Approaches to the Cooperative Revitalization of Auburn Avenue

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“All men and women are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly affects all indirectly. I can never be what I ought to be until you are what you ought to be, and you can never be what you ought to be until I am what I ought to be.”

Martin Luther King, Jr.
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INTRODUCTION

Cooperation can take many forms, whether between individual workers within an organization or the collaborative efforts of multiple institutions. Cooperation has a long history in contributing to many of the significant achievements of the United States, from the American Revolution to the Civil Rights Movement. However, civic engagement and collective efforts have steadily declined in this country since the 1960s. Meanwhile, the domestic macro-economic landscape has become increasingly unequal in the face of globalization. This in turn has played out spatially in the decline of individual communities across the country. This paper proposes a collective response to the challenges of inequality and spatial decline of Auburn Avenue in the form of collaborative initiatives and worker cooperatives.

The historic Auburn Avenue commercial district in Downtown Atlanta, Georgia was once the center for African-American economic, cultural and civic life within the city. While the street is perhaps best known as the birth place, church and final resting place of Dr. Martin Luther King, Jr., it was also a pivotal landmark launch pad for the Atlanta and American Civil Rights Movement and a focal point of fostering African-American entrepreneurship in Atlanta. However, in a story familiar across the country, middle class flight, disinvestment, urban renewal and the loss of industry worked together to depress the vitality of the area. The street began experiencing decline in the late 1940s and has yet to fully rebound. The 50s witnessed the proposed destruction of the business district and the implemented construction of Interstate 75/85 that bisected the street. The 60s and 70s produced numerous grassroots revitalization initiatives that

were unable to sustain a concerted effort with adequate resources. The 80s witnessed the creation of a national urban park that now receives over 650,000 visitors annually. However, these efforts have been unable to bring back Auburn Avenue to its previous prominence in Atlanta.

The continued urban sprawl of the adjacent Georgia State University provide both an opportunity for long-awaited economic development and the risk of gentrification within the district. Furthermore, despite the large number of tourist visits to the Martin Luther King, Jr. National Historic Site along Auburn Avenue annually, there are few businesses to capture the potential spending of these visitors. Traditional methods of neighborhood revitalization and economic development may not achieve adequate or equitable results. Rather than attempt insular individual initiatives, this paper proposes a collaborative community economic development effort to leverage these opportunities for the revitalization of Auburn Avenue. This applied research paper presents an argument for various proposals of partnership initiatives and place-based worker cooperative businesses within a targeted geographic area of the Auburn Avenue Historic District. The goal is to capture the economic development potential of upcoming investments in a way that builds wealth from within the community.

**METHODOLOGY**

This paper will begin by establishing the case of why Auburn Avenue is in need of revitalization. Before analyzing the current conditions, a brief review of the history of Auburn Avenue will be conducted to inform the context of the area and how it arrived at its present state. The current conditions analysis will rely on the socioeconomic indicators obtained from the US Census American Community Survey 2005-2009 data. Specifically applicable to the focus of this paper, the employment, income, and education statistics of the census tracts surrounding Auburn Avenue will be analyzed. This data will inform both the needs and assets of local residents for
community economic development. How these socioeconomic conditions affect the built environment of Auburn Avenue will be illustrated with representative images of blight, vacancy, and disinvestment along the street.

To evaluate the past approaches at revitalization on Auburn Avenue and inform the revitalization goals established by community input, an analysis of previous plans conducted for the area will be undertaken. Next, a literature review of traditional community economic development approaches will be evaluated for their effectiveness within the context of the new economy. Specifically, this will include the approaches of community development corporations, economic development agencies, and anchor institutions. Given the substantial and increasing presence of Georgia State University adjacent to Auburn Avenue, a literature and case study review of the potential positive and negative impacts of universities on communities will be conducted as well.

As an alternative to traditional community economic development practices, place-based worker cooperatives will be explored. Best practice case studies of worker cooperatives in Cleveland, Ohio and Mondragon, Spain will be analyzed to gain an understanding of the operations and the potential advantages these models offer in comparison to corporations. An inventory of the existing assets surrounding Auburn Avenue and an evaluation of their support for revitalization will be conducted. In particular, these will focus on the local tourism industry, Georgia State University, churches and additional businesses and nonprofit organizations.

Reconciling the information obtained from the investigation and analysis up until this point, recommendations on specific revitalization strategies for Auburn Avenue will be made. Specifically, these include the establishment of a collaborative revitalization initiative, office of
university-community partnerships, and worker cooperative network. These recommendations will seek to apply the best practices learned through the research process and augment their application to meet the local context and asset inventory of Auburn Avenue.

