

Forward Cities Detroit

North End/New Center District

12/16/2015

The following is the data partner summary for Forward Cities Detroit. We have included background and rationale for the selection of the “North End/New Center District,” as well as demographic, employment, and entrepreneurial support data available for the area. Data tables and a list of existing entrepreneurship programs are located in Appendices A and B, respectively.

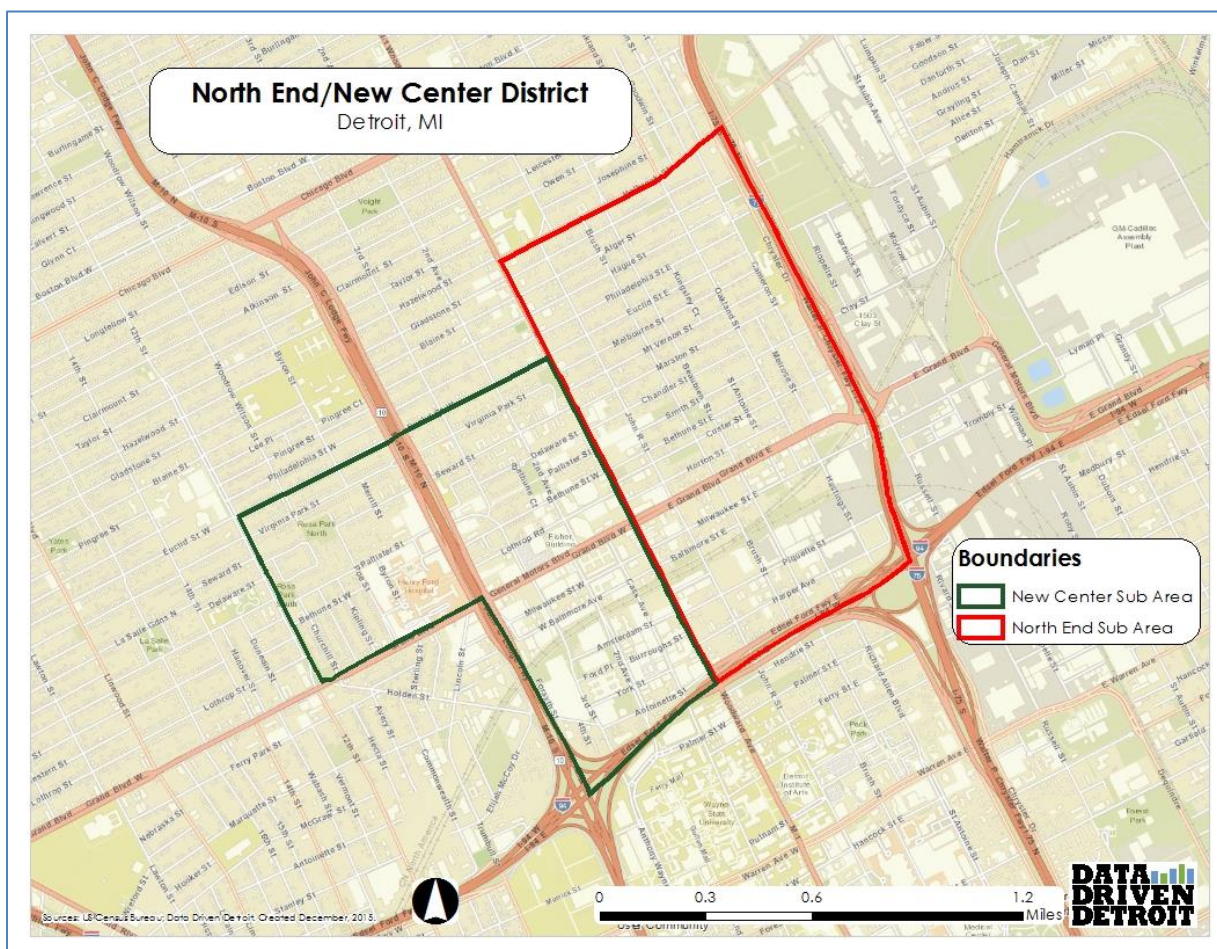
Forward Cities Detroit: North End/New Center District

Background

The Forward Cities Detroit team selected a 1.76 square-mile area in Detroit, hereafter referred to as the “North End/New Center District.”

