How Black Business Matters LLC Can Establish a Black Business District in Rocky Mount, NC
NCGrowth-SmartUp is an award-winning applied economic development university center with a goal of directly addressing inequality, poverty, underemployment, and other factors that keep people and communities from reaching their greatest potential. NCGrowth’s team includes expert staff across the Carolinas, academic advisors from multiple universities and hundreds of local partners. Together we are transforming communities by (1) providing technical support to promising businesses so they can grow, hire more people, and create wealth; (2) helping towns/counties/tribes create robust local economies with equitable opportunities for residents; and (3) providing policymakers across the U.S. the tools to learn how to achieve success. Learn more at ncgrowth.unc.edu.

NCGrowth-SmartUp is part of CREATE, an economic development research center at the UNC Kenan Institute of Private Enterprise working to tackle the problem of severe and increasing wealth inequality by generating shared economic prosperity through a combination of research, data analytics, homegrown interventions, and policy development. Learn more at createprosperity.unc.edu.

This work is supported by the Economic Development Administration and the Kenan Institute of Private Enterprise.
Authors

Michael English
Analyst, NCGrowth
Michael English is a 2013 graduate of North Carolina Central University where he received his Bachelor of Science Degree in Exercise Sports Science. Following graduation Michael worked at Pivot Physical Therapy clinic before leaving the company in 2015 to follow his passion for entrepreneurship and community development. In the fall of 2015 Michael was hired at Capitol Broadcasting Company (American Underground), where he held numerous positions within the organization including Business Development Manager and Regional Community Manager. During Michael’s time at American Underground served three years as the Conference Director for the Art of Cool Project an arts performance nonprofit founded in Durham, NC. In November of 2019 Michael decided to pursue full-time entrepreneurship with the launch of his company GoldMined -- a community development firm focused on enhancing economic opportunities in HBCU communities. Michael is currently pursuing his Master of Business Administration and Masters in Regional and City Planning at the University of North Carolina at Chapel Hill.

Jessica Wilkinson
Economic Development Manager, NCGrowth
As NCGrowth’s Economic Development Manager, Jess Wilkinson works with local government entities across North Carolina to research and apply economic development strategies to create good jobs and equitable opportunities. Jess earned her Masters of Public Policy from Duke’s Sanford School. Prior to graduate school, Jess worked as an analyst at the U.S. Agency for International Development on global HIV prevention programs.
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Executive Summary

“The Center of it All.” This slogan welcomes visitors to the City of Rocky Mount’s website and cleverly refers to the city’s geographic location as the midpoint between New York and Florida. The City of Rocky Mount’s central location and inexpensive real estate are likely contributors to the city being ranked by Forbes as one of the nation’s “Best Small Places for Business and Careers” in 2019. Contrarily, the city’s poverty and crime rates are likely contributing factors to the City of Rocky Mount being ranked in a trending YouTube video entitled, “10 Places in North Carolina You Should NEVER Move To,” which has amassed over 800,000 views in less than 5 months. These contradicting narratives are present themes as the city has experienced a consistent decline in population over the last 10 years yet is experiencing a recent uptick in economic development and interest from outside developers.

To combat imminent forces of gentrification and the negative narratives associated with the city the Black Business Matter Initiative (BBMI) was established to steward the growth of Black Businesses in Rocky Mount. The goal of the organization is to establish a thriving and sustainable Black Business District in downtown Rocky Mount through commercial real estate and investment that can serve as a model for restorative economics in Black communities.

The demarcation of a Black Business district is not an uncommon occurrence, in fact, research indicates that because of legalized racial segregation in 1896, Black Business districts were established in Texas, Louisiana, Florida and many other states throughout the nation. However, a lesser publicized history is what led to the decline of these Black Business districts. Well documented Urban Renewal policies and acts of racially motivated violence catalyzed the demise of Black Business districts in cities like Durham and Wilmington, North Carolina, and most notably Tulsa, Oklahoma.

Motivated by this history, the BBMI has assembled a team of community leaders determined to impact their city through economic development.

Like many communities throughout the United States, the City of Rocky Mount is looking to reposition itself as a city of choice for new businesses and families while grappling with the recent impact of the COVID-19 pandemic and social unrest coupled with a longstanding local history of racial tension, institutional mistrust, and municipal divestment.

With this context in mind, NCGrowth examined potential business opportunities in specific industries that would service the needs of the community and compliment the development plans identified by the City of Rocky Mount. The report also includes an asset map of the Black Owned Businesses currently located in Rocky Mount, examines potential recruitment and incentive strategies to recruit businesses to Downtown Rocky Mount, and includes strategies to encourage commercial property owners to develop their property. Research methods included literature review, case study research, site visits and stakeholder interviews.

2 Nick Johnson, 10 Places in NORTH CAROLINA You Should NEVER Move To, 2021, https://www.youtube.com/watch?v=cTV4z0q9a2U.
Based on our research we concluded that current city development incentives do not address the pre-development, financing or partnership needs of property owners while program guidelines often prevent owners from qualifying to receive allocated funding. To address this issue, we have identified potential strategies that the BBMI can employ to encourage property owners to redevelop their properties, while case study examples have also been provided to highlight successful use cases that address similar gaps in the development process.