AUBURN AVENUE CURRENT CONDITIONS

SOCIAL CONDITIONS

Although this paper focuses specifically on the revitalization of Auburn Avenue, the street is impacted by, and a part of, the surrounding community. Thus, the census tracts including and adjacent to the street were analyzed for their social, economic, and demographic characteristics. These tracts included 17, 18, 19, 27, 28, 29 and 33, as seen from Figure 1.

Figure 1. Census Tracts Analyzed
Before analyzing the current conditions, it is useful to look at where the Auburn Avenue area has come from over the past decade. In the year 2000, median incomes in the areas surrounding Auburn Avenue ranged from approximately $10,000 to $40,000, illustrated by the median incomes in Figure 2.

According to the US Census American Community Survey data for 2005-2009, there are approximately 16,400 residents within these tracts. The areas surrounding Auburn Avenue are very diverse and differentiated in socioeconomic characteristics. While most of these areas were majority African-American as of the 2000 Census, Figure 3 shows that tracts 27 and 29 are now
majority white, and tract 18 is nearly equally distributed among the two races. There is a growing Asian population in tracts 18 and 29, and the largest Hispanic population within tract 33.

Figure 3. 2005-2009 Race Distribution. Source: US Census Bureau

Census tract 27 has experienced a rapid middle-class redevelopment of the Castleberry Hill neighborhood while tracts 17 and 29 have received a large influx of new middle- to higher-income residents attracted to the proximity of the Beltline. This has caused dramatic changes in median incomes in some tracts and a polarization between income levels in others. For example, as seen in Figure 4, over 75% of households in tract 27 currently earn more than $50,000 annually, increasing the median income from $27,083 in 2000 to $79,000 in 2005-2009. Meanwhile, in tract 17, a bifurcated income structure is observed with over 47% of residents earning $50,000 or more while 32.7% earned less than $25,000 and only 18.6% of residents earning between $25,000 and

$50,000. The largest proportions of low-income populations reside in tracts 19, 28 and 33, with rates of residents earning below $25,000 at 45%, 53.3% and 67.6%, respectively.

![Figure 4. 2005-2009 Income Distributions. Source: US Census Bureau](image)

The high rates of low-income residents in these census tracts correlates with a high percentage of adult workers who are both unemployed and not participating in the labor force. It is important to look at this total level of joblessness rather than just the unemployment rate in order to get a more complete picture of the workforce availability within a community. Mark Levine explains the reasoning behind evaluating this total jobless figure:

"Many other potential workers are not included in the official unemployment rate even though they are not necessarily among the voluntarily jobless. Some are "discouraged workers," who have given up looking for elusive employment. Others may simply not enter the labor market, convinced
that appropriate jobs are not available. These individuals do not show up in the official unemployment statistics, although they are clearly part of the jobless population in a community.5

As illustrated by Figure 5, this total joblessness rate exceeds 50% of the workforce in tracts 28 and 33, which Auburn Avenue intersects and is adjacent to. Tract 29 is the only census tract with a jobless rate less than 20%. These numbers indicate either a lack of opportunity or barriers to entry for gainful employment among the surrounding population.

![Graph showing employment status by tract](image)

**Figure 5.** 2005-2009 Employment Status: 16 Years Old and Over. Source: US Census Bureau

The high rates of joblessness within tracts 28 and 33 are parallel with low rates of educational attainment. As will be shown later in this paper, educational attainment is increasingly becoming a standard requirement for entrance into the new service-based economy. As seen from Figure 6, 37.8% of tract 33 residents had less than a high school education. This follows closely with the roughly 40% of residents not in the labor force. While only 20% of

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residents in tract 28 had less than a high school diploma, a total of 55% had a high school diploma or less. When juxtaposing this figure to the 53% who were not in the labor force, this further illustrates the standardization of college degrees for access to employment.

