

ECONOMIC DEVELOPMENT PARTICIPATION OF MODEL NEIGHBORHOOD, INC.
IN ATLANTA MODEL NEIGHBORHOOD PROGRAM

I. General Statement

Model Neighborhood, Inc. is a private, non-profit corporation wholly owned by workers, residents, businessmen, and home owners of an older section of Atlanta that forms a portion of the City of Atlanta's Model Neighborhood Program.

Model Neighborhood, Inc. was incorporated under the laws of the State of Georgia in February of 1968 for the purpose of serving as a catalyst to and an instrument of and for the economic development of a particular area of Atlanta.

The Corporate Board of Trustees feels the need for grass-roots participation in the Model Neighborhood Program and, therefore, desires to be a vehicle through which the people of the area can participate fully in the physical, social and economic development of the Model Neighborhood area.

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Activities and Program Status

Negotiations are underway for purchasing two parcels of land from the Atlanta Housing Authority. The tracts are across the street from each other; together, they comprise about four acres; both are zoned for commercial use. Total purchase price is \$216,000.00 A firm commitment has been obtained from a local bank (Trust Company of Georgia) to loan the corporation the down payment necessary to tie up the land while development plans are being firmed up. The corporation has raised from its membership and placed on deposit sufficient funds to prepay the interest on the loan.

Arrangements for permanent financing (land and construction) are under discussion with participating companies in the insurance industry's one-billion dollar loan program. The corporation is being assisted by the Trust Company of Georgia in these negotiations. A preliminary market study prepared for the corporation by Hammer, Green, Siler and Associates, showed that the area could support 56,000 square feet of convenience goods retail space. Six hundred fifty new units of public housing are now being occupied adjacent to the site. Major oil companies are being contacted by the corporation for possible leasing of combined gasoline service and training facilities in the shopping center. Tentative verbal commitments have been obtained from several potential institutional tenants pending the working out of space requirements and costs, and a number of area residents have expressed desires to have the corporation assist them to obtain financing for proprietorship businesses which would lease space in the center. The corporation itself is considering establishing a cooperatively owned retail drug store which would be a tenant of the center. The Atlanta Housing Authority and the Chairman of the Aldermanic Planning and Development Committee have endorsed the project and are giving full support to the corporation's efforts.

Representatives of the corporation are now negotiating with one of the state's leading industrial firms to establish a component assembly plant within the Model Cities Area under the sponsorship of the corporation. A proposal to the industrial firm to provide financing for a feasibility study is now being prepared by the Industrial Development Division of Georgia Tech at the firm's suggestion. The corporation will request several thousand dollars in the form of a loan or grant to undertake the feasibility study.

Members of the Board of Trustees have met with the Federal Housing Agency to express the corporation's interest in the 221(H), housing rehabilitation program. The Board was advised that approximately \$1,000 in refundable "seed money" would be required. Tentative agreement for a loan for this purpose has been obtained from the Presbyterian Church of the United States. A separate non-profit corporation has been chartered with Emmaus House of the Episcopal Church to undertake the 221(H) phase of the program. Board members are now reviewing the City's plans for redevelopment in the Mechanicsville and Summerhill neighborhoods with the purpose in mind to coordinate the corporation efforts with those of the City of Atlanta.

In other housing efforts, volunteer technical assistants have been instructed to develop innovative alternatives for possible housing demonstration projects within the framework of the Federal 221(d)(3) program. Two area churches have expressed desires to sponsor such projects.

Through its experience with its own program development, its activities in the fields outlined above, its facilities (shopping center) and capital resources obtained through doing business and receiving loans and grants, the corporation hopes to be the non-profit vehicle through which assistance to area residents desiring to establish profit making small businesses may be channeled. For example, a proportion of the shopping center space sufficient to guarantee meeting mortgage retirement needs (approximately 60 percent of the space) will be leased only to well-established tenants; the remainder will be made available as first priority to local residents attempting new business ventures. Direct technical assistance to such new enterprises has been provided by various private and governmental groups in the Atlanta area.