For reference, we divided the North End/New Center District into two sub-areas, the “North End Sub Area” and the “New Center Sub Area.” Our analyses and comparisons were conducted on the census-tract level. Map 1 below outlines the entire study area as well as the sub-areas. The New Center Sub Area encompasses the area between Euclid Avenue to the north, Woodward Avenue to the east, Interstate 94 to the south, and John C. Lodge Freeway, Grand Boulevard and Rosa Parks Boulevard to the west. The North End Sub Area encompasses the area between Holbrook Avenue to the north, Interstate 75 to the east, Interstate 94 to the south and Woodward Avenue to the west.

Map 1: North End/New Center District with Sub Areas



The North End/New Center District was chosen based on existence of established businesses and community investment in the area combined with the potential for significant entrepreneurial engagement and community growth. In accordance with goals of Forward Cities, the area selected by the Detroit team has the potential to not only support local innovators and create a stronger neighborhood locally, but can also expand reach of local businesses regionally and even nationally. The North End/New Center District contains active and potential nodes for public transit, commercial establishments, and residential housing.

Below, we have summarized findings about the North End/New Center District based on preliminary quantitative and qualitative data analysis. Following this summary report, we have attached a data table containing multiple indicators in the North End/New Center District in Appendix A and a list and map of existing entrepreneurial support programs in Detroit in Appendix B.

Selection Rationale: Demonstrated Need

Population Density

The North End/New Center District experienced an estimated 30 percent decline in population, from 2000-2013, which is similar to the estimated 25.7 percent population loss Detroit as a whole experienced within the same time period. However, the New Center Sub-area, specifically, has maintained a higher population density compared to Detroit as a whole (American Community Survey, 2009-2013 5-year estimates). This density presents an opportunity to invest in growth in the adjacent North End Sub-area, which is separated from New Center Sub-area by the Woodward Avenue commercial corridor (Detroit Future City, 2012). This opportunity is in line with the objectives of Forward Cities to implement strategies in currently underserved areas with growth potential.

Poverty

As of 2013, 50 percent of the population in the area was living below the poverty line (ACS, 5-year Estimates), signaling a need for community investment, job creation and income generation in this area.

Entrepreneurial Investment

Additionally, needs expressed by innovators in the community complement and corroborate the national project goals of Forward Cities. Through three years (2012-2014) of qualitative research, interviews, and analysis of entrepreneur networks, D3 and Urban Innovation Exchange assessed the areas of greatest need and importance for innovators as voiced by the innovators themselves:

- Reducing environmental barriers. Innovators identified “lack of public transit, extensive poverty, and low educational opportunities” as the greatest barriers to growth and success.

- Networking with purpose. Innovators expressed desire for investment in programs that not only introduce entrepreneurs to a larger network, but also serve to build skills (i.e.) educational workshops to draft business models or grant proposals, multi-group strategy sessions geared toward community benefit agreements.
- Creating a strong neighborhood. 71 percent of innovators surveyed ranked the importance of “neighborhood” to their own success as “very important.” Growth potential is limited by the perceived strength of the surrounding neighborhood.
- Assessing market opportunities. Understanding and assessing the current market and ecosystem in which they operate ranked as one of the highest needs for innovators. Identifying and mapping these connections and potential markets is necessary to strengthen existing businesses and to attract new talent.

