham does have a number of important networking assets, among them the historic Durham Business and Professional Chain (founded in 1937) and the Greater Durham Black Chamber of Commerce (founded in 2008), two specific networking opportunities for businesses of color that have played important convening and participation roles in public planning processes, activities such as MED Week, and facilitating business to business relationships. The Durham

Chamber of Commerce and Downtown Durham, Inc. also play a role, and stakeholders noted that both have diversified their boards and staff in recent years. While these networks are important assets for some downtown Durham businesses, they are not uniformly appealing, especially to younger owners, retailers and others with limited cash flow, and they cannot alone remedy systemic bias in public and private decision-making, deal creation, and resource allocation. It takes an all-hands-on-deck approach. “There are so many foundational things we’re lacking that we have to hustle for: licensing, intellectual property, legal access, advisory services,” noted one business. “We need partnerships at those tables.”

Trust is certainly part of the issue when examining the dynamics of social and business networks. “Black founders don’t often engage boards of advisors as often as they should, often due to trust issues,” said one stakeholder who offers a variety of business support services to startups. This lack of trust is both a symptom and an outcome of network limitations, grounded in the lived experience of communities of color that are accustomed to inauthentic engagement. “Value the Black business table,” said one stakeholder. “You’re invited to have a seat there, but it needs to be reciprocal, collaborative, not like school. We need to feel there’s a value in being there.”

To an increasing degree, age also matters. “I really need to know who my network is if I am uncomfortable with the generation gap,” said one young retailer. “Some of the information [the older generation provides] is not as relevant, and their communication style is different. I feel supported more so than connected.” While small business meetups happen, downtown businesses wish there were more, particularly among ‘next generation’ owners. “The tough part is that you get so locked

into what you're doing," said one stakeholder. "We need a structured environment to do this," said another. "No one wants to leave anyone out. We need someone to take the lead. No single one of us can step out and do it ourselves. We're in business."

A national effort that is adapted locally, Minority Enterprise Development (MED) Week is coordinated by the City in partnership with a range of corporate, public and nonprofit organizations. While appealing to some users, the City's format and marketing was described as "old school" by some younger stakeholders. "Why would young people come?" one respondent said. "What makes something worth going to in a time where there are so many options for things to do? We look for culture and convenience, and something we can sink our teeth into." In this way, Durham's MED Week activities seem to be missing an important mark if the goal is to support and grow minority business of all kinds in Durham.

One model that could be considered is the Black Wall Street Homecoming, a national event organized by a Durham-based collaborative that is aimed at connecting young entrepreneurs of color to information, business networks, and capital. "They do a lot of things well," said one stakeholder. "There were thought leaders from across the country, cultural leaders, and local and international talent. There was collaboration with [NC Central] in and around homecoming, building on a foundation that is already there. The content and media was compelling, thoughtful, interesting and sharp."

One stakeholder challenged the City to dig deep into its decisions for resource allocations and accommodations. Only then would it better understand whether and how public decision-

making, and its underlying reliance on social capital, has led to inequitable gains across the community. "Look at every major project and their development teams in the past ten years. What was the role the City and County played in incentives, and the number of jobs produced for Black people, and how many businesses were left behind?"

### **CONCERN ABOUT PERIMETER CORRIDORS**

Stakeholders are very interested in a more diverse downtown business environment, but they also strongly suggest that a narrow focus on downtown could be at the cost of future development site opportunities, particularly East Durham and Fayetteville Street corridors, which are experiencing heightened investor interest. Some advocate for expanding the City's geographic boundary for what constitutes downtown development, while others would like to see strategic collaboration between the City and NCCU on both small area planning and strengthening the entrepreneurial ecosystem for minority businesses.

Stakeholders expressed a need for thoughtful planning and intervention for the areas immediately adjacent to downtown. Noted one stakeholder, "I'm glad the City bought back Fayette Place, but the whole area is ripe. There's no small area plan. There's such a focus on downtown, but the rest is a free-for-all past Southside." Another stakeholder was skeptical, noting that the City long ago dismissed the value of community-involved planning efforts, specifically the 2005 Fayetteville Street Plan. However the City addresses planning for perimeter commercial areas like Fayetteville Street and East Durham, a stakeholder cautioned, "Make sure the City is getting what it is asking for, not a cloaked gentrification plan."

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*Durham and  
downtown  
shouldn't end  
at the 147.  
The barrier  
is an artificial  
and racial  
divisive line.*





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## CONSIDERATIONS

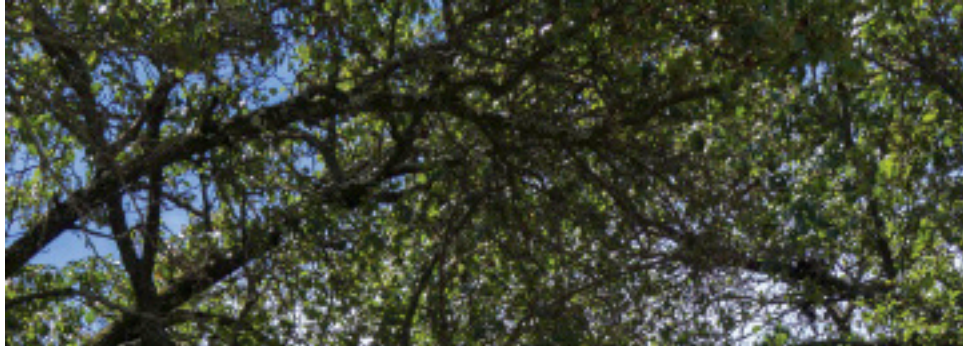
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The themes articulated by survey stakeholders offer both challenges and immense opportunity for DDI and Durham's decision-makers. Two of the themes highlight challenges that exist for all businesses that seek to locate in a downtown environment. High demand for space in a crowded marketplace puts upward pressure on the cost per square foot to rent or buy, and higher density creates parking challenges. While minority-owned businesses may find these obstacles more challenging due to decreased cash flow, there is little that can be done to mitigate the market forces that precipitate these conditions.

Where DDI can and has made positive in-roads to increasing inclusivity downtown are the areas of addressing gaps in the incubation ecosystem and increasing network inclusivity and social capital. Through targeted, one-on-one interactions with minority business owners, DDI continues to assess needs and connect those businesses with resources, including property owners and developers, that help attract, retain and grow minority businesses downtown. This is not a "billions served" model that measures outputs, but an intensive, relationship-based way of doing business that is woven throughout every DDI initiative, and that has positively affected outcomes. Information on specific outcomes will be included in the follow-up document to this survey.

While the initial question raised by City Council had to do with the number of minority-owned businesses in downtown, there are additional, meaningful questions with which to grapple:

- What are the City's vision and goals for business diversity, more inclusive downtown development, and racial equity in decision-making and resource allocation?
- What are the tools and resources needed to achieve those goals?
- What assets and partners can be leveraged to implement these tools and resources?



In addition to DDI's work, the outlined themes offer immense opportunity for Durham's decisionmakers, particularly as relates to improving communication, inclusive community engagement, and creative solutions for encouraging greater diversity downtown.

