CBA's would boost neighborhoods, small businesses - By Ken L. Harris as excerpted from Crain's Detroit Business Article - Sunday, November 9, 2014

We have all heard the thematic tale of two Detroits, the whispered interplay between the havevs and the have-nots, the rich vs. poor, black vs. white and corporate vs. community. While Detroit is witnessing a paradoxical resurgence between the downtown and the midtown (commercial corridor), amounting to billions of dollars in investment, the city’s neighborhoods (urban corridor), which are comprised of more than 82.7% African Americans and 32,490 black-owned businesses (2010 Census) have largely been ignored for any economic opportunities, resources, and benefits, which has become a serious problem. The lack of which has led to insurmountable socio-economic disparities, resulting in increased unemployment and joblessness, small business and entrepreneurial neglect, community despair and a sense of hopelessness. A Community Benefits Agreement (CBA) can be a tool for achieving equitable and inclusive development that will address Detroit’s "Neighborhood Problem."

CBA's allows for large-scale projects and sometimes-controversial new development projects, which normally depend on a range of public subsidies (e.g. tax abatements and transfers of public land for less than market value) to work with elected officials and residents to support the inclusion of robust community benefits. "Detroit taxpayers have public skin in the game and the resulting public benefit should be quantifiable. CBA's are a way for the city to also adopt living wage-ordinance policy, local-hiring standards, mixed-income housing requirements, procurement with Detroit-based businesses and other policies that will apply to all future large-scale projects. CBA's can be used as one solution to job creation and economic growth in Detroit's neighborhoods."

In Detroit, several large-scale projects, including the new arena project, entertainment district, M1 rail, Meijer's Project, 2nd Bridge to Canada, and the expansion of hospitals and universities, a CBA will ensure that there is an expected narrative that features more than a tale, but actual best practices and policies with measurable outcomes that can have a direct impact on Detroit's most distressed and underserved neighborhoods. A CBA should not incorporate a one size fits all methodology, but a scaled public benefit approach, that encourages entrepreneurship, innovation, and free market solutions on Detroit's large development projects.

The lack of meaningful public participation in the planning and land use regulatory process hurts Detroit's economic progress and disenfranchises communities of color even further. Detroit leadership must adopt standard language and policy requirements in the form of an ordinance to address community and labor needs that lead to effective training, entrepreneurship development, and job creation. Such a policy should include targeted hiring, first source employment, employer training, forecasting, Detroit-based procurement, enforcement and monitoring. Although a small percentage of business leaders have expressed their dissent towards a CBA ordinance, the large percentage of Detroit-based businesses, especially those of African American heritage operating in Detroit's neighborhoods, call for a return of investment.

What the community benefits ordinance offers is a clear framework with established expectations. Developers expect subcontractors to make good on deliverables based on signed agreements. No less should be expected of major developers when it comes to deliverables based on massive public subsidies and the need to be a good fit for the communities that host their projects. Keeping Detroit-based business in the economic loop is just as crucial as providing residents with jobs, development without displacement and projects that fit into communities, socially and environmentally, it's a win-win scenario. Detroit families and entrepreneurs have weathered many a storm, struggling and waiting for leadership to develop the city's most densely populated and forgotten neighborhoods. More often than not, these communities lack the resources to properly engage or influence the development process effectively. This is where the Mayor, City Council, and the Detroit Economic Growth Corporation can alleviate its "Neighborhood Problem" by adopting some form of a CBA ordinance, which is more than the tale of a promise, but economic policy that can develop and bring together the two Detroits. (Pg 2)
COMMUNITY BENEFITS AGREEMENTS (CONTINUED FROM PAGE 1)

“The purpose of a CBA is to eliminate ambiguity and clearly define what the public is getting as a return on investment (ROI). Adopting policy in terms of an ordinance is a clear, transparent, and practical way of negotiating on the front end, says Harris.”