Additional findings indicate that the Black Business community in Rocky Mount needs public relations support to respond to the lack of positive press surrounding the city and to promote their goods and services to a broader audience. The Black Business community also needs communal support to share best practices and resources, and financing and contracting opportunities to scale operations. To address these issues, we have developed a series of recommendations aimed at establishing strategic partnerships with organizations with specific minority business initiatives, building alliances with cultural and community affinity groups with access to community resources, and petitioning local governmental action in support of entrepreneurship and equitable economic and real estate development practices.

Interwoven amongst the recommendations and strategies offered in this report is an overarching recommendation for the BBMI to remain committed to addressing the economic injustices experienced by black communities. This commitment can be maintained by stewarding equitable development projects that promote shared prosperity for the Rocky Mount community by leveraging the collective ambition and cultural capital of the Black Business community.

Lastly, this report is a call to action – for the entire Rocky Mount community to invest your time, talent, and treasure into a model for shared community prosperity, led by the Black Business community. This is a call to action for cultural and community affinity groups (local and abroad) that want to see Black communities win, to continue to call out blind spots of injustice. And a call to action for the countless organizations, multinational companies, and anchor institutions that have committed their voices to injustice in response to the murder of George Floyd, here is an opportunity to commit your influence and financial investment to a community-led initiative that addresses the root of injustice, economics.

Based on market research we were able to conclude that the City of Rocky Mount is a community rich in talent and assets that can produce a triple bottom line return (financial returns while committing to people, profits, and the planet) and that the BBMI is well-positioned to steward that reality, anchored by the Black Business district.

**Introduction**

In “The Upbuilding of Black Durham,” (WEB) DuBois celebrates Durham, North Carolina as a place where a Black middle class and Black-owned businesses could thrive without white interference. He describes a town with “fifteen grocery stores, eight barber shops, seven meat and fish dealers, two drug stores, a shoe store, a haberdashery... an undertaking establishment... and five manufacturing establishments.”³

In the early twentieth century Parrish Street in Durham constituted what today would be called an

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³ https://docsouth.unc.edu/nc/dubois/dubois.html
enterprise zone, home to hundreds of Black Owned Businesses. This district later came to be known as Black Wall Street.

Less than 90 minutes east, in Rocky Mount, North Carolina exists an opportunity to recreate a modern-day enterprise zone like the historic Black Wall Street business district.

The commercial corridor of Downtown Rocky Mount is home to over 35+ Black Owned Businesses ranging in scale and industry. With the recent influx of multinational companies moving to the area and Public Private Partnership investments, such as the Rocky Mount Event Center and nearby Rocky Mount Mills, the existing Black business community is expecting a revitalization that has long been needed to support their firms. However, with this hopeful anticipation comes concerns about inequitable development and displacement that not only removes Black people from communities but tends to gradually erase Black cultural and civic contributions.

These feared outcomes are consistent themes in research conducted on the lifecycle of Black Business Districts like the Black Wall Street district in Durham, NC (which saw its decline as a result of urban renewal policy that allowed for the construction of a highway directly through a prominent black neighborhood) or the Black Wall Street district in Tulsa, OK (which saw its decline because of a violent domestic attack led by white citizens of Tulsa) or Jackson Ward in Richmond, VA (which saw its decline as a result of government action that resulted in the establishment and practices of the Richmond Housing Authority and the Richmond-Petersburg Turnpike Authority).

In response to the historic displacement of Black Business districts nationwide and the concerns of the citizens of Rocky Mount, the Black Business Matters Initiative (BBMI) was established as a support organization to steward the growth of Black Businesses in Rocky Mount through commercial real estate and investment.

In the fall of 2020, the BBMI contracted NCGrowth to conduct a study to support their goal of establishing a thriving and sustainable Black Business District in Downtown Rocky Mount to serve as a model for restorative economics for Black Business communities.

This project will highlight current community assets, economic opportunities, barriers to achievement and strategies that the BBMI can use to work towards their stated goals. Findings from the report will also analyze how the BBMI can position itself as a trusted sponsor to steward an equitable and sustainable future for the City of Rocky Mount North Carolina, led by the Black Business community.

Project deliverables include a market analysis identifying business opportunities in specific industries, an overview of recruitment and incentive strategies to spur economic development, and an asset map that identifies Black Owned Businesses in Downtown Rocky Mount.

**Purpose**

The purpose of this report is to help the Black Business Matters Initiative, and community stakeholders to:

- Assess the current landscape of black business and property ownership,
• Assess existing opportunities for business recruitment and formation based on the supply and demand of current goods and services,
• Recommend a series of strategies for the BBMI to employ to create incentives for property owners to renovate their properties,
• Recommend a series of strategies for the BBMI to employ to recruit businesses to downtown Rocky Mount.

Methodology
To reach the above stated goals NCGrowth engaged in the following research methodology.
• Mapped existing business and land ownership in Downtown Rocky Mount,
• Conducted informational interviews,
• Conducted a literature review and analyzed relevant case studies,
• Conducted a consumer leakage analysis, and
• Conducted an economic and demographic analysis.

Demographic Overview
A potential indicator of the demographic make-up of the city of Rocky Mount is reflected in the city’s current legislative body. The City of Rocky Mount’s political structure is comprised of a Mayor and a seven-member City Council that represents the seven wards that the city is divided into. Each council member is elected by the citizens of the wards in which they reside and serve a four-year term.  

Of the seven current city council seats, four seats are occupied by African American males, two seats are occupied by white males and one seat occupied by a white female.