Selection Rationale: Existing Base of Activity/Infrastructure

- The M-1 Rail. The M-1 Rail terminus at Woodward and W. Grand Blvd., scheduled for completion in 2016, will serve as a transport hub and destination for residents in the city and across the region. Research is currently underway to determine the potential impact of the M-1 on increased activity in the area.
- Henry Ford Hospital. The flagship hospital of the Henry Ford Health System, the hospital serves as an anchor institution in the New Center Sub-area as both a major service provider and employer.
- Wayne State Police Department, located in the New Center Sub-area, serves as an added measure of security and safety to areas surrounding the Wayne State campus and medical center.
- The “Central Woodward” area north of W. Grand Blvd. to Euclid, bordered by John R. Road on the east and the Lodge Freeway in the west, had the highest concentration of employees and multitenant/mixed occupancy commercial structures of all areas studied by Michigan Community Resources (MCR, 2015).
- Job density in the North End/New Center District increased by approximately 36 percent in the period from 2002-2011, in a stark contrast to the 16 percent decrease in Detroit as a whole over the same period. Within the same period, job density decreased by approximately 40 percent in the North End Sub-area (U.S. Census Bureau, LEHD 2011). This discrepancy may be explained by the presence of Henry Ford Health System’s flagship offices in the New Center Sub-area, as well as the large employment centers of Wayne State, the Fisher Building and Cadillac Place. The approximately 24,000 jobs per square mile noted for the New Center Sub-area, thus, may be skewed by these employers and large office buildings.

Selection Rationale: Alignment with Current Investment Strategies

The North End/New Center District is aligned with existing investment strategies and community development initiatives in the city.

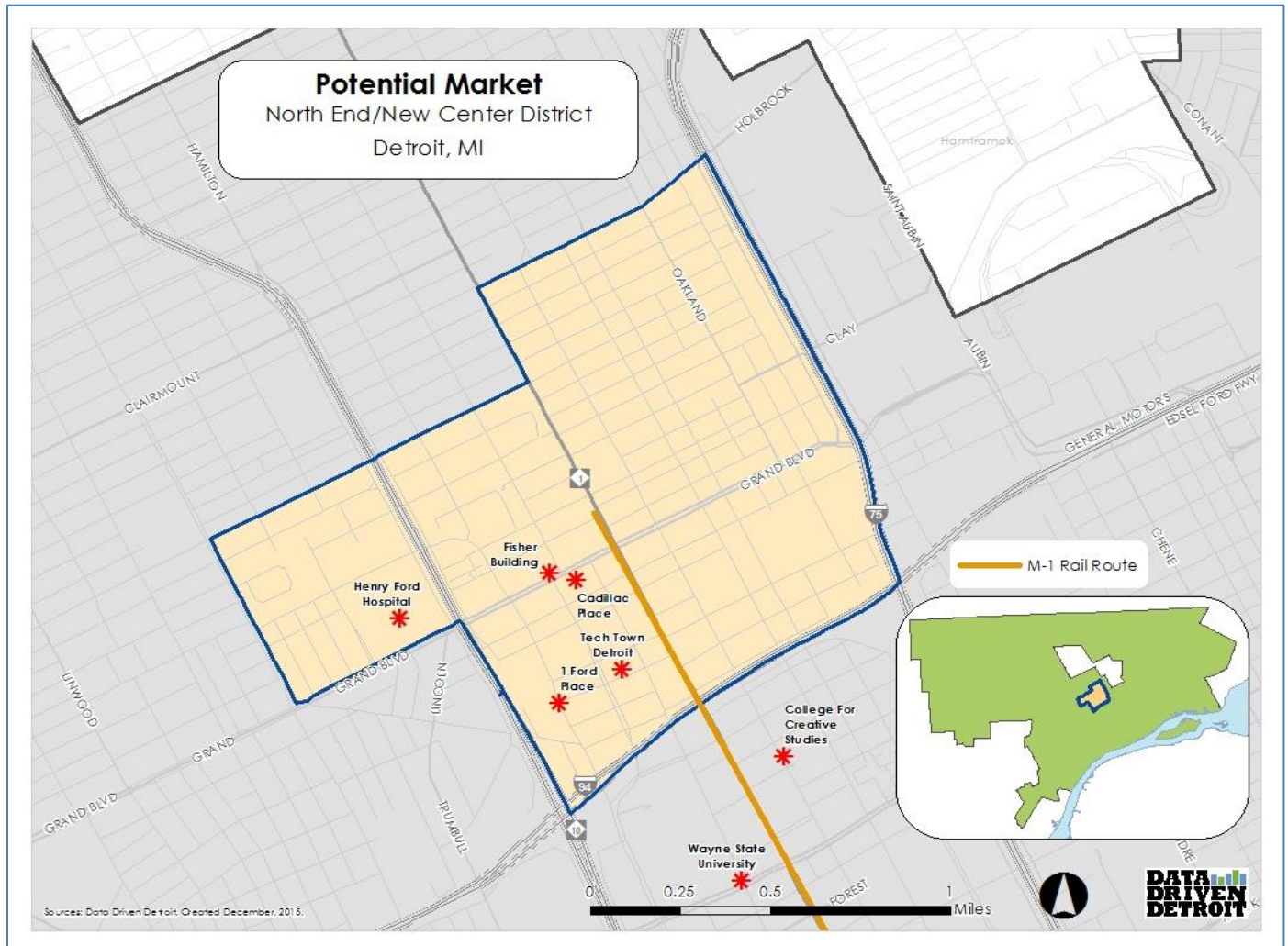
- New Economy Initiative awarded \$91,300 to the Central Detroit Christian CDC, mentioned previously, to support programs for business empowerment and development (DBusiness Daily News, 2015).
- North End/New Center District is included in a Hardest-Hit Fund area targeted for allocation of demolition funds (City of Detroit, 2015).
- City-wide focus on increasing infrastructure and capacity to accommodate the increased economic activity anticipated with the completion of the M-1 Rail.
- North End/New Center District is included in a zone categorized by Detroit Future City (DFC) as “Urban Mixed Use,” with the goal to “achieve the highest densities of residential population in the city within active commercial environments.” Additionally, DFC has already identified the Woodward Corridor as a “Primary Employment District and Mixed Use Strip.” (DFC, 2012).
- Proposed development by Town Real Estate LLC would target a three-block area in the North End to redevelop warehouses for use by small manufacturers as well as for live-work spaces (Pinho, 2015).