There is much more community engagement and research that must be done to inform the City's decisions, but survey data, peer city research and stakeholder input surfaced both short- and long-term considerations as a starting point for discussion. It is important to recognize that none of the considerations suggest that the City should halt or hinder downtown development. In fact, both DDI and the Institute agree that doing so would accelerate racial disparities, putting at risk the Black, Latinx and other minority-owned businesses that are benefiting from improving foot traffic, visibility, and business-to-business opportunities downtown.

Appendix G offers additional guidance on applicable policy decisions; responsible parties and/or partners; and potential resource needs/budget impact. This also is offered as a tool for discussion, as ultimately the Council's agreed-upon vision and goals will best inform its strategies and implementation plan.





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*We want to be the most diverse, the most progressive, the most creative city in the world. So we need to invest in preserving what we have and expanding on best practices, by holding space for black, queer, Latinx and youth spaces.*





## **SHORT-TERM CONSIDERATIONS (12-24 MONTHS)**

### **1. Establish a clear vision for racial equity, diversity and inclusion in downtown Durham, and demonstrate that vision throughout the City's decision-making processes, including development permitting.**

DDI's 2016 update to the Downtown Master Plan places an emphasis on diversity, highlighting investment, land use and local businesses among the key factors influencing success. But operationalizing this aspect of the plan requires the explicit commitment of the City, starting with City Council. While there are limitations on what the City can legally do to ensure diverse ownership structures and development teams, the City does have leverage in negotiating development agreements, including community benefits agreements and other conditions for incentives or other accommodations, to ensure the community's vision and values are reflected in development decision-making.

### **2. Include in this vision an expanded geographic overlay to target proactive investments in perimeter areas.**

Many stakeholders were concerned about preventing erosion of the minority business community in perimeter neighborhoods that are already showing signs of speculation and gentrification. Rather than limiting the City's racial equity vision to today's BID boundaries, they suggested the City expand its vision to a larger overlay that would imagine the influence of near-term investments in public infrastructure, housing and other central city activity on business opportunity, vibrancy and real estate markets thirty years from now, particularly in the East Durham

and Fayetteville Street corridors. Taking the long view for economic development investments, land-banking, market-building and connectivity strategies will ensure affordability and ownership opportunities in other landmark neighborhoods needed for diverse local business, creative ventures, and innovators to thrive.

### **3. Apply racial equity principles to the ongoing evaluation of City-owned property downtown, with an eye for creating affordable space at appropriate sites for sole practitioners, retail businesses or growth-stage businesses.**

Many stakeholders noted the substantial real estate assets in downtown Durham that are held by the City and County, and the possibilities for repurposing some of these assets to achieve business diversity goals. Incubator or accelerator spaces, public markets, live-work space for creative entrepreneurs, pop-up shop venues, or simply low-rent, Class B office space for sole practitioners and professional services are among many potential uses. (One stakeholder specifically mentioned a traditional incubator, perhaps in partnership with Durham Tech, should be considered as part of the redevelopment of police headquarters.) In addition to reducing the most common barrier to participation downtown, solutions for affordable, appropriate space also can serve to create wealth-building ownership opportunities, utilizing condominium or cooperative models, with or without ground lease considerations.

### **4. Establish current baselines by counting and tracking minority businesses City-wide, documenting openings, closures and moves, and the reasons associated with any changes.**

Disparities in minority businesses is a City

and County-wide problem that cannot fully be addressed until it is understood and documented. A City department or partner organization should be tasked with this responsibility.

**5. Enable greater collaboration across City departments, and between the City, County, Public Schools and private stakeholders to set and pursue mutual diversity goals.**

The City's Departments of Opportunity/Equity Assurance and Economic and Workforce Development have already begun conversations around more collaborative approaches to achieving diversity goals, and these conversations should be enabled, encouraged, and expanded across departments and agencies. Siloed efforts worsen rather than reduce barriers to the marketplace and inhibit enduring outcomes of any measurable scale. "We need to get to that place where it is important to the City, the County, the Chamber, the schools," says one stakeholder. "We need broader conversations and collaboration so everyone is speaking from the same page, singing from the same songbook."

**6. Re-energize the City's Minority Enterprise Development (MED) Week participation objectives, activities, and marketing strategies.**

According to the City's 2017 MED Week press release, the purpose of MED Week is "to celebrate the achievements of minority entrepreneurs and affirm government, business and community organizations' commitment to the principle of equal opportunity." Coordinated by the City's Equal Opportunity and Equity Assurance Department in collaboration with a range of corporate and nonprofit partners, the 2017 agenda and format aligned well with the City's minority contracting

objectives, which are primarily centered around the building trades, but could be expanded to align with the information and networking needs of the broader range of minority entrepreneurs in Durham, in particular, young people who communicate and build relationships with peers, mentors and customers in very different ways.

**LONG-TERM CONSIDERATIONS  
(2-5 YEARS)**

**1. Create and meaningfully deploy a Minority Business Advisory Council or similar forum to help vet and adapt the City's strategies to better support minority entrepreneurship downtown and generally.**

The City currently convenes a Small Business Advisory Committee comprised of businesses and nonprofit institutions that offer financing, technical assistance and other business support services. While it helps connect small businesses to these supportive services, the Advisory Committee may not have a specific charge to deepen the City's direct interaction with small businesses, nor its understanding of the particular barriers and needs of minority entrepreneurs. In fact, one stakeholder who in the past served on the Council said that it "does not do much" to advance the interests of minority entrepreneurs. "If you want to solve a problem," he said, "involve people who are experiencing the problem in developing solutions." More frequent and active engagement is needed with the minority business community around planning and development, as well as other kinds of economic development decisions. A Minority Business Advisory Council is one option that could be structured as an internal advisory board, appointed by City Council and convened by staff on a regular basis, or as a public-private partnership with some members appointed by City Council but convened and facilitated by an outside

organization. In either case the Council would be charged with monitoring and providing feedback on City Council's business diversity and equity strategies.

## **2. Do more to celebrate and raise awareness of the historic, cultural, and current contributions of people of color in downtown Durham.**

In convening the Parrish Street Advocacy Group and subsequently implementing the Black Wall Street historic commemoration project, the City "lay groundwork for Parrish Street's future as an educational and exciting destination," according to its website. "Spreading the history is really important for pride and knowledge," said one stakeholder. It's also important for creating and sustaining a sense of ownership, of belonging. One stakeholder pointed to the three Pauli Murray murals that were painted in downtown as part of Face Up: Telling Stories of Community Life, a public art project coordinated by Duke University's Center for Documentary Studies in association with the Southwest Central Durham Quality of Life Project and Duke's Office of Community Affairs. "We need more of those. What about Baba Chuck? Eddie Barnes? What if you got Black artists to do the murals? People are missing the visuals of these heroes." In addition to visual art or educational displays, stakeholders suggested creative oral history projects and more frequent educational and cultural events that specifically lift up the history of neighborhoods and businesses of color in and around downtown Durham, and which allow an opportunity for current businesses and creative entrepreneurs to actively tell the continuing story of Black, Latinx and other minority contributions downtown.