In August of 2008, at the deepest point of the recession, the Pittsburgh Penguins, City of Pittsburgh, Allegheny County and scores of community groups entered into the Hill District CBA. In return for $750 million in public investment, the One Hill coalition negotiated $32.5 million in direct community benefits including a first source hiring system for newly created jobs generating $4 million annually for local residents; a full service grocery store where 95% of the employees are minorities and 65% live in the Hill district; a new $13 million neighborhood partnership program that supports home maintenance, re-entry programs for former offenders and a variety of additional social services. These are not empty promises. These are real outcomes that can be achieved when there is a legally binding CBA (Detroit City Council Public Report, 2014).

(A CBA is like a developer going to the bank or a venture capital fund requesting capital, in return the lender expects some form of down payment, business plan, financial forecast, return of investment (ROI) and a signed contract. Why should the community anticipate anything different, this is the way business should be done."

Ken L. Harris currently serves as the President/CEO of the Michigan Black Chamber of Commerce
Harris also serves on the U.S. Black Chamber of Commerce Board of Directors in Washington, DC,
Contact Ken at kharris@michiganblackchamber.com or (313) 309-3316.
Welcome to SCORE Detroit

Welcome our New Members-in-Training:

- A. Appukutty
- K. Posner, D. Ross
- D. Thomas, D. Ferner, K. Robinson,
- J. Kornas, J. Love-Jones, R. Harris,
- D. Kirt, R. Rai, A. Hemmert
- J. Smith,

The following members continue the process of working through the training system:

- George Chessler
- Gregory Genter
- Anjan Chatterjan
- Thomas Hoenle

We look forward to their active participation in the near future

Recently Certified Congratulations!

Marc Garrison

Manufacturing & Product Development

Experience:
- Arts and Entertainment / Marketing,
- Advertising and Creative Services /
- Real Estate, Rental Services and Leasing /
- Restaurants and Hospitality

How Communities Become Entrepreneurs

Even as community wealth building efforts expand across the country, many U.S. federal tax and expenditure policies continue to act in a contrary manner, concentrating wealth and income among a few. As a result of this growing inequality, many state and local governments are having greater difficulty providing basic public services.

In response to this trend, there has been a flurry of grassroots activity to help close the expanding income and wealth gap, and rebuild local economies. Some areas of innovation include local minimum wage laws, retail store caps, and community benefit agreements.

New State and Local Policies play a critical role in building community wealth for several key reasons:

- Many efforts (e.g., minimum wage laws and tax credit assistance) provide people with additional income, which encourages greater savings and helps inject more dollars into local economies.
- By limiting the permissible size of a single establishment, retail store caps discourage the expansion of chain stores and help safeguard the development and success of smaller, locally-owned enterprises.
- By requiring private developers to meet specific local economic development objectives in exchange for public subsidies, community benefits agreements help ensure that development projects create job opportunities for local workers and enhance local neighborhoods.

Another area of innovation are the collaborative networks around our local food system that integrates sustainable food production, processing, distribution, consumption, and waste management in order to enhance the environmental, economic, and social health of our area. The food economy in Detroit is already the city’s third largest economic sector, and is poised to be the next largest growth sector for the city, note Econsult Solutions, Inc. and Urbane Development in a report written on behalf of The Detroit Food and Fitness Collaborative. In their report, the authors outline several strategies to foster equitable growth, including connecting local, small-scale food producers and manufactures to anchor institution demand. Only by engaging Detroiters and supporting the local, small, and medium sized actors in the system, the report argues, will food sector growth be effective in creating jobs and building community wealth for Detroit residents. The Detroit FoodLab is a community of food entrepreneurs committed to making the possibility of good food in Detroit a sustainable reality. They design, build, and maintain systems to grow a diverse ecosystem of triple-bottom-line food businesses as part of a good food movement that is accountable to all Detroiters.

We need to move beyond ‘projects’ and towards policies that help build and sustain community wealth. Over the past few decades, despite limited government support, new and alternative forms of community-supportive economic enterprises have increasingly emerged in cities and towns across the country as an important counter-trend to the increasingly unequal distribution of wealth, income, and opportunity. In contrast to traditional economic development strategies that use local resources to attract outside investment, these wealth-building strategies leverage local resources to generate local equity and community-owned initiatives. A key need now is to develop and promote policies that can build upon, support, and codify these emerging strategies, especially at the state and local levels, where there are significant opportunities to enact progressive economic development and wealth building policies. As they develop, these experiments in the “state and local laboratories of democracy,” are likely to generate larger national applications.