Similarly, the racial demographics of the city of Rocky Mount exhibits a relatively similar split between African American and white citizens, with little to no representation of citizens of Hispanic, Asian or Indian descent.

According to the most recent census data the total population of the City of Rocky Mount is 54,548, which ranks the city as the 19th most populated city in the state of North Carolina out of 400 total cities. Rocky Mount’s total population broken down by race is displayed below.

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According to ESRI reports Rocky Mount is projected to experience a 0.02% decrease in population growth by 2025. This decrease in population has been a consistent theme as the city has experienced a – 7.26% loss in population since 2010, which is equivalent to roughly 80% capacity of the newly constructed Rocky Mount Event Center.

To curb this decline in population and combat the negative narrative associated with the city of Rocky Mount the BBMI looks to contribute to the city’s vitality by establishing an enterprise zone featuring Black Owned Businesses to address the needs of residents and tourists while acting as a magnet for future economic development opportunities.

The Twin Counties
The City of Rocky Mount is split between two counties, with half of the city positioned in Edgecombe County and the other in Nash County. Edgecombe County was formed in 1741 from territory that was previously Bertie County while Nash County was established in 1777 from territory that was previously Edgecombe County. The state of North Carolina currently has 100 counties that were formed between 1664 and 1965. During that period county boundaries have been drawn and redrawn resulting in a county either gaining or losing territory in the process. For example, in 1871 the Nash County line was redrawn which resulted in Nash County gaining additional territory from Edgecombe County.

This separation of the two counties, which is physically represented by rail line, has proven to have major implications on local and state politics, economic development, and the perception of safety on the Edgecombe County side of the tracks versus the Nash County side.

Below is a chart featuring the total population of both Edgecombe County and Nash County broken down by race.

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Rocky Mount city, North Carolina</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Race</strong></td>
<td></td>
</tr>
<tr>
<td>Total Population:</td>
<td>54,548</td>
</tr>
<tr>
<td>White Alone</td>
<td>16,403</td>
</tr>
<tr>
<td>Black or African American Alone</td>
<td>34,678</td>
</tr>
<tr>
<td>American Indian and Alaska Native Alone</td>
<td>129</td>
</tr>
<tr>
<td>Asian Alone</td>
<td>689</td>
</tr>
<tr>
<td>Native Hawaiian and Other Pacific Islander Alone</td>
<td>79</td>
</tr>
<tr>
<td>Some Other Race Alone</td>
<td>889</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>1,681</td>
</tr>
</tbody>
</table>

*Source: 2019 5-Year ACS*
Located along the Tar River, the city of Rocky Mount was historically known for its vibrant textile and agricultural industry. As the local economy has evolved, the city has managed to maintain a formidable reputation as a manufacturing and logistics hub due to its abundance of inexpensive land and proximity to key transport hubs, such as the North Carolina Global TransPark located in nearby Kinston North Carolina. In addition to the manufacturing industry, the city’s industry profile has diversified into healthcare, retail trade, finance, and biomedical pharmaceuticals.

Despite the declining trend in population, total employment in the City of Rocky Mount increased by 2.24%, from 23,000 employees to 23,700 employees between 2017 and 2018. Depicted in the chart below is a breakdown of the most common employment sectors for Rocky Mount residents (please note that this data may include residents of Rocky Mount that work outside of city limits).

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**Economic Overview**

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In 2017 the Upper Coastal Plain Council of Governments conducted a leadership survey and analysis of the region strengths, weaknesses, opportunities, and threats—known as a SWOT Analysis. The survey was administered to local government staff, elected officials, community members, and other stakeholders and documents regional priorities for economic and community development. As a result of the analysis, a list of challenges and strategies to address the challenges associated with workforce development and infrastructure was compiled. See Appendix 1.

Despite concerns surrounding workforce development and infrastructure identified in the above-mentioned SWOT analysis, Rocky Mount’s abundance of cheap real estate, physical infrastructure, and location are likely contributing factors to the city being named one of Forbes’s “Best Small Places for Business and Careers” in 2019. Of the 203 cities mentioned in the annual list, Rocky Mount ranked #182 in the overall rankings but ranked #7 in the cost of doing business category, #171 in education and #180 in job growth.

The sum of these factors has positioned the region as an attractive destination for companies who are looking to expand or relocate their operations. Below are a few of the recent economic development opportunities for the region:

- The World’s largest producer of polymer concrete Armarock, is investing $6.6 million and creating 55 new jobs in Edgecombe County
- Wolf and Flow X-Ray will invest more than $4.5 million to create 68 new jobs, relocating its headquarters and manufacturing operations to the City of Rock Mount

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8 “Best Small Places For Business and Careers.”
9 “Best Small Places For Business and Careers.”
Sara Lee Frozen Bakery, located in Tarboro is expanding and investing $19.8 million and creating 108 new jobs.

To further diversify its local economy and capitalize on its location as the midpoint between New York and Florida – the City of Rocky Mount has invested a significant amount of initial infrastructure to position itself as a destination for youth and amateur athletic events. Building on the tourism impact of the Rocky Mount Sports Complex, a 143-acre park consisting of over 10 sports fields, the City of Rocky Mount partnered with SFM Network to develop the Rocky Mount Event Center (RMEC), a 165,000 square foot multipurpose facility that will host concerts and conferences in addition to indoor athletic events. This Public Private Partnership led by the City of Rocky Mount is expected to add to the tourism profile of the region while generating over $264 Million in new spending.