**PHYSICAL CONDITIONS**

As illustrated by the previous section, there are spatial patterns of socioeconomic disparities along Auburn Avenue. These social conditions and the physical conditions of the surrounding business district are inextricably linked. A lack of employment opportunities correlates with higher vacancy in commercial properties and a decreased level of personal disposable income fails to generate demand for new business creation. This has resulted in business activity along Auburn Avenue receding from the high water mark of the late 1940s, creating pockets of vacancy and disinvestment along the street. Figure 7 provides illustrative examples of these physical conditions. As described in the history section, Auburn Avenue thrived

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**Figure 6.** 2005-2009 Educational Attainment: 25 Years Old and Over. Source: US Census Bureau illustrates the standardization of college degrees for access to employment.
in the past because its surrounding population was also prospering. If the street is to be physically revitalized in the future, the success of the residents cannot be separated from this effort.
Figure 7. Vacant Land and Buildings along Auburn Avenue
HISTORY OF AUBURN AVENUE

Auburn Avenue is perhaps the most important thoroughfare for the history of the African-American community within the City of Atlanta. The street represents the social, political and economic triumphs of African-Americans in the face of social injustice in the New South. Moreover, the area was prolific for fostering the development of dynamic leaders in the community who were both the architects and advocates of this ascension.

Originally known as Wheat Street, residents seeking a more stylish name petitioned City Council to change it to Auburn Avenue in 1893. Prior to 1900, landowners along Auburn Avenue were predominantly white, with pockets of African-American businesses and residences scattered along the street. However, racial tensions in the city reached a boiling point in 1906 when several thousand whites flooded the streets of downtown Atlanta, killing 32 African-Americans over false news reports of African-American men assaulting white women. An underlying cause of the conflict was a resentment of the increasing empowerment of African-American Atlantans competing for jobs and public space with whites. Later known as the Atlanta Race Riot of 1906, subsequent solidarity and segregation fostered a sentiment among African-Americans to consolidate their communities. Auburn Avenue was one such neighborhood, and the gradual influx of African-American residents triggered the “white flight” from the area. By 1909, African-American families were a majority on Auburn Avenue. This trend continued as its reputation as a thriving African-American business district became known among the regional African-American

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By 1920, Auburn Avenue was the center for commercial, spiritual and political activity for the African-American community in Atlanta.

Leading African-American-owned financial institutions such as the Atlanta Life Insurance Company, Citizens Trust Bank and Mutual Federal Savings & Loan grew rapidly as the “guardians of African-American economic dignity.” Churches provided worship services and acted as incubators for businesses and social programs to the community, including Big Bethel African Methodist Episcopal Church, Wheat Street Baptist Church, and Ebenezer Baptist Church. Ebenezer would eventually become most well-known as the congregation where Dr. Martin Luther King, Jr. co-pastored with his father. The birth home of King is also located within the residential section of Auburn Avenue. Morris Brown College and Standard Life Insurance Company were created in the sanctuary of Big Bethel. Wheat Street’s longest serving pastor, William Holmes Borders, would eventually have a significant role in both the economic development of Auburn Avenue and the Civil Rights Movement in Atlanta.

Entertainment venues such as the Royal Peacock abound for a lively night life that attracted national acts of the likes of Cab Calloway, Louis Armstrong, Muddy Waters and Ray Charles. News, media and a broadcasted voice were provided by the first successful African-American-owned daily newspaper in the country, The Atlanta Daily World, and a local radio station, WERD. Fraternal institutions such as the Butler Street YMCA also served as incubators for leadership development and activism on Auburn Avenue. The collective result was a self-

contained community that could provide opportunities for the complete economic, social, spiritual and cultural needs of its residents. The social injustice of segregation in Atlanta may have contributed to this self sufficiency. Of this dynamic, Alexa Henderson wrote,

“Some believe that segregation nurtured rather than starved African-Americans on Auburn Avenue and that this area was illustrative of the ability of African-Americans to survive against racial hostility and a restrictive economic and social environment.”

Near the peak of the street’s prosperity in 1956, an article in Fortune magazine referred to Auburn Avenue as “the richest Negro street in the world”. The street was nicknamed “Sweet Auburn” by John Wesley Dobbs, both in reference to the economic opportunity the street provided to African-Americans and citing a poem written by Oliver Goldsmith in 1770, *The Deserted Village*. “Sweet Auburn! Loveliest village of the plain, Where health and plenty cheer’d the laboring swain.” Often referred to as the “Unofficial Mayor of Auburn Avenue”, Dobbs was a magnanimous figurehead for the political advancement of Auburn Avenue and African Americans in Atlanta. As a Grand Master of the Prince Hall Masons, he was responsible for the development of the Masonic Temple at the corner of Auburn and Hilliard Street. Dobbs also helped organize the Atlanta Civic and Political League and the Atlanta Negro Voters League to register African-American voters and increase their political power. This resulted in an increased political capital movement that allowed African-Americans to demand better public services and racial integration in the city. William Holmes Borders was instrumental in carrying the torch passed by Dobbs, advocating for the desegregation of Atlanta’s police force and bus system by leading the

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Love, Law and Liberation (or Triple L) Movement.22 One of the most iconic Civil Rights leaders in the world, Dr. Martin Luther King, Jr., both preached and was born on Auburn Avenue, adding a unique international significance to the street. The Southern Christian Leadership Conference located within the Masonic Temple acted as King’s headquarters to implement initiatives for the Civil Rights Movement.