The corporation desires to contribute to redevelopment efforts of the Model Neighborhood Area not only through coordinating its own development programs with proposed city activities, but also to act as liaison between area residents and governmental agencies, to reiterate both

criteria and suggestions of proposals through a continuing public information and idea exchange program. The corporation intends to directly involve area residents in the planning process.

It is central to the Board's policy that the corporation retain its "self-help" nature. The people of the Model Neighborhood Area have the abilities needed to share in the improvement of their own community, and demonstrate self-reliance. The corporation can serve to spark initiative and provide a framework within which the people can help themselves only if decision-making remains in the hands of the people. While the corporation will continue to seek assistance from outside the community and will continue to give assistance within the community, any assistance offered will not be acceptable unless it perpetuates this self-help objective.

Model Neighborhood, Inc. seeks to join with the City of Atlanta through the City's Model Neighborhood Program in the physical, social, and economic development of the Model Neighborhood.

The corporation has defined its purpose, listed activities as formulated to date and stated progress made toward those activities in the preceding pages. Major emphasis has been and continues to be placed on the shopping center. Volunteer technical assistance has been used to explore and implement the corporation's ideas and desires, yet, such volunteer assistance, while greatly appreciated remains the largest roadblock to implementation. By its very nature, such assistance is always at the leisure of the volunteers and the program moves slowly as a consequence. Rapid progress will be made only when the corporation has funds enough to buy manpower.

The current critical need is capital to make the project "operational". Sources to provide one hundred per cent of land and construction costs have been located. What is needed is money to buy manpower -- both staff and technical consultants.

Staffing requirements are very minimal at this point; no more than two full-time employees are necessary.

Technical assistance requirements include architectural, legal, financial and managerial. It is estimated that as much as \$50,000 may be required eventually in order to make the one-million dollar center operational.

II. Proposal

1.0 Work Statement.

Model Neighborhood, Inc., with the financial assistance of the Model Neighborhood Program, will seek to accomplish the following activities:

- 1.1 To construct and manage a shopping center facility as described in Section I.
- 1.2 To provide vocational training through the facilities of the shopping center.
- 1.3 To stimulate the development of Negro entrepreneurship through the selection of tenants for the shopping center.
- 1.4 To sponsor the creation and ownership of a neighborhood industry within the Model Neighborhood Area.

All of the above activities are in agreement with the physical, social, and economic development goals of the Model Neighborhood Program.

For Model Neighborhood, Inc. to be successful or to make an attempt to successfully accomplish its activities staffing and technical assistance are imperative.

2.0 Staffing.

The following staffing requirements are based on the assumption that the corporation's activities listed in section 1.0 will be implemented.

2.1 Staff

Corporate Director
Administrative Director
Secretary-Bookkeeper

- .1 Corporate Director. The corporate director shall be the Chairman of the Board of Trustees. He shall be responsible for liaison between the corporate board and the administrative director of the corporation.
- .2 Administrative Director. The administrative director shall be responsible to the corporation's Board of Trustees for performing the activities determined by the Board to be in the best interest of the corporation and the community. He shall account for all expenditure of corporate funds and for the effective utilization of his time and the time of his staff.

- .3 Secretary-Bookkeeper. The secretary-bookkeeper shall maintain the administrative records of the corporation, including financial accounts. She shall also serve as secretary to the corporate and administrative directors of the corporation and as recording secretary to the Board of Trustees.

3.0 Budget.

The following budget is for fiscal year 1969, beginning August 1, 1968 and ending July 31, 1969.

.1 Staff

Corporate Director	\$ 6,000	
Administrative Director	12,000	
Secretary-Bookkeeper	<u>4,500</u>	
		\$22,500

.2 Travel

Corporate and Administrative expenses	<u>\$ 300</u>	
		\$ 300

.3 Sundry Overhead

Telephone (\$50 per month x 12)	\$ 600	
Office Supplies (\$30 per month x 12)	360	
Duplicating (\$35 per month x 12)	420	
Postage (\$10 per month x 12)	<u>120</u>	
		\$ 1,500

.4 Contractural Services

Architectural Services	\$ 7,500
Legal Services (\$100 per month x 12)	1,200
Accounting Services (\$100 per month x 12)	1,200
General Consulting Services	<u>2,000</u>

\$11,900

TOTAL

\$36,200