## **3. Facilitate reciprocal collaboration with NC Central University (NCCU) that includes the**

## **business and workforce development assets of the Biomedical/Biotechnology Research Institute (BBRI), BRITE Futures, and the School of Business.**

Most stakeholders mentioned the importance of NCCU to the history of Durham and its Black community, and indicated a desire to highlight NCCU's emerging, unique and/or underutilized assets, including the BBRI, which focuses on health disparities in minority and underserved populations, and the related BRITE Futures, a biotechnology education program aimed at K-12 teachers and their students. The NCCU School of Business also graduates and supports emerging entrepreneurs and skilled workers, including through its Small Business and Technology Development Center, located at American Underground. Given development emphasis on both start-up and growing technology-based businesses in downtown, both the City and NCCU would do well by encouraging greater connectivity between the university's students and faculty and the opportunities embedded in the Innovation District, American Underground, Duke University facilities, and more. NCCU's School of Business also could be a resource as the City, through DDI, carries out retail development strategies, helping to develop an intentional plan to recruit/attract/prepare minority entrepreneurs for high-priority retail nodes.

## **4. Catalyze and invest in local partnerships to fill capital gaps.**

Stakeholders had numerous ideas for reducing affordability and capital gaps for diverse businesses based on their varying capital needs. Most stakeholders agree that the organization and administration of some funding pools would be better housed with nonprofit partners in order



to attract private funding and to allow for greater flexibility, reduced bureaucracy, and higher risk tolerance than the public sector usually affords. Potential programs include:

- **Small Grants Program.** Several stakeholders mentioned the City's past investments in façade improvements and signage that were administered by DDI. "That's why there are so many good signs hanging now," said one stakeholder. Upfit, technology purchases, marketing collateral and other one-time but meaningful costs can make an enormous difference in the start-up economics of storefront retail and restaurant businesses in particular. Grants rather than loans ensure more manageable debt ratios for owners, allow for quicker disbursement, and mitigate systemic barriers caused by lack of credit or equity.
- **Targeted Loan or Guarantee Pools.** Traditional municipal loan funds have many limitations, including restrictions based on state or federal funding sources, inefficient underwriting processes and timelines, and lack of creative loan structures or uses that allow for higher levels of risk and reward. Pooling City funds with private funds and leaving the administration of these funds to a community development financial institution (CDFI) or other nonprofit administrator may be the way to go. This would allow other investors to participate, guide loan policies, offer value-added technical assistance and other services, and assist with best-practice outcomes measurement, all of which are distinct core competencies that the City may not have the resources to coordinate effectively. Loan pools could be used creatively, for example, matching equity investments from other sources, acting

as a source of 'soft second' or guarantee funds, or offering debt forgiveness or interest rebates when certain milestones are achieved (for example, employment or revenue expansion goals that are catalyzed by the loan capital).

- **Equity Funds to Catalyze Growth and Community Ownership.** In December, 2017, American Underground reported that funding raised by its 269 companies increased 47% in the year ending September 30, 2017, to a total of \$39.4 million. Of those that receive outside funding, 43% are led by women or people of color, double the national average. At the same time, American Underground businesses spent approximately \$2 million with other businesses within a two-mile radius of AU's headquarters, highlighting the expanded benefits of outside funding on the rest of the community.

What could "expanded benefits" look like for downtown Durham, and specifically for minority-owned businesses and investors? It's a question several stakeholders asked, positing that the City could work with local partners to develop a low barrier-to-entry investment pool that offers "a way for small investors to participate so everyone in the community can benefit from the value that will be created in downtown Durham." Such a pool need not have complicated equity structures, but developing the right vehicle would be key. Such a fund could be invested specifically in downtown Durham or within a larger geography to support specific minority business development or wealth creation goals (i.e.: real estate ownership). In addition to smaller individual investors, partners could include Duke University and its network of local angel investors; anchor employers; retirement and other asset management firms

such as Merrill Lynch and Fidelity; community or regional foundations; social venture capital organizations; and CDFIs. “The capital has to be patient,” said one stakeholder. “It might take ten to fifteen years to see the benefit, so whoever commits has to be in it for the long haul.”

## **5. Work with local partners to design and implement an accelerator program targeting minority-owned ventures.**

Catalyzing or attracting an accelerator program aimed at growth-ready businesses could fill a high-level gap in downtown Durham’s incubation system. Accelerators commonly combine early stage capital with a time-bound business development regimen to help startups get to the next level, for example, to bring a tested concept to the marketplace. Two models surfaced through this study. With roots in The Institute here in Durham, the Minority Business Accelerator (MBA) of Cincinnati also has been replicated in Greenville, SC. It works to strengthen and expand the regional minority entrepreneurial community in part by increasing regional utilization of local minority-owned suppliers. Hillman, founded by three Black entrepreneurs, focuses solely on technology businesses with underrepresented founders, recruits nationally and offers a four-month intensive program with \$100,000 in seed funding. A number of stakeholders representing larger Durham organizations expressed interest in creating some kind of partnership around an accelerator, but noted a successful program would require “commitment, sustainability, and credibility.” With regard to City investment in accelerator businesses or any others, a higher risk quotient will be necessary. “The City needs to be completely comfortable with failure,” said one stakeholder. “That’s how we learn what we need to do to make business robust.”

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## ASSETS TO **LEVERAGE**

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As the City considers its vision, policies, practices and partnerships related to downtown Durham, stakeholders agreed there are many assets on which to build a more diverse environment for minority-owned businesses and their customers.

**Durham’s Business History.** The story of minority-owned businesses in downtown is not ending, but rather is extending itself. It is a story of innovation, determination and resilience that is represented well by the commemorative Black Wall Street exhibit on Parrish Street. But stakeholders strongly suggest there is more history to lift up in active rather than passive ways, to “celebrate and talk about those stories,” “connect the dots,” and to learn “what makes [minority-owned businesses] tick, their history and future.”

### **Downtown’s Appealing Urban Environment.**

As one stakeholder said, downtown “started to get cool” because “the built environment was interesting.” Another returned to her hometown because she “wanted to be in a city” and likes the “southernness” of Durham. Another who had dreams of moving to New York chose to stay downtown instead. “Durham was an underground. I saw it was special. People were making it happen. It became my New York.” These stakeholders are concerned about the changing city landscape, but they believe Durham can protect its unique urban appeal while also supporting diversity.

**Start-Up Culture.** “Durham is known for its start-up culture. Use that as an asset,” said one stakeholder. “Durham’s market can culturally support start-up entrepreneurs much more than any other place in the Triangle.” American Underground is the best-known resource, fueled in part by robust financial backing, national relationships, and a pioneering spirit that led to rapid growth. Its Google for Entrepreneurs Exchange: Black Founders initiative “is a week-long immersion program focused on addressing the documented funding gap for startups led by Black founders. After last year’s Exchange, half of the participants raised capital and every participant recommended the program to fellow founders.” There are other less-known efforts underway to better match minority-owned businesses with technical assistance and/or capital, including LaunchDURHAM, a recent partnership between The Helius Foundation, NCCU, Durham Tech, Carolina Small Business and Development Fund and others; Black Wall Street’s networking and training strategies; and iNvictus, which has technical assistance and capital programs, and in the past, co-working spaces. The Mothership, founded by three women previously involved with Mercury Studio and The Makery, offers a vision and model for supporting creative businesses.