New residential territories in the West End section of Atlanta became available for African-American housing in the late 1940s.23 This in turn had the unfortunate consequence of sparking an exodus from Auburn Avenue, diluting the self-sustaining nucleus of community.24 An ensuing loss of population led to business disinvestment and economic decline, although it still remains home to an agglomeration of religious, financial and civic anchor institutions. Also in the early 1950s, the 75/85 Interstate was built through the center of Auburn Avenue, cutting it directly in half and demolishing several historic buildings in the process.25 To date, the Connector has been expanded to 12 lanes wide, creating a expanse of concrete overpass that bisects the commercial cohesion of the street. In the early 1950s, city planners in the Metropolitan Planning Commission with urban renewal mindsets began to propose redevelopment projects with large-scale demolitions as their central theme.26 Whenever these plans mentioned Auburn Avenue as a potential site for “slum clearance”, they were met with fierce opposition by the African-American community seeking to preserve the historical significance of the street. The Atlanta Daily World

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made it clear that any demolition of Auburn Avenue would be resisted “by whatever influence” African-Americans could “bring to bear, politically, legally or otherwise.”\textsuperscript{27}

The decline of Auburn Avenue continued into the 1960s and 1970s with little action on behalf of public officials despite continued calls for renovation and a string of community based planning efforts. Competing goals may have contributed to this inaction, as residents feared gentrification and displacement while small businesses wanted assistance to grow in the community and large businesses desired commercial redevelopment to connect it to Peachtree Street.\textsuperscript{28} In 1980, the area was established as the Martin Luther King, Jr. National Historic Site by Congress and was administered by the National Park Service. Along with this designation, a visitor’s center was constructed adjacent to the Martin Luther King, Jr. Center for Nonviolent Social Change. Additionally, the historic preservation and renovation of the King birth home and surrounding residences were included in the park. The Historic District Development Corporation, also founded in 1980, had an enormous impact on the residential portion of Auburn Avenue by renovating and developing hundreds of housing units to recreate the once thriving community that existed around this section of the street. More recently, the development of the APEX Museum, Atlanta Life Insurance Company headquarters, Auburn Avenue Research Library and Renaissance Walk mixed-use development covering an entire city block have occurred at the western portion of the street near the intersection of Piedmont Avenue.

However, these individual efforts have yet to catalyze significant public or private investment in the remainder of the commercial sector of Auburn Avenue. Today, Sweet Auburn remains home to the churches, institutions and some of the businesses that were instrumental in

\textsuperscript{27} Stone, Clarence N. (1989).
\textsuperscript{28} Stone, Clarence N. (1989).
shaping the historic prominence of the area. In addition, several smaller service businesses have chosen to locate on the street over the past several decades in order to be a part of history and help revitalize the area. A newly announced streetcar line that may be developed along Auburn Avenue by 2012 could provide the long awaited catalyst for reinvestment into the area. On the other hand, some local businesses have expressed concerned with what type of development will occur with this transit and how that will impact their business and the cultural character of the street.\(^2^9\) Additionally, Georgia State University has become a leading economic driver for the local area as it has continued to expand enrollment and the development of its urban campus. Although Auburn Avenue is sandwiched between the current campus location and its new expansion territory, the street has yet to significantly benefit from this activity. Several pockets of vacant lots and dilapidated buildings combined with local underemployment and homelessness stand in stark contrast to the economic opportunity and social solidarity that once fostered the namesake of Sweet Auburn.

### PREVIOUS PLANS

This paper does not seek to present itself as a comprehensive master plan in the traditional sense of urban planning. In fact, numerous previous plans have already been created that address the revitalization of Auburn Avenue. On the other hand, as outlined in the current conditions section of this paper, these plans have not resulted in resurgence of Auburn Avenue. Thus, this paper presents a specific tactic of community economic development that may be applied within the context of existing neighborhood plans in order to achieve tangible results. In this sense, previously existing plans help serve as a frame of reference and guide for

redevelopment projects that will be proposed. The previous plans that directly address or include the commercial district of Auburn Avenue are summarized below.