By Joshua Bloom

Source: Democracy Collaborative, community-wealth.org
The lights Are On In Detroit & They Are Glowing!?

Many months ago the news press coming out of Detroit was, ... “it is in economic ruins”. A city with no hope; A city with no future; one of the most segregated cities in the nation - no one wanted to come to Detroit to start a business or live here. Small businesses were few and far between. The media only featured burned out communities, crime and unemployment. And then came the bankruptcy. Again Detroit was the headlines.... the largest city to file for bankruptcy.

Detroiter’s have always been survivors. The bankruptcy was the catalyst to breathe life back into the city. The bankruptcy meant new beginnings – a fresh new start. Businesses, large and small began to look at Detroit to start sustainable enterprises.

New entrepreneurs with hope and a wide field to explore came to Detroit - the new hot city.

Midtown begin to bloom, Downtown, M-Rail, and Neighborhood’s blossom. There is energy in the air... Banks and other financial institutions are investing in the small business resurgence. Long time residents are also getting into renewing our city.

Re-cycling the old Detroit is evolving into a divide of who gets a share in the rebirth. According to Nolan Finley’s column in the Detroit News, January 3, 2015, historically, African American and minority communities have not enjoyed the fruits due to decades of devastation in the base of Detroit’s small businesses creating a class and cultural divide that worked against black entrepreneurs. Eric Williams, WSU professor for Entrepreneurship and Business Law, providing free legal services to Detroit start-ups, also states in Nolan’s article that Detroit needs more diversity among those who are providing money to start-ups. “Diversity is important because people always favor people they know, or who look like them. If you have a predominately white, male venture capital environment, that’s who they are going to look at when investing.”

Detroit’s businesses can not revisit the once curse of complaisance and the pain of the missteps that may have contributed to minorities and African Americans not being well represented at the economic table. The city will continue to enjoy the fruits of success with the whole city and everyone who desires to be a part of it can and will.

SCORE is a free service for anyone who needs knowledge and information on starting a business, sustaining a business and business growth. We do not give financial capital, but we do have knowledge capital to put a small business owner, entrepreneur or start-up owner in the right direction to sustain and grow their business.

Businesses throughout the region are blooming. Encore career individuals’ engagement in the work force as new entrepreneurs are thriving. In an effort to gain deeper involvement in the business communities in which we serve SCORE is reaching out to the Black Chamber of Commerce, NAACP, ACCESS and Southwest Solutions.

In this edition, we highlight a few initiatives throughout the city that are helping to diminish the bane of exclusion of its long time residents. Our lead story is one example of balancing the wealth by retooling the directions of achieving equitable and inclusive development. In the chairman’s’ corner, Jim Muir highlights areas’ of focus. SCORE has appointed three of our seasoned mentors to keep their finger on the business communities pulse in Wayne, Oakland and Macomb counties. On page 5, is the Knight Foundation and how they support and invest in residents, including immigrants and entrepreneurs to aid in the balance of economic growth. On page 6 is how Detroit and many other cities around the country are engaging its community to build out of its economic disparities. Detroit can only be strengthened, encouraged and galvanized by some of the current activities in the area. There are many examples of the Detroit grit, such as, the Osborn Business Association, The Cass Corridor Neighborhood Development Corporation, Brightmore Alliance, Rosedale Park Association, The North End Community, Boston-Edison Association, ARISE–Detroit, Green-acres Community, U of D community group, Detroit Economic Growth Corporation (DEGC), Rippling Hope and the Northwest Block Club Association, Community Reinvestment Fund (CRF), .....and on and on ..... Strengthening communities is our answer to experience the wealth of talent we have long had in this region. Detroit is the renaissance city of North America – and SCORE is deeply engaged as partners to the small business community. We are always looking for top business talent to help us achieve our goal. Contact us and volunteer.
The mission of the Knight Foundation supports transformational ideas that promote quality journalism, advance media innovation, engage communities and foster the arts. They believe that democracy thrives when people and communities are informed and engaged. In Detroit, they focus on innovative places, talent, and civic infrastructure that accelerate Detroit’s revitalization. They invest in places that accelerate talent and advance opportunity. Some of their initial investments emphasized the Eastern Market and TechTown districts, but are also seeking other areas of Detroit primed to accelerate talent and opportunity.

