

Public Investment Plan (PIP)

Name:	Minority Enterprises Growth And Needs (M.E.G.A.N.) Study
Convener:	Department of Finance
Contact:	Zak Kelley, Office of the Director
Mayor's Priority Area :	Economic & Community Development; Quality of Life

1. Briefly describe the issue or problem addressed by the investment plan:

Nashville is a vibrant, growing city. Progress is apparent as evidenced by the advent of our best new reality show—*Crane Watch*—an interactive live-camera that showcases all the construction projects across the city.

We are a diverse metropolis: **30 percent African American, 10 percent Latino, 12 percent foreign-born**. From 2000 to 2012, **immigrants accounted for 60 percent of our population growth & 30 percent of our new small businesses**.

This is great news for Nashville, but there is still work to be done to make sure everyone shares in the prosperity.

Of the **61,000 business firms** identified by the US Census in Nashville, only **11,000 are minority business enterprises (MBEs)**. This means that while minorities comprise 40 percent of our population, they own less than six-percent of businesses in the city.

These statistics, combined with anecdotal analysis of development along Nolensville Pike, Jefferson Street & the broader North Nashville community, show a **growing disparity in Nashville's business community**.

Furthermore, we have a number of studies describing the disparity, but **no comprehensive data set or field study identifying the root causes or practical solutions to the problem**.

2. How does the plan solve the stated problem?

We believe that what gets measured gets done.

Bearing that in mind, the first step to address MBE disparity in our city is to know the problem. Specifically, we need:

- Comprehensive demographic information about our MBE community (The Who & Where)
- Thorough understanding of barriers to growth faced by MBEs (The Why)
- Specific, practical steps Metro can take to eliminate barriers and spur MBE growth (The What)
- Evaluation of current Metro services for MBEs & ways they can be more efficiently administered (The How)

We will obtain this data by partnering with a local university to conduct a comprehensive field study of Nashville MBEs. Once completed, the Minority Enterprise Growth And Needs (MEGAN) Study will provide the data outlined above, along with concrete recommendations to spur MBE growth in Nashville.

3. Why is this the right time to implement this plan?

As Nashville continues to grow & become more diverse, Metro has a responsibility to ensure that all citizens have equal opportunity to join in the prosperity.

The lack of available affordable real estate is also a motivating factor. As real estate in gentrified parts of the city dwindles & property values increase, developers will look to new areas for investment. Unfortunately, this often means that MBEs are displaced because either (A) they cannot compete with new incoming businesses or (B) they do not have the capital or financial resources to maintain/expand their business in a gentrifying area.

Whether it's Jefferson Street or Nolensville Pike, we have to obtain this data now, so that as development moves outward, our MBEs can continue to operate & thrive in the communities they currently support.

4. What current processes address the issue?

While there are a number of disparity studies that note the make-up and procurement problems faced by MBEs, there is no comprehensive field study that outlines in detail issues faced by this group or how Metro can eliminate those barriers.

5. What problems and inefficiencies have been identified with the current processes?

There is no current process for collecting the type or depth of data which the MEGAN Study proposes to provide.

6. List all proposed participants including:

- **Internal Partners**
- **External Partners (Nonprofits, Non-Government Organizations, Community Organizations)**

Internal Partners:

- Department of Finance (Business Assistance Office & Office of the Director)
- Mayor’s Office of Economic Opportunity & Empowerment
- Mayor’s Office of Economic & Community Development

External Partners:

- Local university (selected via RFP)

7. Briefly define the individual roles of each participant in each year of the project

Department of Finance

- Office of the Director will act as convener & oversee project completion
- Business Assistance Office (BAO) will complete the RFP, serve as the granting agency for local university partner and act as custodian of study results & data.

Mayor’s Office of Economic Opportunity & Empowerment (OEOE)

- Establish study parameters for the RFP in consultation with PIP team
- Aide local university partner in identifying community partners & organizations

Mayor’s Office of Economic & Community Development (ECD)

- Aide PIP team in the development of study parameters for the RFP & provide information as needed to local university for the study.

Local University (TBD through RFP)

- Conduct the study

8. Total Length of Project in Years

1-year

9. Provide a brief explanation below of the actions that will be taken to implement the project in each year

Year 1	<ul style="list-style-type: none"> • PIP team will develop study parameters & issue RFP for local university partner (LUP) • LUP will work with Office of Economic Opportunity & Empowerment to identify community stakeholders, partners & geographic regions essential to the study. • Office of Economic & Community Development will provide information to LUP on current MBE programs. • LUP will conduct the study, then report results & recommendations to the Mayor
Year 2	No financial or policy commitment exists beyond 1-year needed for completion of the MEGAN Study. .
Year 3	No financial or policy commitment exists beyond one-year necessary for completion of the MEGAN Study.
Long Term	<p>No financial or policy commitment exists beyond one-year necessary for completion of the MEGAN Study.</p> <p>However, it is our hope that data & recommendations produced by the MEGAN Study will be used by Metro to improve existing programs & spur growth in the MBE sector.</p>

10. Please explain why this collaborative approach more effectively addresses the identified issue compared to existing individual efforts

MBEs currently access services across multiple departments:

- Finance provides support for MBE’s seeking Metro procurement contracts
- ECD provides a small business opportunity fund & other incentives
- OEOE provides workforce development

Collaboration between all the providers will produce a study with exhaustive content, an inclusive perspective and a unified approach to addressing MBE growth in Nashville. This collaboration will also serve as the basis for future partnerships addressing recommendations of the MEGAN Study.