**UP AHEAD (1952)**

The first municipal plan that addressed Auburn Avenue set an untrustworthy tone for top-down technocracy that may have inhibited urban planning efforts addressing the street for years to come. During the segregation era of Atlanta in 1952, the all-white Metropolitan Atlanta Planning Commission created the “Up Ahead” plan to primarily propose transportation projects and sanction new residential territories for greatly needed African-American housing. However, in addition to “slum clearance” measures to demolish inner-city African-American housing typical of urban renewal schemes of the time, the plan proposed demolishing Auburn Avenue and relocating the African-American business district to the west side of Atlanta.30 The city underestimated the importance of Auburn Avenue with their surreptitious suggestions of demolition and displacement of the African-American community. Prominent business leader T.M. Alexander said that the plan “was considered especially insulting and insensitive. Comparable white business interests would not have been treated so cavalierly.”31 At a public meeting with the commission, John Wesley Dobbs responded by making the case for the preservation of Sweet Auburn in light of its significance in the economic advancement of the African-American community.

> “It takes sugar to sweeten things and, as you know, it takes money to buy sugar. The acquisition of this kind of wealth along Auburn Avenue has caused us to call it ‘Sweet Auburn,’ a name now known among Negroes throughout America as a symbol of the development of Negro Business in Atlanta, Georgia. Your proposed plan would destroy this development of ours, which represents

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two generations of sweat and toil. This attempt, ladies and gentlemen, is fundamentally wrong and unsound.\(^{32}\)

The next day, the Metropolitan Planning Commission stated that it would remove any references to demolishing parts of Auburn Avenue from their plans.\(^{33}\)

AUBURN AREA REVITALIZATION COMMITTEE (1978)

The Auburn Area Revitalization Committee (AARC) was formed as a collective of residents and stakeholders seeking to improve the physical and economic revitalization of Auburn Avenue. The group attempted to learn from the past mistakes of a previous organization known as the Inner-City Development Corporation stymied by territorial posturing, a lack of communication with the community and a dearth of funding.\(^{34}\) The AARC gained support from the local Neighborhood Planning Unit, the Auburn Avenue business association, City of Atlanta, Central Atlanta Progress and the mayor. They initially formed four task forces centered on design, business development, finance and merchant assistance and promotion.\(^{35}\)

After working in the community for several years, the AARC received a collective grant from the City of Atlanta, Fulton County and Central Atlanta Progress to hire a project manager and embark on implementing a Main Street plan utilizing the methods created by the National Trust for Historic Preservation.\(^{36}\) The Main Street approach fit closely with the AARC’s initial task forces. These included the organization of a diverse group of stakeholders, promotion through festivals and joint retail sales events, enhancing storefronts and public spaces, and strengthening

\(^{32}\) Pomerantz, Gary M. (1996).
\(^{33}\) Pomerantz, Gary M. (1996).
\(^{35}\) Auburn Avenue Research Library on African-American Culture and History. (1978).
existing businesses while attracting new ones.\textsuperscript{37} The Main Street approach has been successfully implemented in historic business districts across the country. However, it failed to make a significant impact on Auburn Avenue aside from its annual Sweet Auburn festival that continues to this day.\textsuperscript{38}

\section*{MARTIN LUTHER KING, JR. NATIONAL HISTORIC SITE & PRESERVATION DISTRICT: GENERAL MANAGEMENT & CONCEPT DEVELOPMENT PLAN (1986)}

In 1980, Congress established the Martin Luther King, Jr. National Historic Site to “protect and interpret for the benefit, inspiration, and education of present and future generations the places where Martin Luther King, Junior, was born, where he lived, worked, and worshiped, and where he is buried.”\textsuperscript{39} To implement this decree, the National Park Service created a General Management and Concept Development Plan in 1986 to focus on preservation, the community impact, and visitor use.\textsuperscript{40} The purpose of the plan was for the property acquisition needs to establish the park, interpret the area’s significance, and plan for visitor use in the national historic site and preservation district.\textsuperscript{41} While the plan included the broader Auburn Avenue area in its analysis of existing physical and socioeconomic conditions, redevelopment projects were focused on the eastern portion of the street that included Ebenezer Baptist Church, the King Birth Home, and surrounding structures. Potential economic development and gentrification resulting from the park’s development are mentioned throughout the plan.