**City Policy Tools.** There are many State-imposed limits to the development-related tools and conditions that local government can use to promote diversity and equity goals. Nonetheless, the City has brought some to bear, primarily through its Department of Equal Opportunity/Equity Assurance (EOEA), which manages ordinances and agreements to ensure women and minority-owned business participation in City sponsored or incentivized projects, and in the City’s purchasing and services decisions. While enforcement clout is limited, the process of operationalizing and monitoring City goals in these areas has allowed for internal innovation, capacity-building and lessons learned on which

the City and City Council can strengthen decision-making and revise development incentive structures. To better understand barriers for minority-owned businesses, the EOEA is a good place to start.

**Natural Partners.** The City of Durham does not lack for homegrown, natural partners as it seeks solutions to the lack of minority-owned business in downtown and throughout the County. Among them are:

- Educational institutions, including NCCU, Duke, and Durham Technical Community College, all of which have vested interests in equitable development downtown;
- Start-up support organizations like Black Wall Street, American Underground and others noted above that have deep relationships and expertise working with start-ups and investors of color;
- Business networks like the Greater Durham Black Chamber of Commerce, the Durham Business and Professional Chain, and the Durham Chamber of Commerce, all with access to emerging and mature businesses and entrepreneurs of color;
- Nonprofit opinion leaders and advocates like DDI and The Institute, which have committed to diversity in their visions and plans;
- Financial Institutions and CDFIs, including Mechanics and Farmers Bank, First Citizens Bank, Self-Help, and Cooperativa Latina.

By no means is this list of natural partners exhaustive. It is simply a reminder that the City has capacity, institutional assets, core competencies, and an abundance of hard and soft resources that can be creatively leveraged, coordinated, and facilitated toward a common vision—if that vision can be clearly defined.



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## WHAT IS THE VALUE FOR **DOWNTOWN DURHAM**

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Why is a diverse, inclusive and equitable downtown important?

From a strictly economic standpoint, because it's good business. According to a 2017 study by The Business Journals, "Minority-owned businesses represent a powerful growth engine for the U.S. business market." Since 2007, the number of minority-owned businesses nationwide has doubled, employing more than 6.3 million people while generating \$1.7 trillion annually. The number of Black businesses has grown 34%, and the number of Latinx businesses has grown an astounding 46%. Given these trends, reducing barriers to market entry serves to enable a vibrant economy, a goal for every downtown.

From a community development standpoint, the answer is even more compelling. "Community matters to minority-owned businesses," says The Business Journals report. "...They are very aware of the correlation between getting and keeping customers with their own giving back to the community. They also believe that businesses today have a responsibility to address key social and environmental issues." This plays out in hiring practices, philanthropy, voluntarism, and civic engagement, particularly among the up-and-coming generation of minority business owners. But throughout this survey, the people of Durham have shown a love and respect for their city and its history so much so that perhaps the only real answer should be, because we're Durham. Underlying this sentiment is a clear belief among

stakeholders that equitable economic development supports social justice, and a commitment to social justice drives equitable economic development. In the words of one young stakeholder:

"So many people's businesses represent them and their culture. It's about products, stories, people, and environments. People want to make a connection with the owners. It's also better for the community to have representation and investment long-term from Black businesses, Latino businesses, whoever. That money trickles down to other things. The more they earn, the more they can invest in their kids' education, sports, and so on. It's an investment in families, a thread in the community. The more you invest, the more they can invest in themselves. The City needs to make the investment. It's not too much to ask."

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## ACKNOWLEDGMENTS

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DDI and the Institute would like to thank the following individuals for their participation in interviews or focus groups. With the exception of City of Durham employees and the UNC-DCRP workshop team, they are acknowledged by name but not affiliation, as their comments and perspectives were largely granted as personal rather than representative of their employer or organization. While there was some overlap between survey respondents and interview/focus group participants, a number of individuals who were invited to participate in some way chose only the survey option, and vice versa. We thank those who chose to remain anonymous.

Jes Averhart	Larry Hester	Michael Palmer
La-Tash Best-Gaddy	Aasim Inshirah	Luis Pastor
CJ Broderick	Lisa Long Jackson	Gloria Shealey
Andrea Carter	Adam Klein	James Sills
Leon Carter	Justin Laidlaw	James Speed
Ellen Cassily	Dee McDougal	Doug Speight
Elaine Curry	Henry McKoy	Jim Stewart
Jimmy Davies	Lew Myers	Sherry Taylor
Angel Dozier	David Mills	Chuck Watts
Pierce Freelon	Patricia Murray	Carl Webb
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## APPENDICES

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# APPENDIX A

## Downtown Durham, Inc. Diverse Business Survey

**Welcome, and thank you for participating!**

Downtown Durham, Inc. (DDI) and The Institute are teaming up to learn more about the environment for diverse businesses seeking to locate, stay or grow in downtown Durham. This survey is aimed at businesses owned by people of color (including sole proprietors) and currently located in the city of Durham. There are 10 questions in the survey, most of which are multiple choice. It should take about 10 minutes to complete. Your responses will be confidential – in fact, we are not requesting any identifying information, so please be candid.

DDI and The Institute will publish the compiled survey results, as well as additional data and recommendations for supporting diverse businesses, later in the fall. We look forward to learning what you have to say and to staying in touch as we seek to contribute to a more diverse and supportive business environment in downtown Durham.

**1. Where in Durham is your business headquarters located?**

- ☐ In or adjacent to Downtown Durham
- ☐ In a commercial district other than Downtown Durham
- ☐ In my home

**2. Do you own or rent space for your business?**

- ☐ Own
- ☐ Rent
- ☐ Other Arrangement (coworking, coop, rent-free or donated space, pop-up, etc.):

**3. How long have you been in business:**

	Less than 3 years	3-5 years	6-10 years	More than 10 years
In downtown Durham? (If applicable)				
At your current location, whether or not it is downtown?				

If your business is not in downtown, in what area of Durham is it located?

**4. How much longer do you plan to stay:**

	<b>Less than 3 years</b>	<b>3-5 years</b>	<b>6-10 years</b>	<b>As long as financially viable</b>
<b>In downtown Durham (if applicable)?</b>				
<b>At your current location?</b>				

What contributes to these decisions?

**5. In addition to owning your business, how would you describe your relationship with downtown Durham? Please check all that apply.**

- ☐ I live in or in close proximity to downtown
- ☐ I own property in downtown, other than my business
- ☐ I frequent a bank, government agency, church, or other institution downtown
- ☐ I utilize the recreational, arts and entertainment opportunities in downtown
- ☐ I frequent downtown shops or restaurants
- ☐ I attend events (such as CenterFest, Third Fridays, Art of Cool, Moogfest)
- ☐ I rarely visit downtown except for managing my business
- ☐ Other (please specify): \_\_\_\_\_

**6. As you know, there has been tremendous change in downtown Durham in the past 10 years, including public and private investments in streetscapes, rehabilitation and new development, parking and transit, and more. How have these changes affected your business?**

	<b>Positive</b>	<b>Negative</b>	<b>No Change</b>
<b>Rent or other facility expenses</b>			
<b>Other costs of doing business</b>			
<b>Sales/revenue</b>			
<b>Visibility for your business</b>			
<b>Customer volume/foot traffic</b>			
<b>Customer diversity</b>			
<b>Customer experience</b>			
<b>Quality of life for employees, including you</b>			

Are there other ways your business has been affected by changes and trends in downtown Durham?

