

CHOICE NEIGHBORHOODS ECONOMIC DEVELOPMENT WORKGROUP

FINAL PROPOSALS REPORT

The Economic Development Working group convened for three meetings, as well as for additional project-specific, small group meetings.

Workgroup members were: Sandy Spang, Chair, Kamaron Kyser, Ocie Irons, Timothy Clark, Doug Born, Joe Cappel, Alexicia Sims, and Carrie Morgan.

Following robust consideration of many options, four project proposals were selected:

- Junction Business Association
- Creation of a Junction "Future Fund"
- Food Entrepreneurship Incubator with Marketplace
- Ecommerce Center

The Working Group felt that the four projects were remarkably supportive of each other. For example, it is conceivable that an entrepreneur could utilize the Business Association for technical assistance and training, access capital through the Future Fund, create a product through the Food Entrepreneurship Incubator, and sell and ship that product through the Ecommerce Center.

One assumption that guided our work was that during the Covid 19 emergency, many individuals joined the "informal economy" in entrepreneurial pursuits such as food production and online selling, but need support to scale their ventures. There is strong, but anecdotal, evidence that this entrepreneurial movement includes numerous residents of the Junction Neighborhood. For example, a workshop held at Mott Library for food entrepreneurs drew over 55 participants, and most questions centered around access to commercial kitchens, licensing and Health Department regulations.

JUNCTION BUSINESS ASSOCIATION

Framing the issue:

Currently, the net worth of an African American Family is one-tenth of that of a white family. Historical data show that no progress has been made in closing the wealth gap in 70 years, according to Economists Moritz Schularick and Ulrike I. Steins. It is our plan to create a Business Association / Wealth Hub designed to close this gap. The Junction Hub will serve as a model for the type of sustainable transformation that needs to take place in African American Communities.

Desired outcomes/ improvements:

Creation of an in-let for founding of small businesses and pursuit of home ownership within the target area. Provide resources for businesses so that they are scalable within five years and bankable within seven to ten years. Offer full-scale financial education focused on entrepreneurship and home ownership. Provide support for business structuring, marketing and accessing capital.

Potential partners:

10 largest Corporations in the Toledo Region
Toledo African American Chamber of Commerce
Port Authority
Venture Capitalists
Toledo Urban Federal Credit Union
Huntington Bank
Small Business Development Center
City of Toledo

FUTURE FUND**Framing the issue:**

There is a need to identify resources for a "future fund" to attract, retain and expand businesses in The Junction Neighborhood for generations to come.

Desired outcomes/ improvements:

Create a mechanism for affordable financing for businesses that may not qualify for traditional lending programs

Provide financial education and literacy programs specific to entrepreneurship.

Create Individual Development Accounts to incentivize personal development and business creation.

Potential partners:

Toledo-Lucas County Port Authority
Huntington Bank
City of Toledo
LISC (or other CDFIs)
Toledo Business Growth Collaborative/JumpStart

Action steps for the proposal:

Develop presentations and materials to describe existing programs

Identify any gaps between existing programs and neighborhood need

Find trustworthy champions who have successfully utilized the programs to can help promote the programs in the community

Identify lending institutions/community partners with an ability to leverage various financing programs and options outside of the scope of traditional bank financing

Potential funding sources:

Toledo-Lucas County Port Authority:

- Pace Energy Program
- Micro Lending Program
- Revolving Loan Program
- Diversified Contractor Accelerator Program (DCAP)
- Community Economic Initiative

City of Toledo

Lucas County

Huntington Bank: Access to Capital/Lift Local Business Program

FOOD ENTREPRENEURSHIP INCUBATOR

Framing the issue:

Food entrepreneurship has expanded during the Covid emergency, with much of it being informal, without proper certifications, training or a licensed commercial kitchen in which to prepare product. The Junction Neighborhood is considered a food desert, with low availability of healthy food options. Additionally, the Ohio Restaurant Association reported that in 2019, 51% of dollars spent on food in Ohio were expended on prepared foods at restaurants. A facility where food entrepreneurs can prepare food in a licensed commercial kitchen and then sell products in a marketplace setting would meet multiple needs: job creation, wealth building, and access to healthy foods.

Desired outcomes/ improvements:

- ❑ Food entrepreneurship can be a path to economic self-sufficiency and wealth building. A measurable outcome will be the number of successful businesses created.
- ❑ A food incubator will improve the quality of life in the Junction Neighborhood by providing access to healthy food and a place to gather around a shared table.
- ❑ By providing an opportunity to purchase quality food within the neighborhood, dollars spent will remain within the Junction Neighborhood.

Potential partners:

Center for Innovative Food Technology
Junction Economic Transformation Center
Junction Coalition
Toledo Urban Credit Federal
Toledo Lucas County Public Library
Jones Leadership Academy

Action steps for the proposal:

Entrepreneurs:

Open Forum to inform the entrepreneur
Workshop sessions to educate the entrepreneurs about food service and business practices
Establish mentorships with local food producers
Finance the food entrepreneurs for product and personal equipment

Physical Facility:

Individual Bays for food production and supply storage, dry, refrigerated and freezer
Shared large equipment items such as hood and fryer, and dish wash area
Market area with refrigerated merchandisers and warmers.
Coffeehouse area
Point of sale equipment
Restrooms for both vendors and the public.
Parking
Possible kitchen gardens

Potential funding sources:

City of Toledo ARPA Funds Healthy Food Initiative and Vibrancy Initiative

Local Initiatives Service Corporation Healthy Food Programs

USDA Programs

ECOMMERCE CENTER

Framing the issue:

Lucrative opportunities exist in the ecommerce sector, with a relatively low cost of entrance, however there is insufficient access to capital, knowledge, and support for ecommerce ventures. Barriers to entry include the costs associated with operating an ecommerce business from home, as well as a lack of access to capital, mentorship and technical assistance in creating a business plan as well as a plan for growth.

Desired outcomes/ improvements:

The Ecommerce Center will reduce the barriers to entry and reduce operating costs for online selling by providing a shared packing and shipping space, with materials available at reduced prices due to bulk buying.

Equally valuable outcomes will be the opportunity for entrepreneurs to receive sector-specific technical assistance and experience a supportive business networking environment.

Of value to the neighborhood will be the creation of a commercial operation located within the neighborhood that will be resident focused.

Potential partners:

Bitwise

Ivy League

Will Lucas and other local technology based business owners

University of Toledo

Assets Toledo

Chambers of Commerce

Junction Coalition/ Junction Economic Transformation Center

Lucas Metropolitan Housing
City of Toledo
Lucas County Land Bank
Ohio Worker Owner Network
Corporate Sponsors
Toledo Lucas County Library

Action steps for the proposal:

Draft detailed plan
Engage Partners
Select location
Purchase Equipment
Staff the Center

Potential funding sources:

City of Toledo (Vibrancy Initiative programs can support building renovations)
Lucas Metropolitan Housing
ProMedica and other corporate interests
Philanthropic Organizations