“If the city of Atlanta chooses to encourage other visitor attractions and services in the revitalization of the Auburn Avenue area, visitation to the national historic site will likely increase dramatically. One possible effect of this action will be to stimulate economic development in the

\textsuperscript{37} Hall, Curtis. January 1989.
\textsuperscript{39} US Congress. October 10, 1980. Public Law 96-428. 94 Statute 1842.
\textsuperscript{40} National Park Service. 1986. Martin Luther King, Jr. National Historic Site & Preservation District. General Management and Development Concept Plan.
\textsuperscript{41} National Park Service. 1986.
Sweet Auburn community. This might result in the creation of many jobs for area residents, but rising property values might also create pressure for displacement of low-income residents and businesses.42

The National Park Service has proven very adept at implementing this plan as the current build-out of the park is beyond their original expectations. This portion of Auburn Avenue thrives daily with throngs of visitors from around the world. However, this phenomenon largely remains isolated within the park’s territory and the resulting economic development throughout Auburn Avenue has yet to transpire.

**BUTLER STREET / AUBURN AVENUE COMMUNITY REDEVELOPMENT PLAN (1994)**

Additional plans may have taken place between the National Park Service plan of 1986 and this planning effort of 1994; however, they were not available for this analysis. The Butler Street/Auburn Avenue Community Redevelopment Plan was completed in conjunction with the neighboring Old Fourth Ward Redevelopment Plan during the same time.43 The Butler/Auburn plan focused on the renovation of existing buildings, expanding neighborhood amenities, strengthening community activism and expanding social services. Particular attention was paid to emphasizing the arts and culture along Auburn Avenue.44 The plan built upon themes established in plans that came before it. The 2005 update to this plan described the sentiment of urban planning in light of the persistent inertia of development activity that has followed previous planning efforts for Auburn Avenue: “The past 30 years have been a continuum of ‘hope’ and

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42 National Park Service. (1986).
‘thought’ for future progress, but has fallen short of significant ‘action’ – particularly in the arena of private investment.”

**BUTLER/AUBURN REDEVELOPMENT PLAN UPDATE (2005)**

Given the continued lack of action, this 2005 plan was meant to update and build off of the 1994 plan by creating a series of “catalytic development projects” that could result in tangible revitalization outcomes for Auburn Avenue. The previous cited quote indicates the preparers of this plan sensed that local stakeholders had experienced planning fatigue with these repeated efforts, resulting in this project-level development action plan. Project scenarios replete with development pro forma’s, site plans, cost estimates and absorption rates were created for the plan, illustrating an innovative action-oriented approach at urban planning. The overarching objectives outlined through a public input process are listed below:

1. “Urban Form and Design Enhancement
2. Arts, Culture, and History
3. Economic Development and Opportunity
4. Infrastructure and Public Facilities
5. Housing Improvements
6. Social, Human, and Community Services
7. Responsibility and Partnership”

This paper seeks to expand on goal numbers 3 and 7 by increasing economic development and opportunity through collaboration and partnerships of existing stakeholders within the community. Goal number 3, Economic Development and Opportunity, specifically states to retain and grow existing businesses in addition to creating new businesses in order to create new jobs for neighborhood residents. While the plan specifically identifies the tourism,
retail and entertainment sectors as the demand generator for these businesses, this paper will explore this strategy and for reasons discussed later will also identify additional models of economic development. Goal number 7, Responsibility and Partnership, seeks to achieve all of the above goals through the collaboration of local stakeholders that have helped Auburn Avenue thrive in the past. However, this cooperation between public, private and nonprofits has yet to materialize, which may be preventing significant change. This paper explores the collaboration of institutions that have a history of revitalization initiatives in addition to identifying emerging institutions that have the potential and mutual interest of the cooperative redevelopment of Auburn Avenue.

INDUSTRIAL RESTRUCTURING & INEQUALITY

Before reviewing the approaches to local community economic development, it is useful to review the macro-economic landscape that these tactics are operating within. Moreover, an analysis of inequality resulting from economic restructuring in the United States will help inform and make the case for why an alternative economic development model is necessary.