The City of Rocky Mount has a unique cultural history connected to sports, entertainment, and activism that native residents would like to see preserved and leveraged as a focal point within the city’s tourism profile. This history includes landmarks such as the Booker T Washington High School and being the birthplace of legendary Jazz Pianist and Composer, Thelonious Monk, and Negro League Hall of Fame baseball player Walter “Buck” Leonard.

Despite the impact that the COVID-19 pandemic has had on the traveling and hospitality industry, city officials are optimistic that these community assets and proposed projects, such as the Mill to Monk Trail and Festival Park, will serve as anchors as the city aims to increase its profile as a city of choice for tourists and residents.

Pictured below is a map that highlights the commute times from various cities along the east coast, relative to Rocky Mount.

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Despite its humble economic beginnings in agriculture and textiles, Rocky Mount is experiencing an influx of new firms from across various industries establishing operations in the area. The speculative outlook for economic development for the region is promising and will likely continue an upward trend with the recent news of Apple expanding its operations in Wake County, adding 3,000 jobs.  

**Market Analysis**

To get a better understanding of the potential retail opportunities that exist within the City of Rocky Mount, NCgrowth conducted a market leakage analysis by reviewing previously conducted market

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studies, ESRI reports and conducting consumer interviews. The leakage analysis leverages spending data within a specific trade area to examine the demand for various services and goods, and the ability of local retailers to supply adequate options to meet the existing demand. If the demand exhibited by citizens in that specific trade area are not fulfilled by local retailers, then demand will “leak” out of that trade area into neighboring trade areas. For our research, we examined the Rocky Mount, Edgecombe County and Nash County trade areas to perform a comparative leakage analysis.

Based on this leakage analysis, we conclude that Rocky Mount citizens currently go outside of the Rocky Mount area to fulfill many of their retail needs. This “leakage” of consumer spending presents opportunities for Rocky Mount’s existing retailers to expand their offerings or for new retailers to open businesses in the following categories:

- Auto Parts, Accessories and Tire Stores
- Lawn and Garden Equipment and Supply Stores
- Electronics and Appliance Stores
- Special Food Stores
- Special Food Services
- Vending Machine Operators
- Sporting Goods, Hobby, Book, and Music Stores
- Florist
- Office Supplies, Stationery and Gift Stores
- Used Merchandise Stores
- Home Furnishing Stores
- Non-Store Retailers
  - Electronic Shopping and Mail-order Houses
  - Vending Machine Operators
  - Direct Selling Establishments

Through a series of interviews with community stakeholders and a literature review of previously conducted market studies we were able to gather community suggestions for retail gaps that local consumers would like to see addressed within the Rocky Mount trade area. Those suggestions include:

- Restaurants
  - Categories include – vegan options, ethnically diverse cuisine, Smoothie/Juice Bar, Southern Bakery, Ice cream parlor
- Bars
  - Categories include – Lounges, Wine Bar, Jazz Club, rooftop
- Clothing Boutiques
  - Categories include -- Consignment Shop, Flea market, Sporting Goods
- Coworking Spaces
- Grocery stores
- Bookstores
- Art Studios
- Youth Entertainment
- Pharmacies
- Tattoo Shops
Asset Map
Depicted below is a map of the Black owned businesses in the City of Rocky Mount. You can access the live version of the map on Google Maps at this link.\(^\text{18}\) This asset map can be used by BBMI leadership, local government officials, and business owners to visualize where and what type of Black owned businesses currently exist. When paired with the leakage analysis above, this map can be used by potential business owners to determine what types of businesses to locate in which areas.

![Asset Map Image]

Recruitment and Incentives
Within our scope of work, NCGrowth was tasked with identifying potential recruitment and incentive options that the BBMI could employ to recruit businesses to downtown Rocky Mount. Strategies and options are detailed below.

**Strategies for recruiting businesses to downtown Rocky Mount**

1. **Inclusive Procurement & Contracting Opportunities:** In recent years there has been a growing recognition, accelerated by changing demographics, that the support of Minority Business Enterprises (MBEs) can result in job creation and economic development in decaying urban neighborhoods, which can in turn lead to a larger customer base for the buying organization’s goods or services. There is also clear evidence that as MBEs become economically successful, neighborhoods, cities, and even the entire nation benefits from that success.\(^\text{19}\)

\(^{18}\) https://www.google.com/maps/d/viewer?mid=1wc-SOsj378DldzQituwb9V_fycUMh7f&ll=35.94313785138441%2C-77.79411027760935&z=16

o Curate a network of local Black Owned Business that are interested in competing for procurement contracts,
o Curate a network of out-of-town Black Owned Businesses that are willing to either establish a satellite office in Rocky Mount or team up with local firms to compete for procurement contracts,
o Establish relationships with corporations that have committed to purchasing from Minority Business Enterprises
o Consult with the City of Rocky Mount ‘s purchasing department to identify a third-party training partner to assist Rocky Mount based firms to become “contract ready,” free of charge,
o Petition the City of Rocky Mount to develop a contracting equity program; potential practices and regulations are detailed in appendix 3.20