**7. Every small business has challenges, but what do you think are the three greatest challenges for people of color seeking to start or sustain a business in downtown Durham today? Please check up to three:**

- ☐ Affordability (rent/real estate)
- ☐ Availability of appropriate space (regardless of affordability)
- ☐ Parking or transportation
- ☐ Appearance or cleanliness
- ☐ Perceptions of safety/security
- ☐ Proximity to the ideal customer base
- ☐ Accessibility to the potential workforce
- ☐ Suitability of downtown Durham culture
- ☐ Limited networks or support services for professionals and businesses of color
- ☐ Other: \_\_\_\_\_

**8. How would you rate the following specific features of downtown?**

	Don't Know	Could be Better	Good	Excellent
<b>Parking</b>				
<b>Cleanliness</b>				
<b>Aesthetics/design</b>				
<b>Retail and restaurant mix</b>				
<b>Atmosphere during the day</b>				
<b>Atmosphere during the evening</b>				
<b>Safety/security</b>				
<b>Signage and wayfinding</b>				
<b>Diversity of customers and visitors</b>				

If you ranked any of these "Could be better," please tell us more:

**9. What services or activities could be offered to better support and retain diverse businesses downtown? Please choose up to three.**

- ☐ Active recruitment or retention services
- ☐ Small business loan fund
- ☐ Grants for upgrades to space, façade improvements or signage
- ☐ Cooperative advertising and/or other marketing opportunities
- ☐ More inclusive vision, branding or messaging related to downtown Durham
- ☐ More downtown business-to-business networking opportunities
- ☐ Targeted events to draw people of color downtown
- ☐ More intentional and ongoing engagement with businesses and customers of color
- ☐ Other: \_\_\_\_\_



**10. Please share any additional thoughts about what is needed to better support and retain a diverse downtown business environment?**

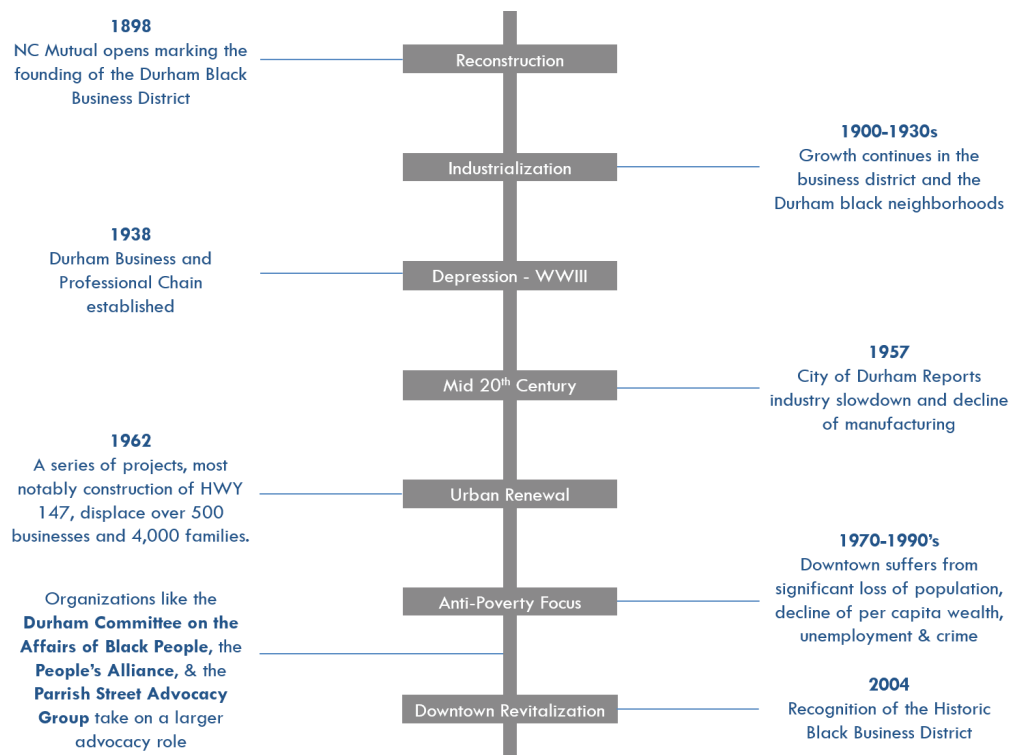
## APPENDIX B

### DURHAM'S MBE HISTORY

The history of minority business in Durham is dominated by the notable Black Business District, a racial enclave that drew national attention from notable early 20<sup>th</sup> Century scholars like W.E.B. Dubois and Booker T. Washington (Figure 1). The success of Durham's Black Business District has been studied in literature, documentaries, photo exhibits, and collections of oral histories.

The first concentration of Black residents in Durham were drawn to the area during Reconstruction because of the growing number of factory jobs. These jobs provided them with access to steady income and power through unions, opportunities that were unavailable to them over the previous century and a half (St. George 2016, Anderson 1994). In 1898, NC Mutual was founded in downtown Durham. At the time, there were at least three other MBEs in the area. During the early part of the 20<sup>th</sup> century, these four professional Black business founders formed a grassroots collective to establish the Black Business District. Much of the initial capital for the establishment of the Black Business District was brought in by the founders and their connections to wealthy white industrialists and philanthropists like the Duke Family (Du Bois 1910, Brown 2008).

**Figure 1: Durham MBE Development Key Events**



The new Black Business District was considered an enviable Black community and thrived for several decades (Ehram 2010). Despite limited sources of outside capital, the District was upheld by dedicated professionals and a community that built a local economy to meet their needs (Du Bois 1910). As a segregated community, it was considered somewhat insular and businesses at the time catered to neighborhood needs. MBE growth consisted of banks, small manufacturing firms, hardware and brick makers, schools, churches, and funeral directors (Hillside 1938). Several professional organizations like the Durham Committee on the Affairs of Black People and the Durham Business and Professional Chain were established to support minority business growth in 1935 and 1938 respectively (Ryelsdorn 2017). Through the mid-20th century, NC Mutual served as the major source of capital for Black businesses and homeowners alike and fueled much of the growth in the area (Ryelsdorn 2017). Based on the Hayti community's directory of Black businesses, 1938 reflects the peak of this Black community (Hillside 1938). There were however some concerns about poverty and the state of housing in these communities due to the uneven ground and poor building practices (Brown 2008).

In the mid-20<sup>th</sup> century, major manufacturing industries slowed across the country and the backbone of Durham's economy crumbled. Downtown Durham, which had dominated the county's economy until that time, entered into a period of decline (Outlook 1957). In an attempt to address these losses, several major urban renewal projects were planned including the construction of Highway 147. The route for the 147 expressway was planned to avoid prominent landmarks in the area like American Tobacco Campus, Erwin Mills, and Duke's East and West Campuses, so instead the highway was constructed through four Black communities including the Hayti community (Figure 2). The result of these urban renewal projects was the destruction of 4,057 Black households and 502 Black businesses which cost more than \$300 million (2017 USD) (Anderson 1990). This massive population loss and displacement of Black businesses accelerated the area's economic decay. The Durham Committee on

**Figure 2: Before and After Images of Highway 147 Construction**





the Affairs of Black People initially supported the urban renewal plan because of the opportunity to access federal funds and the prospect of new modern housing. This initial support created a rift among upper and middle class Black residents and low-income populations (St. George 2016).

