



City of Wilmington

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Community Development & Urban Planning Committee

Rysheema J. Dixon, Chair
Yolanda McCoy, Vice-Chair
Ernest "Trippi" Congo, II
Linda M. Gray
Zanthia Oliver
Va'Shun "Vash" Turner
Dr. Hanifa Shabazz, Ex-Officio Member

NOTICE

Community Development & Urban Planning Committee Meeting

Thursday, March 5, 2020

5:00 p.m.

1st Floor Council Committee Room

Agenda

- Resolution on the Need for A Disparity Study to be Conducted on Disadvantaged Businesses in the City of Wilmington (*new, small or local, whether a sole proprietorship, partnership, corporation or other entity, or any business that is at least 51 percent owned by one or more disadvantaged individuals such as African-Americans, Hispanics, Women and Men and those persons considered economically disadvantaged due to their net worth*)
- Presentation on Wilmington City Council's Strategic Plan Update Process by Raheemah Jabbar-Bey, Strategy and Policy Director, Wilmington City Council

If public comment is permitted during this committee meeting, any member of the public who wishes to speak during the committee meeting will be limited to three minutes per agenda item. If the public's permission to comment is abused, the Chair may exercise greater discretion in limiting public comment.

Wilmington, Delaware
March 19, 2020

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Sponsor:

**Council
President
Shabazz**

WHEREAS, as defined in the City Code, disadvantaged business means a new, small or local business, whether a sole proprietorship, partnership, corporation or other entity, or any business that is at least 51 percent owned by one or more disadvantaged individuals who, in fact, control the management and daily operations of that business; and

WHEREAS, a disadvantaged owner is defined as an individual group of individuals who meet at least one of two specific criteria, as defined by the Equal Opportunity/Contract Compliance Office (EO/CCO), and by the City of Wilmington’s Small and Minority Business Enterprise Office (SMBEO) in the Office of Economic Development; and

WHEREAS, these criteria are:

1. An individual is a member of a chronically unemployed demographic subgroup identified by race or national origin, where current, verifiable local statistics confirm the existence of unemployment rates among the subgroup that are more than fifty percent (50%) above the prevailing overall unemployment rate statewide. Presently the two subgroups identified under this provision are Black/African American and Hispanic. Firms that apply and qualify under this provision will be referenced as a “Minority-Owned Firm.”
2. An individual has net worth under \$500,000 (not including up to \$150,000 of equity in his primary residence); in determining net worth eligibility, the City may consider, but shall not be limited to, reviewing the assets and net worth of the individual disadvantaged owner(s) and the business; and

WHEREAS, the Disadvantaged Business Enterprise (DBE) Directory as provided by the Wilmington's Small and Minority Business Enterprise Office is incomplete, nor is it clear when updates have been made to the directory; and

WHEREAS, the current contracting goals of the City of Wilmington with Disadvantaged Business Enterprises (DBEs) are defined as follows: Construction Contracts 20 percent, Goods & Services 10 percent, and Professional Services 5 percent; and

WHEREAS, it is not clear if and to what degree these goals have been met, with which Disadvantaged groups, and over what period of time; and

WHEREAS, a 2010 Supplier Diversity Council Report recommended the implementation of a comprehensive data collection plan to gather and organize such data as would be required to implement a race/gender neutral contracting and procurement policy; and

WHEREAS, in February 2020, Brookings released a report evidencing that locating in a Black-majority neighborhood eliminates the advantage of being a highly rated business; and

WHEREAS, no such comprehensive study has ever been conducted on the City of Wilmington and its business climate as it pertains to African American and/or Hispanic businesses; and

WHEREAS, there is no available data regarding awarded contracts from both City and State Governments, the number and dollar amount of City funds awarded to Disadvantaged Businesses by type (Professional Services, Communications, Laborers, Construction Contracts, Goods and Services, etc.), and category(s) of business recipients (Women, Persons of Color, Start-Ups, Expansions), or which funding programs such assistance is granted or lent from; and

WHEREAS, such a lack of data-collection and data-sharing makes it difficult to advance policy research and decisions regarding equitable business practices; and

WHEREAS, the Wilmington City Council is committed to a Business-Friendly Wilmington which is supportive and responsive to all businesses, including those already at a disadvantage due to various circumstances.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that the Office of Economic Development is strongly encouraged to develop better data-collection methods/procedures and more transparent data-sharing practices regarding the number and types of Disadvantaged Businesses, their utilization in specific categories by the City of Wilmington, and their impact on the City of Wilmington economically. Wilmington City Council respectfully asks for data on awarded contracts from City Government, the number and dollar amount of City funds awarded to Disadvantaged Businesses by type (Professional Services, Communications, Laborers, Construction Contracts, Goods and Services, etc.), and data on the category(s) of Disadvantaged Business recipients awarded contracts (Women, Persons of Color, Start-Ups, Expansions), and which funding programs or sources such assistance is granted or lent from. Additionally, the City Council encourages the Office of Economic Development to be more transparent in its data collection practices, and receptive to requests for information, in order to expedite and support the process of creating equitable business policy(s) in the City for all businesses. Such data needs to be collected systematically, updated at least annually, and made available to the public and to Wilmington City Council and to the City Council's Economic Development and Finance Committee. In order to have a clear understanding of the growth, development and economic impact of Disadvantaged Businesses in the City of Wilmington, from one period of time to

another, consistent data collection and the availability of the aforementioned categories of data are needed in order to authorize and commission various studies such as a Disparity Study, a best practice recommended by the National League of Cities, to be conducted periodically such as every 5 years in order to have substantive knowledge of the numbers and various types of businesses that would be categorized as Disadvantaged, understand the types of support needed to strengthen and help sustain Disadvantaged Businesses, and measure the economic impact of such businesses on the City based on the number of jobs created and/or sustained, wage taxes paid, business licensing, and commercial/office property taxes received.

Passed by City Council,

ATTEST: _____
City Clerk

SYNOPSIS: The Wilmington City Council is concerned with the insufficient data-collection methods/procedures and transparent data-sharing practices of the Office of Economic Development regarding the number and types of Disadvantaged Businesses in Wilmington, their utilization in specific categories of eligible contracts and services by the City of Wilmington, and their impact on the City of Wilmington economically. Wilmington City Council respectfully asks for data on awarded contracts from the City of Wilmington overall, the number and dollar amount of City funds awarded to Disadvantaged Businesses by type (Professional Services, Communications, Laborers, Construction Contracts, Goods and Services, etc.) data on the category(s) of Disadvantaged Business recipients awarded such contracts (Women, Persons of Color, Start-Ups, Expansions), and which funding programs or sources such assistance is granted or lent from on an annual basis. Wilmington City Council further encourages the Office of Economic Development to be more transparent in its data collection practices and receptive to requests for such information. Systematic data collection and transparent data sharing is needed to expedite the process of creating equitable business policy(s) in the City for All businesses and to authorize and commission various studies on the business climate in the City including a Disparity Study.