2. **Retention as Recruitment:** The traditional economic development strategy of recruiting new businesses to relocate to a community, often referred to as economic hunting, may not be the best fit for most cities. In most cases, even when it works, the expense to the community in direct payments and indirect subsidies – not to mention the cost in time and energy – can hardly be justified, based on track record.21 To add parity to the traditional economic development approach BBMI can employ these strategies of business retention

  o Establish BBMI as a convening entity to sponsor small business focused events. A consistent event presence allows the BBMI to generate consistent positive press surrounding the business community and establish partnerships with local educational institutions and anchor institutions. Potential events can include:
    - Networking events
    - Community-Led Charettes
    - Small Business Pop Up Shops22
    - Educational Series
    - BBMI Annual Awards Gala

  o Continue to conduct local market research (via surveys, interviews) to understand the black business landscape. Some key findings should include:
    - Industry Makeup
    - Product / Service Offering
    - Business Stage (ideation, validation, build, sell, scale)
    - Pain Points
    - Succession Plans

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- Relationship with local small business support organizations (ex. Chamber of Commerce)
  - Identify opportunities for shared resources amongst the business community
  - Analyze the above-mentioned market research to understand the needs of the business community
  - Curate a network of vetted service providers to address needs of the business community
  - Leverage the business community network to negotiate group pricing for commonly needed products and services
  - Establish relationships with small business support organizations that assist “main street” businesses with resources, tools, and community support

**Strategies for encouraging property owners to develop their properties**

1. **Listening Tour**: The purpose of the listening tour is to dedicate time to meet with property owners to hear their concerns, identify barriers and build trust. Understanding the concerns and aspirations of property owners will prove to be essential to creating incentives that are accessible and available to the individuals they are created for.
   - Identify and schedule a meeting with current property owners
   - Compile a high-level list of questions to guide each conversation
   - Record interview data to inform next steps of the incentive development conversations
   - Establish a feedback loop between the property owners and local government
   - Gauge interest of property owner to participate in development partnership opportunities

2. **Establish Development Partnerships**: Based on market research we were able to conclude that there is a resources gap that exists amongst current commercial property owners preventing redevelopment.
   - Identify a list of development organizations that assist property owners to navigate the development process
   - Identify property owners that are motivated to participate in development partnership opportunities
   - Record the steps to the development process to create a publicly available guide for future development
   - Curate a network of development partners
     - Contractors, engineers, capital partners etc.

**Strategies to encourage property development outside of the downtown area**

1. **Petition City Government to establish an Equitable Development Venture Fund**: In alignment with the Reputation Equity framework for cities, this key driver will position the city to address gaps in equitable development.
Identify fund partners, such as Community Development Corporations (CDCs), Majority and Minority-owned banks, Credit unions, etc.

Assist in identifying potential projects – commercial redevelopment, small business investment, strategic neighbor initiatives, etc.

Ensure the development initiative seeks opportunities that adhere to the Triple Bottom Line policies of sustainability. That is, they must minimize – to the maximum extent possible – adverse impacts on natural resources and the physical environment; adhere to principles of social justice and in the process return equitable shareholder and stakeholder value.

Potential Strategies for Moving Forward

As the BBMI continues its efforts to steward the growth of Black Businesses in Rocky Mount through commercial real estate and investment, this section of the report provides context to additional themes, strategies and hopeful outcomes that were discovered during the research period.

The Issue with Black Ambition

In “The Price of Black Ambition”, Roxanne Gay writes, “many people of color in this country can likely relate to the onset of outsized ambition at too young an age, an ambition fueled by the sense, often confirmed by ignorance, of being a second-class citizen and needing to claw your way toward equal consideration and some semblance of respect.”

At the core of the BBMI’s mission to establish a thriving Black Business District is this concept of Black Ambition -- a sense of pride, rooted in a cultural narrative of excellence despite interference, and an insatiable desire to see Black communities thrive.

As global citizenship becomes progressively more diverse and connected through mediums such as technology, music, and media there seems to be increasing support in the shared values of wanting to see Black people, Black communities and Black businesses win. Or if nothing else, not have their pursuit to achieve sustainability conspired against and compromised by interference.

This sense of cultural affinity is no longer exclusive to the individuals that are simply born into a census checkbox, but instead encompasses a growing demographic of individuals with a shared mindset. A mindset that is held by individuals, across racial and socio-economic lines who see the opportunity to invest in this collective ambition by removing barriers to market entry and preventing market interference.

Despite what may feel like progressive momentum in favor of Black businesses, history suggests that there will always be a few haters. A group of individuals with an opposing mindset that takes issue with a community of Black business owners operating out a sense of group self-interest to reverse the

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generations of wealth extraction levied against them since 1619. History depicts how too much success for Black Business districts, in the presence of opposing mindsets, often leads to violent domestic attacks or opposing governmental policy.

The question is -- will this hate manifest itself in Rocky Mount as the BBMI gains momentum and support to achieve their desired outcome? Or once the project has reached its full potential?

A key factor to the success of the BBMI be their ability to navigate their community's response to Black Ambition. Some responses will be supportive and come from unsuspected sources while others will be unsupportive and come from unsuspected sources, either way -- how the organization responds will prove to be vital.

The BBMI organization is dedicated to the approach of stewarding economic development opportunities for the Black Business community and is interested in working with institutions and individuals that share the same values. This strategy is rooted in the belief that institutions and individuals who are willing to co-create an equitable future for Black Business owners in Rocky Mount will not be offended by the approach but rather see it as a competitive advantage for collective prosperity.