Looking Forward: Potential for City-wide Investment and Effect

The existing employment density and the anticipated completion of the M-1 Rail may serve to propel the North End/New Center District from an area of city-wide interest to an area of regional interest. As such, effects of investment in the area have the potential to exceed the boundaries of the North End/New Center District; growth in the North End/New Center District may serve to create stronger networks and align interests of investors across the City of Detroit.

Located within or adjacent to the North End/New Center District are multiple large employers and academic institutions that serve both as a potential customer base as well as potential large clients (see Map 2 below). With approximately 79% of the workers employed in the North End/New Center District commuting from outside the City of Detroit (U.S. Census Bureau. Longitudinal Employer-Household Dynamics, 2011), the potential influence and customer base for small businesses extends beyond the North End/New Center District.

Map 2: North End/New Center District Potential Market



Existing Entrepreneurial Ecosystem and Next Steps

The existing support network aimed at entrepreneurial growth and start-ups in Detroit is spread across the city, and the North End/New Center District is an area of focus for many of these entrepreneurial programs.

- Central Detroit Christian Community Development Corporation (CDC) has contributed to the local community through employment training and small business creation, including through the creation of institutions such as Cafe Sonshine, Peaches and Greens produce market, and the CDC Farm and Fishery (Michigan Community Resources, 2015).

- The North End Christian CDC and Vanguard CDC, both serving the North End Sub-area, run programs supporting farmers' markets, education development, and community economic development.
- TechTown, located in the New Center Sub-area, is an established business incubator and accelerator running programs to support place-based tech entrepreneurs, including networking, commercialization, and skill-building activities.
- ProsperUS Detroit, in partnership with Central Detroit Christian CDC, Vanguard CDC and Focus Hope, offers 20-week entrepreneur training courses for those looking to start or expand businesses in the North End.
- Motor City Match, through the Detroit Economic Growth Corporation, has designated currently unoccupied structures in the warehouse district of the North End as top properties for new businesses and works to pair new business owners with available space.