Although there are many hypotheses on the causes of urban poverty, the most empirically substantiated can be attributed to the industrial transformation of the new economy in the wake of globalization. Beginning in the 1950s, cities in the United States began to transform industrially from centers of goods processing to centers of information processing. This resulted in decreased demand for lower-skilled workers while the need for higher-skilled, educated

workers increased.\textsuperscript{50} Low-income residents of inner-cities, particularly urban African-Americans, have been most affected by this structural change. Although the overall educational attainment of this group has increased over time, it has not been able to keep up with the level of education needed for the new white-collar urban growth industries that have replaced blue-collar manufacturing jobs.\textsuperscript{51}

Recent research from Daren Acemoglu and David Autor confirmed the trend of a tapering off of mid-skill jobs in the 1980s in tandem with strong growth in high-skill jobs. The 1990s experienced a polarized growth in both high- and low-skill jobs amid the decrease in mid-skill jobs. Over the past decade, they show the lowest three deciles of occupations have continued to increase while mid- to high-skill jobs have decreased.\textsuperscript{52} The pattern witnessed by the most recent decade indicates that approaches meant to increase everyone to high-skill, college educated workers may not only be impractical for everyone but also ineffective.

This hallowing out of the labor market has led to an increase in income inequality in the United States to the highest levels observed since the Great Depression.\textsuperscript{53} As of 2007, before the effects of the current recession, the top 10\% income group accounted for approximately 50\% of the total income earned. Furthermore, with this new bifurcation of occupations, the top earners capture the majority of macroeconomic gains. For example, during the economic expansion of 2002-2007, the top 1\% captured two thirds of income growth realized over this time.\textsuperscript{54}

\textsuperscript{50} Wilson, William Julius. (1987). \textit{The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy}. Chicago: The University of Chicago Press.
\textsuperscript{51} Wilson, William Julius. (1987).
\textsuperscript{54} Saez, Emmanuel. (2009).
Conversely, the poverty rate has hovered around 14% of the population since the 1960s.\textsuperscript{55} However, the total number of people living in poverty increased to 43.6 million as of 2009, the highest number observed since the Census began measuring this statistic in 1959.\textsuperscript{56}

In addition to industrial restructuring and the resulting human capital deficit, several theories have developed to attempt to explain inner-city poverty. Among them are spatial mismatch, employment discrimination, cultural behavior, migration to the suburbs, an endogenous growth deficit and the externalities of public policy.\textsuperscript{57} Urban poverty is by no means a simple phenomenon that can be explained by one factor mutually exclusive of all others. Indeed, as we have seen with the migration to the suburbs witnessed on Auburn Avenue, many of these additional theories are inextricably linked to the new bifurcated occupational landscape. However, any attempts to reduce poverty through community economic development must take this new economic structure into consideration if they are to be successful.

**TRADITIONAL APPROACHES TO COMMUNITY ECONOMIC DEVELOPMENT**

**SUPPLY-SIDE ECONOMIC DEVELOPMENT**

Supply-side economic development strategies respond to this challenge of industrial restructuring by improving the supply of labor in their market by attempting to increase the human capital of their local workforce through training and education. However, most workforce training programs fail to integrate participants into the economic mainstream or substantially

\textsuperscript{56} U.S. Census Bureau. (2010).
\textsuperscript{57} Teitz & Chapple, (1998).
reduce poverty through employment or earnings gains.\textsuperscript{58} Robert LaLonde notes that this is partly due to the low average funding allocation spent on participants, which is usually less than the cost of a year of formal schooling.\textsuperscript{59} The one exception has been Job Corps, which provides a comprehensive regimen of training, housing, health care and counseling services at an average cost of over $14,000, five to six times the cost of most workforce training programs. Although participation in Job Corps has been shown to increase educational attainment, reduce criminal activity and increase earnings for several years after leaving the program, these earnings gains are not sustained over the long term.\textsuperscript{60}

More perverse supply-side tactics approach community development in the New Economy by catering to the urban consumption preferences of the Creative Class in order to attract a critical mass of this cohort to fuel development in their cities.\textsuperscript{61} On the other hand, this is a lopsided strategy that avoids if not instigates the growing problem of inequality. Richard Florida, author of \textit{The Rise of the Creative Class} and the most visible proponent of this approach, was challenged by Jamie Peck on this concept:

\textit{“The Rise of the Creative Class has also attracted criticism for its relative neglect of issues of intraurban inequality and working poverty. A swelling contingent economy of underlaborers may, in fact, be a necessary side-effect of the creatives’ lust for self validation, 24/7 engagement, and designer coffee.”}\textsuperscript{62}

\begin{flushleft}
\textbf{BUSINESS DEVELOPMENT}
\end{flushleft}


\textsuperscript{59} LaLonde, Robert J. (2003).