In response to recent acts of police violence against Black people, most notably the murder of George Floyd, organizations have made inspired declarations of solidarity with Black people backed by financial investments aimed at ending the impact of racism. As the economic profile improves in Rocky Mount the BBMI is poised to steward opportunities for institutions that are willing to align themselves with the mission of co-creating a Black Business district in Rocky Mount, NC to secure a triple bottom line return on investment.

**Community Development**

Citizens of Rocky Mount have expressed a need for a dynamic plan to address the link between crime and youth programming. The brightest minds in community development often share best practices to address unemployment, poverty, and crime to cultivate change. Tupac Shakur is regarded as one of the best hip hop artists of all time but rarely mentioned for his theory to change community.

The ties between hip hop music and youth culture are evident. A connection backed by streaming data and market influence that confirmed what was known ever since sugar hill — hip hop is the most powerful force in American culture.

In a rare interview, Tupac lays out his plan to restore dignity in various communities through sports, music, and influence. His thesis demonstrates a belief, worth testing, that the same hip hop culture that influences behavior can drive community development.  

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As the city of Rocky Mount is in search of solutions for youth programming, crime, and poverty the BBMI could leverage this call to action given by Tupac Shakur to mobilize an industry of artists that can motivate a generation through sport, music, and influence.

The legacy of Thelonious Monk and jazz’s connective roots to hip hop can be an opportunity to connect to a community of artist, entertainers, and investors.

As more artist and entertainers are investing in companies now could be a time to leverage cultural capital to contribute to the building of a black business district.

**Potential Projects**

Based on literature review, market research and community interview NCGrowth decided to capture a list of three potential projects that would address concerns of the community while contributing to the overall attractiveness of the area. These project ideas are meant to be a basis to spark creativity and conversation amongst community members. Each project varies in scale and scope (Hyperlocal, Local and Regional) and lists potential partners based on project alignment and proof cases that inspired the project suggestion. See table in Appendix 4.

**Case Studies**

This section of the report highlights a series of organizations programs and case studies that can serve as reference points for BBMI learn from and apply to their strategy.

**Procurement and Business Development**

**Build Up Houston**

“Build Up Houston is a comprehensive, seven-month program designed to increase the capacity and success of small businesses. The program has extended beyond the construction industry to also include businesses in the retail, hospitality, and restaurant industries. Build Up Houston utilizes curriculum provided by Interise, a non-profit organization, focused on helping established small business owners take their companies to the next level for continual growth and success. “

Interise has an award-winning curriculum that was developed and refined by working hand-in-hand with small business owners and national business experts. Interise has established themselves as a proven leader in educating and training established business owners to grow their businesses.

Since its launch in 2014, Build Up Houston has graduated over 35 businesses within various business sectors, including hospitality, food & beverage, retail, and construction. Criteria for acceptance into the program requires that companies be certified with the City of Houston as MWSBE, DBE, PDBE, ACDBE. Build up Houston is planning to welcome in its sixth cohort of companies in the Spring of 2021.

**Recommendation**

Petition local government and anchor institutions to explore options to establish a program aimed at connecting Black Businesses to training to that will contribute to company growth.
Leverage local proximity to Cummins\textsuperscript{26} to initiate opportunities procurement capacity building through the Billion Dollar Roundtable.\textsuperscript{27}

For more information on Build Up Houston, visit https://www.houstontx.gov/builduphouston/.

**Evergreen Cooperatives**

“The Evergreen Cooperatives is a connected group of worker-owned cooperatives based in Cleveland, Ohio.”\textsuperscript{28} Since its launch in 2008 by the City of Cleveland Government, the Cleveland Foundation and other anchor institutions in the Cleveland area, the Evergreen Cooperative has been committed to local, worker-owned job creation, sustainable, green and democratic workplaces and community economic development.

The Evergreen Cooperatives consists of four entities:

1. The Fund for Employee Ownership,
2. Evergreen Energy Solutions: A single source contractor, specializing in helping manufacturers, large institutions and residential developers save energy,
3. Evergreen Cooperative Laundry: An industrial laundry service that caters to local hospitals, hotels, and other institutions, and

A key component to the success of the Evergreen Cooperative is its approach to economic development. Their website states:

“Rather than offering public subsidy to induce corporations to bring what are often low-wage jobs into the city, the Evergreen Strategy calls for catalyzing new businesses, owned by their employees. Rather than concentrate on workforce training for employment opportunities that are largely unavailable to low-skill and low-income workers, the Evergreen Initiative first creates jobs, and then recruits and trains residents to fill them.”\textsuperscript{29}

**Recommendation**

- Champion the Evergreen Initiative approach to cooperative economic development amongst local government and business community, and
- Identify opportunities to support, establish and/or recruit employee-owned firms.

For more information in the Evergreen Cooperatives and their companies, visit http://www.evgoh.com/.

**Revitalization**

**Gastonia, NC: A District Approach to Revitalization**

“In 2017, the City of Gastonia hired the Development Finance Initiative (DFI) to complete the necessary pre-development processes for multiple development pads around the Franklin Urban Sports and Entertainment (FUSE) district.”

DFI at the UNC School of Government partners with local governments to attract private investment for transformative projects by providing specialized finance and development expertise. Since its founding in 2011, DFI has partnered with more than 85 communities to design and attract investment for development projects that accomplish local goals.

DFI was responsible for working with design teams to identify development pads, completing pre-development work, and actively attracting potential development partners to execute an estimated $60M+ of private development in the FUSE District.