In addition to programs focused specifically in the North End/New Center District, programs offering entrepreneurial and small business support services, from access to capital to networking to skill-building, are available across the city of Detroit. Appendix B includes a list of existing entrepreneurial support programs that are available both city-wide and specifically in the North End/New Center District (Detroit BizGrid, 2015).

The next steps of the Detroit Forward Cities Team include utilizing existing investment in the North End/New Center District for targeted development of entrepreneurs in the area. The Team will be examining the usage of existing entrepreneurial support programs and partnering them where possible to create a well-publicized, easily accessible support network for entrepreneurs.

References

American Community Survey. 2009 - 2013 5-year Estimates; Data Driven Detroit, August 2015.

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U.S. Census Bureau. Longitudinal Employer-Household Dynamics, 2011; Data Driven Detroit, August 2015.

Appendix A: New Center/North End District Data Table

	Shading Signifies	City of Detroit	North End/New Center District	New Center (Sub Area)	North End (Sub Area)
Geography					
Size of Area (Square Miles)		138.75	1.76	0.8	0.96
Population					
Population, 2000 ¹		951,270	11,080	6,718	4,362
Population, 2013 Est ²		706,663	7,760	4,770	2,990
Population Density, 2000 ¹	Higher than Detroit	6,856.0	6,300.1	8,447.7	4,527.5
Population Density, 2013 Est ²	Higher than Detroit	5,093.1	4,412.4	5,998.1	3,103.4
Percent Change, Pop Density, 2000 - 2013 ^{1,2}		-25.7%	-30.0%	-29.0%	-31.5%
Percent of Population, African-American (Non-Hispanic) ²		81.4%	91.1%	87.7%	96.5%
Percent of Population, Hispanic (Non-Hispanic) ²		7.1%	0.9%	1.5%	0.0%
Workers and Jobs					
Resident Workers, 2002 ³		290,659	3,036	1,849	1,187
Resident Workers, 2011 ³		168,628	2,206	1,187	1,019
Resident Worker Density, 2002 ³	Higher than Detroit	2,094.8	1,726.0	2,325.1	1,232.0
Resident Worker Density, 2011 ³	Higher than Detroit	1,215.3	1,254.3	1,492.6	1,057.7
Percent Change in Resident Workers, 2002 - 2011 ³		-42.0%	-27.0%	-36.0%	-14.0%
Jobs, 2002 ³		276,083	15,305	12,705	2,600
Jobs, 2011 ³		231,805	20,801	19,250	1,551
Job Density, 2002 ³	Higher than Detroit	1,989.8	8,702.5	15,976.2	2,698.6
Job Density, 2011 ³	Higher than Detroit	1,670.7	11,827.5	24,206.3	1,609.8
Percent Change in Jobs, 2002 - 2011 ³	Increase	-16.0%	35.9%	51.5%	-40.3%
Percent of Resident Workers who Work In the Area ³		N/A	9.8%	15.2%	1.0%
Percent of Resident Workers who Work in Detroit, but not in the area ³		N/A	34.9%	42.7%	28.2%
Percent of Resident Workers Outside of Detroit ³		N/A	52.8%	42.0%	65.4%
Percent of Jobs in the Study Area Held by Residents of the Area ³		N/A	1.0%	0.9%	0.6%
Percent of Jobs in the Study Area Held by Residents of Detroit (but not of the area) ³		N/A	20.4%	19.9%	27.8%
Percent of Jobs in Study Area Held by Workers who Live In Wayne County, but Outside Detroit ³		N/A	78.6%	79.1%	71.6%
Average Travel Time to Work (in minutes) ²	Lower than Detroit	26.6	23.2	24.3	20.9
Individual and Household Income					
Estimated Median HH Income, 1999, 2013 Adj ^{1*}		\$41,278	\$27,491	\$27,776	\$27,192
Estimated Median HH Income, 2013 ACS ^{2*}		\$26,325	\$15,683	\$16,230	\$14,874
Percent Change in Median HH Income, 1999 - 2013 ^{1, 2*}		-36.2%	-43.0%	-41.6%	-45.3%
Per Capita Income, 1999, 2013 Adj ¹	Higher than Detroit	\$20,575	\$27,149	\$30,364	\$22,197
Per Capita Income, 2013 ²	Higher than Detroit	\$14,870	\$14,747	\$17,451	\$10,432
Percent Change, Adjusted Per Capita Income, 1999 - 2013 ^{1, 2}		-27.7%	-45.7%	-42.5%	-53.0%
Poverty Rate, 2013 ACS ^{2*}	Higher than Detroit	39.3%	50.2%	51.3%	49.1%
Commercial Properties and Business Climate					
Percent of Structures Vacant, 2014 ⁴	Lower than Detroit	16.7%	17.8%	10.1%	22.7%
Total Unoccupied Commercial Structures in Good/Fair Condition, 2014 ⁴		3,786	33	5	28
Total City of Detroit Business Licenses Issued, 2013 ⁵		248	3	1	2
Income Diversity and Equality					
Percent of Households, Income under \$25,000 ²		48.0%	63.8%	61.5%	69.3%
Percent of Households, Income between \$25,000 and \$75,000 ²		39.4%	29.2%	31.3%	24.1%
Percent of Households, Income above \$75,000 ²		12.6%	7.0%	7.1%	6.6%