11. Briefly summarize the additional resources (funding, staffing, training, etc.) needed by all participants in order to successfully implement the plan.

Outside of the PIP funds for a local university partner to complete the study, our team is confident we will need no additional Metro resources. Every team member is committed to supporting this study within the confines of their current position and with available resources.

12. If applicable, briefly describe how your proposed project will achieve cost savings, revenue gains and/or service

improvements? Please provide detailed financial data in the attached spreadsheet.

The MEGAN Study is not primarily focused on cost savings, revenue gains or service improvements.

However, results from the MEGAN Study will lead to better cooperation by Metro agencies providing MBE assistance. This could result in cost-savings or service improvements in the long-term.

If Metro uses data obtained by the MEGAN Study to improve services to MBE's and MBE growth is enhanced as a result, this could have a positive effect on revenue, as well as the economic condition of underserved communities.

13. How will success be measured and in what years of the project will it become measurable?

The MEGAN Study is designed to be completed within one-year, at which time the data & recommendations would be available for review.

The MEGAN Study will be successful if upon completion Metro has:

- Comprehensive data on Nashville MBEs
- Thorough understanding of barriers to success faced by MBEs
- Practical steps to address these issues & spur MBE growth
- Analysis of most effective manner in which to provide MBE with Metro services

14. How many citizens will this project impact?

- 11,000 MBEs would directly benefit from data & actions resulting from the MEGAN Study.
- 240,000 minority Nashvillians—largely located in specific geographic clusters—would benefit from economic revitalization catalyzed by MBE growth in these areas.
- All Nashvillians benefit when we look honestly at our shortcomings and take steps to level the playing field. The MEGAN Study is the first step in that process.

15. What benefits or improved services will the citizens of Davidson County receive as a result of the plan?

The primary objective of the MEGAN Study is not an improved benefit or service.

However, it is our hope that the results & recommendations of the MEGAN Study will be used by policy makers in Metro to improve services provided to MBEs and implement new policies to spur their growth.

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Name of Collaboration:	Minority Enterprise Growth And Needs (M.E.G.A.N.) Study											
		FY2017			FY2018			FY2019			FY17-FY19 GRAND TOTALS	
	Dept. Name	Operating PIP	FTE PIP TOTAL	Capital PIP TOTAL	Operating PIP	FTE PIP TOTAL	Capital PIP TOTAL	Operating PIP	FTE PIP TOTAL	Capital PIP TOTAL	Operating PIP	Capital PIP TOTAL
Department/External Partner A:	Finance	225,000	-	-	-	-	-	-	-	-	225,000	-
Department/External Partner B:	Mayor's Office of E	-	-	-	-	-	-	-	-	-	-	-
Department/External Partner C:	Mayor's Office of E	-	-	-	-	-	-	-	-	-	-	-
Department/External Partner D:	Local University Pa	-	-	-	-	-	-	-	-	-	-	-
Totals:		225,000	-	-	-	-	-	-	-	-	225,000	-

Current Level of Funding (Operating and Capital)

	Dept. Name	Fund	Budget Category	Budgeted Positions/ FTE	Budgeted FTEs	Operating Amount	Capital Budget	Capital Resolution Number
Department/External Partner A:	Finance	10101	N/A	0	-	-	-	N/A
Department/External Partner B:	OEOE	10101	N/A	0	-	0	0	N/A
Department/External Partner C:	ECD	10101	N/A	0	-	-	-	N/A
Department/External Partner D:	Local University Partner		N/A	0	-	-	-	N/A
Totals:				0	-	-	-	

Requested Level of Funding For Fiscal Year 2017 (Operating and Capital)

	Dept. Name	Fund	Budget Category	Requested Positions	Requested FTEs	Operating Funding Request	Capital Funding Request
Department/External Partner A:	Finance	10101	Field Study Grant	0	-	225,000	-
Department/External Partner B:	OEOE	10101		0	-	-	-
Department/External Partner C:	ECD	10101		0	-	-	-
Department/External Partner D:	Local University Partner			0	-	-	-
Totals:				0	-	225,000	-

Requested Level of Funding For Fiscal Year 2018 (Operating and Capital)

	Dept. Name	Fund	Budget Category	Requested Positions	Requested FTEs	Operating Funding Request	Capital Funding Request
Department/External Partner A:	Finance	10101	N/A	0	-	-	-
Department/External Partner B:	OEOE	10101	N/A	0	-	-	-
Department/External Partner C:	ECD	10101	N/A	0	-	-	-
Department/External Partner D:	Local University Partner		N/A	0	-	-	-
Totals:				0	-	-	-

Requested Level of Funding For Fiscal Year 2019 (Operating and Capital)

	Dept. Name	Fund	Budget Category	Requested Positions	Requested FTEs	Operating Funding Request	Capital Funding Request
Department/External Partner A:	Finance	10101	N/A	0	-	-	-
Department/External Partner B:	OEOE	10101	N/A	0	-	-	-
Department/External Partner C:	ECD	10101	N/A	0	-	-	-
Department/External Partner D:	Local University Partner		N/A	0	-	-	-
Totals:				0	-	-	-

Potential Revenue Generated from Collaboration

	Dept. Name	Fund	Revenue Category(OA)	Revenue Source	Revenue Amount	Fiscal Year Collected
Department/External Partner A:	Finance	10101	N/A	N/A	-	N/A
Department/External Partner B:	OEOE	10101	N/A	N/A	-	N/A
Department/External Partner C:	ECD	10101	N/A	N/A	-	N/A
Department/External Partner D:	Local University Partner		N/A	N/A	-	N/A
Totals:					-	