- Knight invests in civic innovators – people who are taking hold of the future of their cities with big ideas for making cities more successful.
- Knight invests in ideas that leverage the power of places – because thoughtfully designed and programmed places can accelerate the things that matter to a city’s success.
- Knight invests in ideas that will attract and keep talented people – as there is no better long-term indicator of a city’s economic success than the number of college-educated people in its workforce.
- Knight invests in ideas that expand opportunity for all – by creating places where people of diverse backgrounds can connect across economic divides and which support the way people work in today’s economy.
- Knight invests in ideas that create a culture of civic engagement – because cities will only succeed when people feel responsible for actively shaping the future of their communities.

They invest in residents, including immigrants and entrepreneurs, as drivers of economic growth, job creation, and neighborhood revitalization. In this area investments will primarily accelerate the work of intermediaries such as the New Economy Initiative for Southeast Michigan and Global Detroit.

They invest in innovation in governance and civic capacity. As Detroit navigates the impact of the bankruptcy and a new civic infrastructure, Knights investments will support development of these areas in partnership with the public and private sector.

TRIBUTES and DONATIONS

Anyone wishing to send a Donation or Tribute may do so by sending a check in any amount to the SCORE office along with the name and address of the persons involved.

June and Cecil McDole Foundation

Thank You For Your Generosity

SCORE Mentoring Locations
Did you know that SCORE provides regularly scheduled face-to-face counseling services at several different locations?

Downtown Detroit – McNamara Building
477 Michigan Ave. Ste 515
Detroit, MI 48226
313-226-7947 for appointments

Future Help Designs – Pontiac
53 N. Saginaw
Pontiac MI 48342
313-226-7947 for appointments

Macomb County Chamber of Commerce
28 First Street
Mt. Clemens, MI 48043
313-226-7947 for appointments

Novi Library
45255 W. Ten Mile Rd.
Novi, MI 48375
248-349-0720 for appointments

Ferndale Chamber of Commerce
407 E. Nine Mile Rd.
Ferndale, MI 48202
313-226-7947 for appointments

Michigan Business & Prof. Association
27700 Hoover Rd. Ste 100
Warren MI 48093
586-393-8800 for appointments

Royal Oak Chamber
200 S. Washington Avenue
Royal Oak, MI 48067
313-226-7947 for appointments

Redford Township Library
25320 W. Six Mile Rd.
Redford Twp. MI 48240
313-531-5960 ex. 111 for appoint.

Think on getting involved and embracing a Chamber or Library in your neighborhood to mentor at!

Birmingham / Bloomfield Chamber of Commerce
Bloomfield Township Library
Dearborn Chamber of Commerce
Downriver Community Conf.
Farmington Hills Library
Flint U of M Outreach and SBA Office
Lapeer Development Corp.
Livonia Chamber of Commerce
Rochester Hills Library
Royal Oak Chamber of Commerce
Southfield Library
Southern Wayne County Regional Chamber
West Bloomfield Chamber of Commerce
For any new business venture, raising sufficient capital is the single most important action you can take to insure success. It is more important than product development or marketing. Yet over 40,000 new business ventures close their doors every year because they underestimate the amount of capital they need. Why is this so? Because the truth of the matter is that revenue will never begin when you expect it, will not be in the amounts you anticipate and expenses will likely exceed budget. So when embarking on a new business venture use your precious little capital resources to generate as much additional capital as you can.