Appendix A: New Center/North End District Data Table (cont.)

Sources:

1. US Census Bureau, 2000 Decennial Census; Data Driven Detroit, August 2015.
2. American Community Survey, 2009 - 2013 5-year estimate; Data Driven Detroit, August 2015.
3. US Census Bureau, Longitudinal Employer-Household Dynamics 2011; Data Driven Detroit, August 2015.
4. Motor City Mapping, Certified Results, Winter 2014; Data Driven Detroit, August 2015.
5. City of Detroit Buildings, Safety Engineering, and Environmental Department; Data Driven Detroit, August 2015.

*D3 generated median household income estimates for aggregated areas using the range table method. This method involves aggregating by geography the detailed breakdown of how many households fall into each income bracket. After the data were aggregated, D3 identified the income bracket in which the new midpoint fell. Next, D3 calculated the proportion of observations in that category that are necessary to reach the midpoint. Finally, this proportion was multiplied by the range of the income category, with the result added to the lower bound of the income bracket to obtain the estimated median.

Appendix B: Small Business and Entrepreneurial Support Programs in Detroit

In **bold** are those programs currently active in the Forward Cities Initiative.

Detroit-Area Entrepreneurial and Small Business Support Programs	
Access Growth Center	Green Garage
Bizdom	Hatch Detroit
Blackstone LaunchPad	Inforum InGAGE
Build Institute	InsYght
Center for Community Based Enterprise	Michigan Black Chamber of Commerce
Center for Empowerment and Economic Development	Michigan Minority Supplier Development Council
Central Detroit Christian	Michigan Women's Foundation
Detroit Creative Corridor Center (DC3)	Midtown Detroit, Inc.
Detroit Development Fund	NEIdeas
Detroit Economic Growth Corporation	NextEnergy
Detroit Employment Solutions Corporation	OmniCorp Detroit
Detroit Experience Factory	Opportunity Resource Fund
Detroit Investment Fund	Ponyride
Detroit Micro Enterprise Fund	ProsperUS Detroit
Detroit Public Library: Business Library	SCORE Detroit
Detroit Regional Chamber	SWOT City
Detroit Soup	TechTown Detroit
Eastern Market Corporation	US Patent and Trademark Office - Detroit
FoodLab Detroit	Vanguard Community Development
Goodwill Industries	Wayne County Community College District

Appendix B: Small Business and Entrepreneurial Support Programs in Detroit (cont.)

The locations of these agencies that have an office in the City of Detroit are mapped below:

Map 3: Detroit Entrepreneurial Support Services Locations