In the aftermath of these urban renewal projects, downtown Durham lost a significant amount of its former population and per capita wealth declined (Ehrsam 2010). Because the self-sustaining Black communities had been so dependent on internally-sourced capital prior to the collapse of manufacturing, they were unable to recover from this blow because they lacked adequate external reinvestment. It is unknown where many of the Black businesses relocated to after the completion of the urban renewal projects in the late 1970s, but within just a few years many businesses were reported to have closed completely (Ehrsam 2010).

In the 1970s and 1980s, the attitude in the community and policies at the time shifted to focus on poverty alleviation, unemployment, and growing concerns about violence and issues with public housing. The Durham Committee on the Affairs of Black People, along with newly formed political advocacy groups such as the People's Alliance, played a major role in supporting minority communities; however, housing and voter registration took priority over businesses development (Glascock 1994).

Since the 1990s, downtown Durham has been undergoing a process of revitalization and City officials, private non-profits like DDI, and business leaders have all taken an active role in this process. Adaptive reuse projects like the American Tobacco Campus in 2004 have led to a rapid increase in demand for downtown Durham office space and garnered a reputation for the area as a hub for entrepreneurial activity (Rice et al 2017). The Durham Performing Arts Center (DPAC), a major project spearheaded by the City of Durham, has also helped transform downtown into a regional destination. DPAC now regularly attracts more than half a million visitors every year and annual tourism to downtown has increased by 62% since it opened in 2008 (Inge 2017). During this era of revitalization, civic organizations like the Parrish Street Advocacy have worked to establish recognition of the historic Black Business District and this was officially designated in 2004. To honor this legacy, monuments honoring the founders and key landmarks have been established along Parrish Street on what is known as "Black Wall Street" (Rice et al 2017). Overall, history demonstrates that minority business success does not happen in a vacuum. It is inextricably linked to larger community issues like housing, education, and other policy topics, and these must be addressed when trying to incubate MBE success.

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\* Excerpt from **MINORITY BUSINESS DEVELOPMENT IN DOWNTOWN DURHAM**, a report by the UNC Department of City & Regional Planning's Fall, 2017 Economic Development Workshop

# APPENDIX C

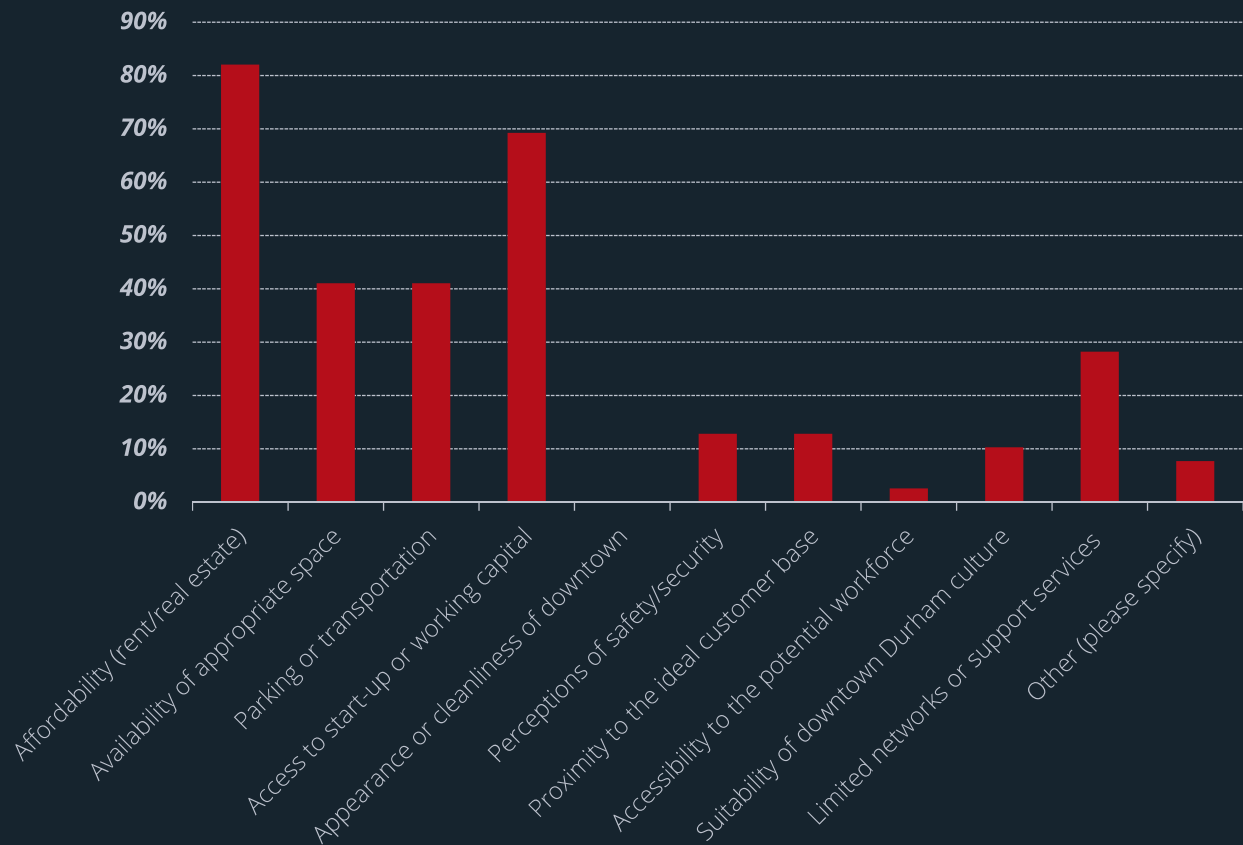
**ANNUAL NETS ESTABLISHMENT COUNT TABLE – DOWNTOWN DURHAM & DURHAM COUNTY**

<i><b>Year</b></i>	<i><b>Downtown Durham Total Firms</b></i>	<i><b>Downtown Durham MBE Firms</b></i>	<i><b>Downtown Durham MBE Share (% of total)</b></i>	<i><b>Durham County Total Firms</b></i>	<i><b>Durham County MBE Firms</b></i>	<i><b>Durham County MBE Share</b></i>
<b>1990</b>	466	14	3%	6,143	177	2.9%
<b>1991</b>	467	14	3%	6,346	202	3.2%
<b>1992</b>	464	13	2.8%	6,473	215	3.3%
<b>1993</b>	475	15	3.2%	6,910	239	3.5%
<b>1994</b>	485	19	3.9%	7,064	260	3.7%
<b>1995</b>	543	21	3.9%	8,274	293	3.5%
<b>1996</b>	553	24	4.3%	8,776	322	3.7%
<b>1997</b>	595	28	4.7%	9,642	366	3.8%
<b>1998</b>	617	28	4.5%	10,031	407	4.0%
<b>1999</b>	628	31	4.9%	10,197	456	4.5%
<b>2000</b>	653	33	5.1%	10,510	481	4.6%
<b>2001</b>	682	39	5.7%	11,207	533	4.8%
<b>2002</b>	753	39	5.2%	12,204	587	4.8%
<b>2003</b>	818	41	5.0%	13,060	650	4.9%
<b>2004</b>	824	42	5.1%	13,245	666	5.0%
<b>2005</b>	844	46	5.5%	14,045	737	5.3%
<b>2006</b>	894	49	5.5%	15,789	829	5.3%
<b>2007</b>	952	48	5.0%	16,722	857	5.1%
<b>2008</b>	1,056	51	4.8%	18,908	890	4.7%
<b>2009</b>	1,142	51	4.5%	21,165	929	4.4%
<b>2010</b>	946	41	4.3%	19,017	840	4.4%
<b>2011</b>	1,155	40	3.5%	25,065	875	3.5%
<b>2012</b>	1,224	41	3.4%	25,427	819	3.2%
<b>2013</b>	1,199	41	3.4%	24,637	815	3.3%
<b>2014</b>	1,116	39	3.5%	23,147	779	3.4%