DFI and the City of Gastonia recently received six development proposals through their initial Solicitation for Development Partners (SDP) before deciding to work with Lansing Melbourne Group (LMG) to develop a $14M adaptive reuse project that will yield apartments and retail options for the city.

**Recommendation**
- Petition city government to establish a relationship with development partners, such as DFI with specific plans to target development opportunities with black business owners,
- Identify local black business owners that would be willing to participate in a DFI led project,
- Explore opportunities to contract with development partners, such as DFI to initiate the development process.

For more information on Development Finance Initiative, visit [https://dfi.sog.unc.edu/](https://dfi.sog.unc.edu/).


**Creative Financing**

**Access Initiative**

The ACCESS initiative was launched by the Community Preservation Corporation and was established with the goal of empowering Black and minority entrepreneurs who have disproportionately experienced barriers to entry within the development industry by providing funding, education, and the resources to build capacity to compete in the marketplace.

ACCESS is an acronym for Acquiring Capital and Capacity for Economic Stability and Sustainability.

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Based on our research regarding the gaps in the development process in Rocky Mount we noticed a few consistent themes that mirror some of what the ACCESS team heard in their work.

Listed below are a few recommendations for increasing access to capital among Black and minority business owners from ACCESS program participants:

- Capacity building programs such as borrower training and financial literacy that helps first time entrepreneurs navigate the development process,
- Subordinate soft debt and recoverable grants to fill gaps where subsidies are unavailable or limited,
- Predevelopment and acquisition loans that enable those with lower upfront capital to compete in the market,
- Construction and permanent debt capital for projects smaller than those usually financed with conventional CPC products, and
- Equity in initiatives and alternative financing vehicles for partners in targeted communities.

Recommendation
- Establish feedback loop with local financial institutions to communicate the investment needs of Black Business community,
- Identify financial institutions outside of the area that are open to meeting creative financing needs of Black Business community,
- Establish feedback loop with city development officials to understand the barriers to development.
- Explore opportunities for BBMI to establish itself as a source for non-traditional funding

For more information on the ACCESS Initiative, visit https://communityp.com/access/

Conclusion
The City of Rocky Mount follows an all too familiar narrative of a city primed for future development despite having a socio-political history rooted in segregation and an economic history rooted in municipal divestment and industry upheaval.

A question that remains is -- at this stage in the economic life cycle of the City of Rocky Mount, from a slave-labor driven textile town to a logistics and manufacturing hub to an aspiring hospitality and tourism destination, what role will the community's citizens, local institutions and outside actors play in its revitalization?

With cities across America one viral moment away from racial unrest and still reeling from the impact that COVID-19 has had on families, our health systems, and the economy, it is imperative that communities leverage the collective ambition that exist within formal and informal networks to co-create equitable development opportunities in these cities.

The goal of the BBBMI to establish a thriving and sustainable Black Business District in Downtown Rocky Mount to serve as a model for restorative economics in Black communities is, on paper, a noble yet seemingly daunting task. But it is far from impossible. The histories of successful Black Business districts are often omitted from state histories to cover up the ugly forces that led to their untimely demise.
However, with the awakening of the global consciousness in response to the Murder of George Floyd, many citizens believe this is the time to direct that energy to building alliances that will combat the impact of systemic racism.

Throughout this report we’ve made recommendations that have included specific strategies that the BBMI can employ to build momentum towards their goals as well as suggestions from the community that can be employed by local Government and other organizations and institutions in support of that goal. The recommendations described in this report should be prioritized by what can be done right now with the resources and connections readily available to the organization.

To conclude, we’d like to offer a final recommendation – a framework for the BBMI and their co-creators to employ in pursuit of establishing a Black Business District in Downtown Rocky Mount. This framework is outlined in a book written by Dr. Claude Anderson, Ed. D. entitled, Powernomics: The National Plan to Empower Black America. “The Powernomics concept and plan teaches Black communities how to pool resources and aspects of power so that they can produce, distribute, and consume in a way that creates goods and wealth.”31

By leveraging the momentum associated with this moment in American history to build strategic partnerships, adhering to the recommendations made in this report, and executing within the Powernomics framework, the BBMI can position itself as a trusted community partner to steward the reality of restorative economics, anchored by Rocky Mount’s Black Business district.

References


Nick Johnson. 10 Places in NORTH CAROLINA You Should NEVER Move To, 2021.
https://www.youtube.com/watch?v=cTV4z0q9a2U.


https://www.billiondollarroundtable.org/.