**The Issue:** It is becoming increasingly more difficult for businesses to generate more capital. Although there is ample capital in the pipeline there is not much coming out the other end. There are several reasons for this:

1. The raw number of venture capital companies and other accredited investors continues to significantly decrease each year.
2. Those remaining are funding less than 1% of the applications they see.
3. The terms and conditions are becoming more onerous.
4. Businesses are not sufficiently aware of the different funding sources available to them.
5. Businesses are usually unaware of how they will be evaluated and hence are unprepared.

Several agencies has developed detailed step by step processes that will adequately prepare a business to:

- Make the businesses aware of the various traditional and non-traditional funding sources available.
- “Stage” their business properly for a capital raise.
- Select the right funding source for their specific need.
- Understand what is expected of them.
Member Spotlight

Pamela A. Martin is Vice President of Commercial Lending For Ibcp bank and a SCORE volunteer having counseled Downtown, Ferndale, and Royal Oak before striking out on her own and re-establishing a viable working relationship with the Macomb County Chamber of Commerce where she dispenses her own brand of wisdom and advice.

“Volunteer with SCORE because its important, value added, and personally rewarding. As a Commercial Lender, I have had the opportunity to experience many business situations that are the backbone of the advice I have to offer Michigan small business owners. As one of the few, but growing, non-retired SCORE mentors, I have been able to advise my clients in a relevant, up to date manner based on what I encounter daily in the business world. The biggest challenge in the non-retired SCORE mentor/Commercial Lender role is the balancing act between my work and mentoring as there is never enough time! The best part of that challenge is knowing that I can be productive on both sides of that balancing act. My work exposes me to new industries which turns into profits for my employer, and the experience in those industries help me to navigate clients thru them. Lastly, being a volunteer means adding value to my community thru my experiences and knowledge of the small business world. Working on solutions to business issues, guiding clients thru necessary processes, and watching them light up as it starts to make sense is what I enjoy most, and continues to be personally rewarding.”

Pamela shares her expertise and experience in Business Finance & Accounting / Business Operations, Banking, Financial Services and Insurance / Real Estate, Rental Services and Leasing from the Macomb County Chamber of Commerce where she may be generally found mentoring Clients the last Friday of each month.

The best part of that challenge is knowing that I can be productive on both sides of that balancing act. My work exposes me to new industries which turns into profits for my employer, and the experience in those industries help me to navigate clients thru them. Lastly, being a volunteer means adding value to my community thru my experiences and knowledge of the small business world. Working on solutions to business issues, guiding clients thru necessary processes, and watching them light up as it starts to make sense is what I enjoy most, and continues to be personally rewarding.”

Melvin W. Ettenson with 12 years as a SCORE counselor, had to scale back Counseling activities 2 years ago, as he started up a new business.

He combined his experiences with the Plastics Industry, and his passion for running (having completed the Freep Marathon in 2009) to start a new business based on an idea for a display case for runners medals, called THE BLING BOX USA (http://www.blingboxusa.com). It has been a 2 year journey with Mel acting as his own SCORE counselor. Within the first year there was an unexpected shortage of magnetic latches - SCORE lesson: expect the unexpected. Next event was his largest customer being bought out by a much larger company who decided not to carry the product: next SCORE lesson: expect the unexpected. Third event: Amazon is interested in listing product on their website: Packaging requirements: SCORE lesson: expect the unexpected. And so it’s still a work in progress and hope to report back a success story someday.

Melvin has been a Member of the very prestigious and exclusive organization, the Plastics Pioneers Association since 2002. Candidates are judged on their contributions to the betterment of the plastics industry. His Score Expertise include: Business Operations / Sales, Marketing & Public Relations Experience, Consulting, Research and Business Services / Marketing, Advertising and Creative Services / Retail and Wholesale Trade.

Giving Programs

Friends of SCOREDetroit - Is a program where Individuals and small businesses may donate $50-$5,000 in honor of a friend or business associate that mentors for SCORE, or perhaps SCORE was helpful to you and your business or even as a way to celebrate and or honor a happy event. SCORE Detroit Chapter 18 has a way to pay tribute to someone who has touched your life. By making a small donation to SCORE in their name, makes you a Friend of SCOREDetroit committed to helping make a difference in the lives of those we serve.