# APPENDIX D

## SURVEY RESPONSES

Every small business has challenges. Please identify what you think are the three greatest challenges for people of color seeking to start or sustain a business in downtown Durham today.

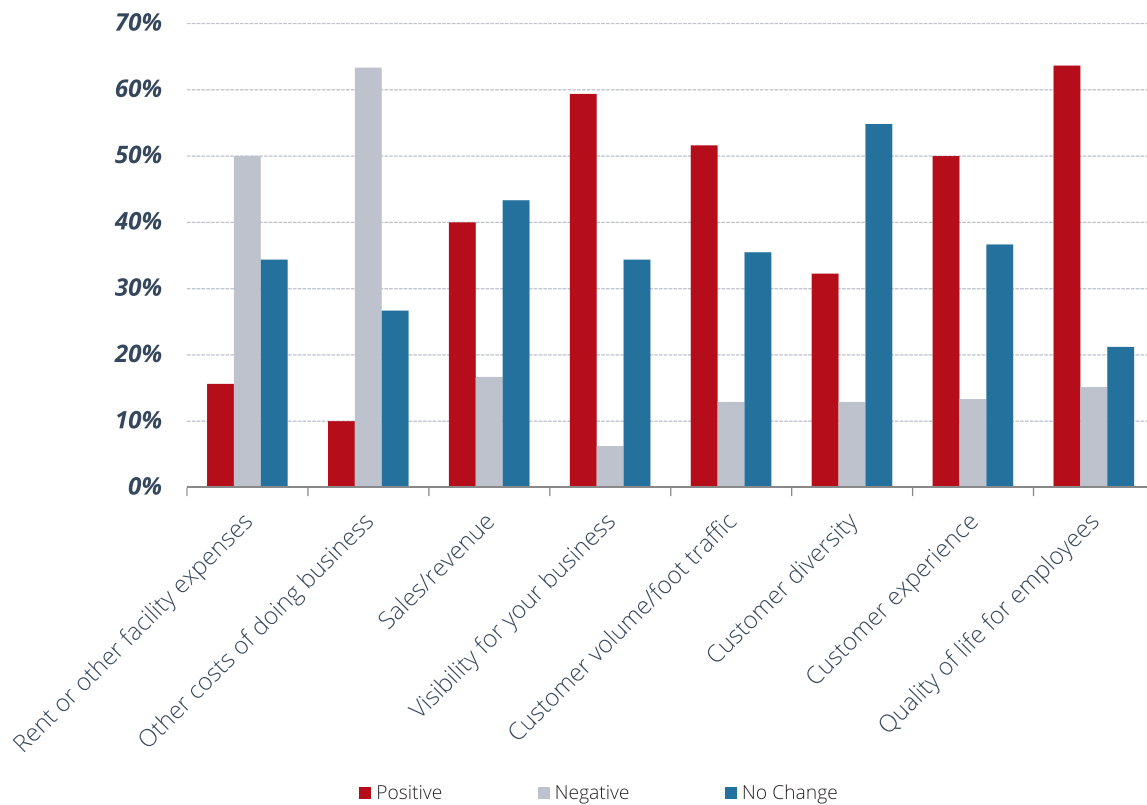




# APPENDIX E

## SURVEY RESPONSES

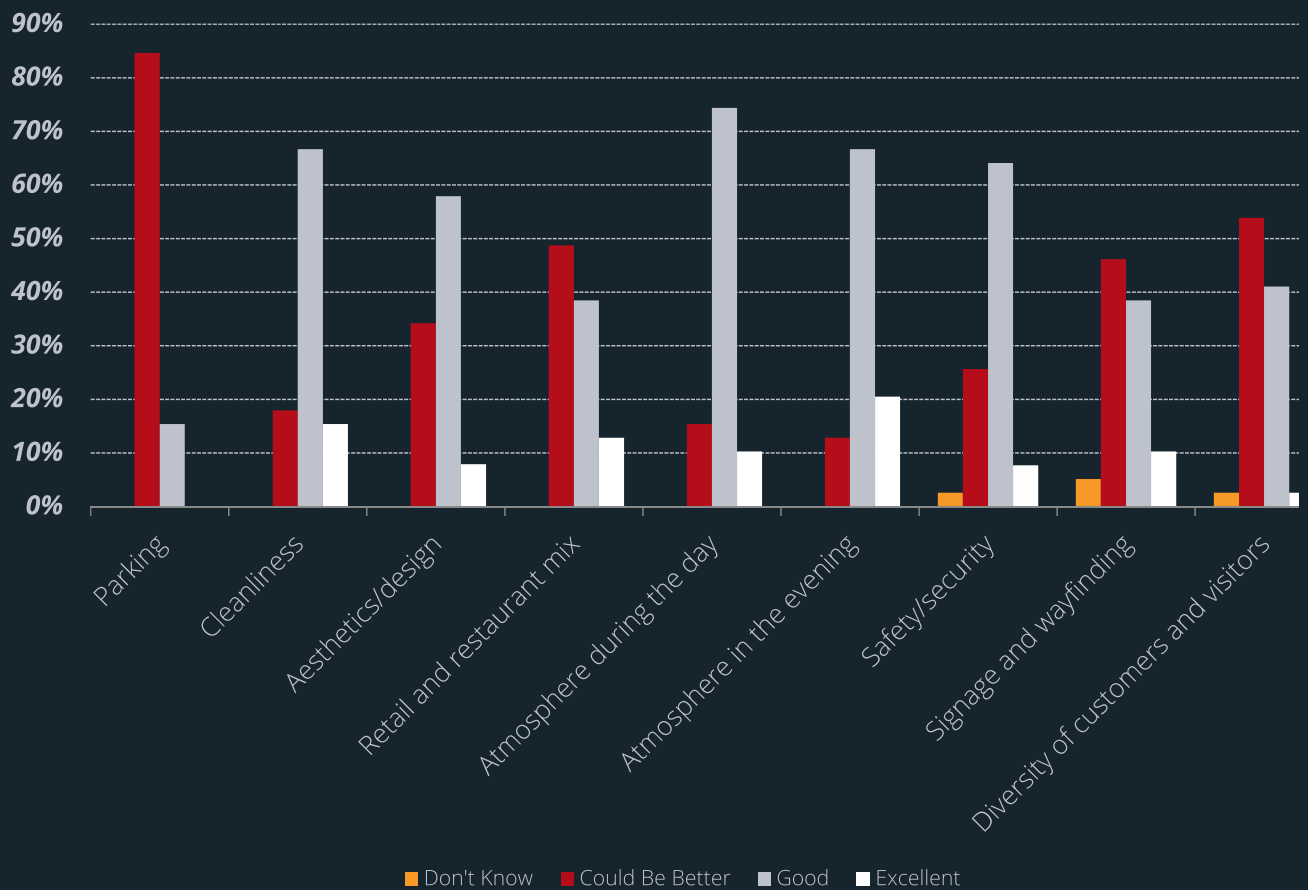
As you know, there has been tremendous change in downtown Durham in the past 10 years, including public and private investments in streets and sidewalks, rehabilitation and new development, parking and transit, and more. How have these changes affected your business?