Appendix 1: Upper Coastal Plan Council of Governments SWOT Analysis

<table>
<thead>
<tr>
<th>Infrastructure Challenges: Based on 2017 Upper Coastal Plain Council of Governments SWOT Analysis</th>
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</thead>
<tbody>
<tr>
<td>1. There are increasingly divergent economies of scale in water and wastewater systems. Large and small systems have increasing costs in operations and maintenance and respond with associated fee increases. To create economies of scale, water and sewer systems can be better integrated and coordinated. Deferred maintenance creating operational efficiencies can also be addressed.</td>
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<tr>
<td>2. Areas of the region lack adequate broadband access. High-speed broadband is a necessity for the development of resilient and successful communities. It is required for businesses to thrive and ultra-high-speed broadband is critical to global competitiveness.</td>
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<td>3. Continue progress in emerging clean energy sectors while maintaining necessary traditional energy sources in a manner that sustains growth while increasing resiliency.</td>
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<tr>
<td>4. The region must continue its vigilance and ensure a fair share of both state and federal transportation funds. Also, the region has had limited multi-modal transportation options, particularly in the more rural areas.</td>
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<td>5. Incorporate the region’s natural “Green and Blue Infrastructure” assets into development strategies, particularly the area’s primary rivers, the Roanoke and the Tar, as well as nature trails.</td>
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<table>
<thead>
<tr>
<th>Workforce Development Challenges: Based on 2017 Upper Coastal Plain Council of Governments SWOT Analysis</th>
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</thead>
<tbody>
<tr>
<td>1. Develop, attract and retain workers with the necessary skills required for today’s, and tomorrow’s jobs.</td>
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<tr>
<td>2. Further align and coordinate the region’s workforce and educational systems.</td>
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<tr>
<td>3. Further address human resource development deficits through workforce development.</td>
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</tbody>
</table>
Appendix 2: Barriers to Local Development

| Barriers to Redevelopment: Concerns of property owners and developers that limit development activity and are not addressed in current city incentives. |
|---|---|
| 1 | Access to capital. Local financial institutions are reluctant to lend to local developers (and business owners) which has forced a few developers/property owners to seek capital partners outside of the Rocky Mount area. |
| 2 | Predevelopment Costs. The costs and fees associated with project due diligence likely prevents small scale development |
| 3 | Difficult inspection process. Interviews with developers allowed us to conclude that there is a difficult inspection process. |
| 4 | Taxes. Current incentives require property owners to have their taxes completely paid in order to qualify which is a likely barrier to engagement. |
| 5 | Anticipating a big pay out soon. A consistent theme amongst property owners was a “hold” strategy in anticipation of property value appreciation that would trigger a sell, instead of taking on the risk of redevelopment. |
| 6 | Lack of development experience / resources. Many property owners have limited knowledge and/or experience with the commercial redevelopment process which likely contributes to the inactivity. |
Appendix 3: Contracting For Equity: Best Local Government Practices that Advance Racial Equity in Government Contracting and Procurement

<table>
<thead>
<tr>
<th>Contracting For Equity: Examples of good inclusive contracting and procurement practices</th>
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<tbody>
<tr>
<td>Clarity and collaboration on goal setting. Gaining buy-in from all city agencies down to the project manager and engineer level is key when it comes to setting goals on individual projects or proposals. Minneapolis has been building this type of collaboration with city agencies.</td>
</tr>
<tr>
<td>Committing to sub-contractors at bid time. The METC requires primes to make specific commitments to sub-contractors at the time that a bid is submitted</td>
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<tr>
<td>Extra prompt payment to subs. Sub-contractors can often be the last ones paid and are least able to afford the wait. Seattle requires primes to pay subs before the primes can invoice and get paid themselves</td>
</tr>
<tr>
<td>Repercussions. In Seattle, if the prime does not implement its inclusion plan, payment can be withheld and the City could decide to not use them again indefinitely, or could debar them from doing business with the City for ten years.</td>
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<tr>
<td>Capacity-building requirement. Multnomah County requires primes to state in their proposals how they will build the capacity of sub-contractors. On large projects the prime is required to mentor at least two MWE/SB business enterprises.</td>
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<tr>
<td>Proactively helping the teaming process. The METC also worked with MWBE and DBE firms to form a team, with one being lead on a large project outside of their jurisdiction. The team successfully won a large design contract.</td>
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Source: Contracting For Equity

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Appendix 4: Potential Projects that Would Address Community Concerns While Contributing to the Overall Attractiveness of the Area

<table>
<thead>
<tr>
<th>Proposed Project</th>
<th>Project Scope</th>
<th>Community Concerns Addressed</th>
<th>Project Lead</th>
<th>Related Partners</th>
<th>Additional Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Natural Stormwater Solutions</td>
<td>Enhance flood protection and manage stormwater runoff</td>
<td>Reduce flooding and improve water quality</td>
<td>City of Raleigh</td>
<td>North Carolina Stormwater Coalition, NC Department of Environment and Natural Resources</td>
<td><a href="https://www.croo.nc.gov">Website</a></td>
</tr>
<tr>
<td>2. Public Green Space</td>
<td>Enhance public green space and increase community engagement</td>
<td>Improve neighborhood aesthetics and social cohesion</td>
<td>Triangle Park Foundation</td>
<td>Friends of Triangle Park, City of Raleigh Department of Parks and Recreation</td>
<td><a href="https://triangleparkfoundation.org">Website</a></td>
</tr>
<tr>
<td>3. Community Health Center</td>
<td>Improve access to healthcare services</td>
<td>Address health disparities and improve community health</td>
<td>Triangle Health Care Network</td>
<td>John C. Calhoun Health Care System, UNC Health Care</td>
<td><a href="https://www.johncalhounhealth.org">Website</a></td>
</tr>
<tr>
<td>4. Local Business Incubator</td>
<td>Support local entrepreneurship and small business development</td>
<td>Promote economic growth and job creation</td>
<td>Triangle Business Incubator</td>
<td>Local Chambers of Commerce, North Carolina Department of Commerce</td>
<td><a href="https://www.trianglebusinessincubator.com">Website</a></td>
</tr>
</tbody>
</table>

*Note: This table is an example and actual projects and partners may vary.*