SCORE with SCOREDetroit - This campaign is designed for businesses, corporations and foundation to contribute $5,000 and up. SCORE with SCOREDetroit provides an opportunity for us to continue with our community outreach and mentoring to thousands of small business owners in Southeast Michigan. These partnerships make it possible for SCOREDetroit Chapter 18 to fulfill its dedication to help entrepreneurs make good business decisions for the life of their business. For more information on the opportunity to become a partner and SCORE with SCOREDetroit please contact Vice Chair – Fundraising, Lorne Greenwood @ Lorne.greenwood@scorevolunteer.org

Please apply my tax deductible gift to:

[ ] Friends of SCOREDetroit
    Be a Friend, Bring a Friend
[ ] SCORE with SCOREDetroit

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Email ____________________________
Telephone ____________________________

Donation Amount:_________ Chk _ Visa _ M/C ____________
______________________________ Exp _______________

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SCORE is a 501(c)3 organization
THANK YOU FOR YOUR GENEROSITY
Please submit articles for the SCORED Quarterly’s next issue by 4-15-15. 

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Website: www.detroit.score.org

Mission
SCORE strengthens small businesses, local communities, and America by supporting our nation’s proud heritage of entrepreneurs seeking opportunities and building success.

Executive Officers FY 2015:

Chapter Chair Jim Muir
Vice Chair Dan Mistura
Vice Chair Roger Nelson
Vice Chair Lorne Greenwood
Secretary Gary Nadlicki
Treasurer David Hennessy
Office Manager Verna Adams

General Management
Liaison with SCORE Headquarters
Marketing/ Communications
Workshop Coordinator
Fund Raising
Secretary
Treasury Management
Mentor Assistant

Free SBA Roundtable on Small Business Lending
Insight into the SBA Guaranty Loan Program
For more information for this free seminar, please call 248.858.0783.
Oakland County Business Center, February 26, 2015
2100 Pontiac Lake Rd. Bldg. 41, Waterford, MI 48328
February 26, 2015 from 9:00 a.m. to Noon.

Note: SBA does not provide loan guarantees to real estate investment companies and this topic will not be part of the discussion.

The SBA Michigan District Office is now accepting applications for the second round of the Getting to Yes! program, This is challenging fast-track program to help clients complete a loan package and submit it to a variety of lenders. Participants should have two years of successful business operations and be willing to commit to the entire program. Business owners throughout Metro Detroit are encouraged to apply. There is no charge for the program.

The program begins March 10, 2015 and concludes April 28, 2015. Initial applications are due February 6, 2015. Application information and program details can be found at www.sba.gov/mi. For more information on how to apply, please contact Catherine Gase at catherine.gase@sba.gov.

Corporate Sponsors

Mark Your Calendar

SBA:
Orientation—8(a) Business Development Program
First Wednesday of Each Month 9:00 am 11:00 am
MMSDC – 100 River Place Drive, Suite 300  
Detroit, MI 48207 (for directions call 313-873-3200)

SCORE:
BP 100 Could I, Should I Start My Own Business
Feb 18, 2015  
6:00p.m - 8:30p.m  
Bloomfield Hills, MI

BP 101 - Business Start-up The Essentials
March 11,2015  
8:45 am to Noon  
Warren

BP 102 - Business Start-up Marketing
March 18, 2015  
8:45 am to Noon  
Warren

BP 201-203 - Business Plan Series
Feb 9-17, 2015  
8:45- Noon  
Lathrup Village

BP 301 Create Your Business Website
March 5, 2015  
5:15 pm to 8:30 pm  
Lathrup Village

BP 304 Advanced Techniques Website
March 12, 2015  
5:15 pm to 8:30 pm  
Lathrup Village, MI

BP 302 - Small Business Loan
March 18, 2015  
8:45 am to Noon  
Waterford

SCORE offers low-cost educational workshops that provide valuable information and techniques necessary for establishing and managing a successful business.

Visit our website for more information
www.detroit.score.org