# APPENDIX F

## SURVEY RESPONSES

How would you rate the following specific features of downtown?



# APPENDIX G

## SHORT-TERM AND LONG-TERM RECOMMENDATIONS

<b>SHORT-TERM (12-24 MONTHS)</b>			
<i>Consideration</i>	<i>Policy Questions for Council</i>	<i>Lead Parties &amp; Partners</i>	<i>Budget Impact</i>
1. Establish a clear vision for racial equity, diversity and inclusion in downtown Durham, and demonstrate that vision throughout the City's decision-making processes, including development permitting.	<ul style="list-style-type: none"> <li>• What is the City's vision?</li> <li>• What processes, policies and ordinances need to better align with that vision?</li> </ul>	<ul style="list-style-type: none"> <li>• Various City departments, including City-County Planning, Economic &amp; Workforce Development</li> <li>• Advisory Boards</li> </ul>	Low
2. Include in this vision an expanded geographic overlay to target proactive investments in <b>perimeter areas</b> .	<ul style="list-style-type: none"> <li>• What is the priority for perimeter areas?</li> <li>• How can an informal or formal overlay be structured to inform racial equity strategies for minority-owned businesses?</li> <li>• Are there planning processes that need to be in place or accelerated (such as small area planning) in frontier areas to codify business diversity and equity goals?</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>	Low
3. Apply racial equity principles to the ongoing evaluation of City-owned property downtown, with an eye for creating affordable space for sole practitioners, retail businesses or growth-stage businesses.	<ul style="list-style-type: none"> <li>• How might the City consider and re-purpose appropriate public properties to achieve its racial equity vision for minority-owned businesses?</li> </ul>	<ul style="list-style-type: none"> <li>• City-County Planning</li> </ul>	Medium, assuming one or more properties are identified



<b>SHORT-TERM (12-24 MONTHS)</b>			
<b>Consideration</b>	<b>Policy Questions for Council</b>	<b>Lead Parties &amp; Partners</b>	<b>Budget Impact</b>
4. Establish current baselines by counting and tracking minority businesses City-wide, documenting openings, closures and moves, and the reasons associated with any changes.	<ul style="list-style-type: none"> <li>What processes and policies need to be put in place to track the number of minority businesses City-wide?</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Workforce Development</li> <li>Potentially one or more non-profit or institutional partners.</li> </ul>	Low
5. Enable greater collaboration across City departments, and between the City, County, Public Schools and private stakeholders to set and pursue mutual diversity goals.	<ul style="list-style-type: none"> <li>Should Council engage peers and partners around this issue, and if so, how?</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Workforce Development</li> <li>Opportunity/Equity Assurance</li> <li>Peer elected officials and managers/executives</li> </ul>	Low
6. Revamp the City's Minority Enterprise Development (MED) Week participation objectives, activities, and marketing strategies.	<ul style="list-style-type: none"> <li>What goals might Council wish to be achieved with investments MED Week.</li> <li>Should the City consider outsourcing this event?</li> </ul>	<ul style="list-style-type: none"> <li>Economic and Workforce Development</li> <li>Opportunity/Equity Assurance</li> <li>Potentially one or more non-profit or institutional partners.</li> </ul>	Low

## LONG-TERM (2-5 YEARS)

<i>Consideration</i>	<i>Policy Questions for Council</i>	<i>Lead Parties &amp; Partners</i>	<i>Budget Impact</i>
1. Create and meaningfully deploy a Minority Business Advisory Council or similar forum to help vet and adapt the City's strategies to better support minority entrepreneurship downtown and generally.	<ul style="list-style-type: none"> <li>• What would be the responsibilities of a Minority Business Advisory Council?</li> <li>• How should it be operationalized—as an internal advisory board facilitated by staff, or an externalized advisory board facilitated by an expert organization or stakeholder?</li> </ul>	<ul style="list-style-type: none"> <li>• Economic and Workforce Development</li> <li>• The Institute and/or other non-profit facilitative partners</li> <li>• Ongoing stakeholder input</li> </ul>	Low
2. Do more to celebrate and raise awareness of the historic, cultural, and current contributions of people of color in downtown Durham.	<ul style="list-style-type: none"> <li>• What financial and other resources can the City devote and leverage toward this goal?</li> </ul>	<ul style="list-style-type: none"> <li>• Economic and Workforce Development</li> <li>• Parks and Recreation</li> <li>• Public Art Committee</li> <li>• Cultural Advisory Board</li> <li>• Potential project partners such as Durham Arts Council, local artists, property owners, etc.</li> </ul>	Medium
3. Facilitate reciprocal collaboration with NC Central University (NCCU) that includes the business and workforce development assets of the Biomedical/ Biotechnology Research Institute (BBRI), BRITE Futures, and the School of Business.	<ul style="list-style-type: none"> <li>• What does reciprocal collaboration look like and how can it be nurtured to achieve racial equity goals?</li> </ul>	<ul style="list-style-type: none"> <li>• Economic and Workforce Development</li> <li>• NCCU Chancellor's Office</li> <li>• Anchor tech employers and near Innovation District.</li> </ul>	Medium

<b>LONG-TERM (2-5 YEARS)</b>			
<i>Consideration</i>	<i>Policy Questions for Council</i>	<i>Lead Parties &amp; Partners</i>	<i>Budget Impact</i>
4. Catalyze and invest in local partnerships to fill capital gaps.	<ul style="list-style-type: none"> <li>• Can the City devote public resources to capitalize one or more grant, loan or equity pools to fill capital gaps for minority-owned businesses and start-ups? If so, how much?</li> <li>• How would such funding pools be administered – in-house or through non-profit partners or community development financial institutions?</li> <li>• What does public-private partnership look like in the small business capital space?</li> </ul>	<ul style="list-style-type: none"> <li>• Economic and Workforce Development</li> <li>• Local non-profit and for-profit partners, including but not limited to Black Wall Street, American Underground, Duke University's Angel Investor Network, the Institute, NCCU and Durham Tech.</li> </ul>	Medium to High, depending on type and purpose of funding pool.
5. Work with local partners to design and implement an accelerator program targeting minority-owned ventures.	<ul style="list-style-type: none"> <li>• Can the City devote public resources for the creation of an accelerator program with minority-owned business goals in mind? If so, what are the qualities it needs to see in a potential partner?</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>	Medium-High



*Downtown*  
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