Lastly and most importantly for the purposes of this research paper, community economic development strategies can provide financial and technical assistance for the creation of new local businesses. This approach is guided by the endogenous growth theory, which states that economic growth is driven from within the local economy rather than from outside market forces.\(^{63}\) Research indicates that this business development strategy can be effective at growing the local economy if it focuses on increasing exports or substituting for imports, rather than creating businesses that compete with existing local businesses.\(^{64}\) While focusing on import substitution alone through favorable treatment can lead to less competitive firms for the export market, doing so by increasing the utilization of under-used land or under-employed workforces can increase local wealth.\(^{65}\)

“Assisting nonexport base firms can increase local wealth if such assistance leads to an increase in usage of land or labor that would otherwise be unemployable. For example, the economic development assistance could encourage the firm to use a polluted “brownfield” site that would otherwise go unused, or to hire disadvantaged persons who would otherwise remain unemployed. In these cases, even if the increased sales in the expanding firm come at the expense of other local firms, the use of “unemployable” land or labor will free up currently used land or labor for other uses. The greater availability of land and labor for business will encourage business expansion in export-base firms, with consequent multiplier effects on the local economy.”\(^{66}\)

Business development programs that focus strictly on financial support to disadvantaged entrepreneurs without skill development or support networks, such as micro-loan programs, do not appear to be sufficient for business success.\(^{67}\) Furthermore, the type of business created can be equally important in wealth creation. The most common lines of businesses created under microenterprise programs are personal services and small scale retail, which also happen to be

\(^{65}\) Bartik, Timothy. (2003).
the least profitable for their owners. Qualitative studies indicate that business technical assistance programs and business incubators have been useful based on surveys of participants. However, quantitative evidence as to whether these services boost the local economy is lacking.

A strong combination of human and financial capital is necessary for the survival and growth of new firm creation. While increasing financial assistance for business start-ups is a relatively linear objective, developing human capital in entrepreneurs is not merely a process of acquiring information, receiving services, or adopting the latest business practices. The creation of new capabilities requires the cultivation and development of skills guided by deep, ongoing relationships of a supportive community.

UNIVERSITIES AND COMMUNITY DEVELOPMENT

Some universities have taken a primary leadership role in community development initiatives, including the University of Cincinnati, University of Pennsylvania, and Yale University. However, these are usually private institutions with large endowments to draw from. The University of Pennsylvania’s West Philadelphia Initiative is often cited as a case study for university-led community development. This initiative focused largely on policing the community, increasing housing values and recruiting national retail chains to the neighboring University City community. It has received criticism that low- to moderate-income residents can

73 Axelroth, Rita & Steve Dubb. (2010).
74 Crane, Elizabeth. (2004). Revitalizing the Campus through Retail. Urban IHEs are luring local and national retail tenants to drive campus and community revitalization initiatives. University Business.
no longer afford to live in the neighborhood now that Penn has augmented the neighborhood to become a “yuppie enclave” more befitting of the Ivy League’s image.\textsuperscript{75} Still others believe that the school co-opted segments of the community to implement their plans in order to create a “Penn colony.”\textsuperscript{76} While the initiative may have improved the safety, amenities and physical appearance of the University City neighborhood, their focus on importing retail chains that pay minimum wages and export profits – such as Urban Outfitters, Ann Taylor Loft, and Barnes & Noble – begs the question of who benefits from this type of revitalization strategy.

However, in addition to the Cleveland Model discussed earlier in this paper, universities have the potential to allocate their financial and human capital toward a diverse menu of progressive revitalization programs. Many universities have created an Office of Community Partnerships to create and coordinate collaborations with local organizations, including Indiana University-Purdue University, Emory University, and Miami Dade College.\textsuperscript{77} The initiatives pursued by these departments focus on providing in-kind resources to build capacity and provide technical assistance through faculty and student engagement. Other universities have combined resources and expertise with local organizations to create a new entity whose impact is greater than the sum of its parts. For example, Syracuse University joined the Gifford Foundation, the Syracuse Center of Excellence, and Home Headquarters (a nonprofit community development corporation) to form the Near Westside Initiative with the goal of sustainable stabilization and revitalization of a targeted geographic area within Syracuse.\textsuperscript{78} Syracuse University’s UPSTATE, a center for design, research and real estate has provided technical assistance to this initiative while

\textsuperscript{75} Crane, Elizabeth. (2004).
\textsuperscript{76} Crane, Elizabeth. (2004).
\textsuperscript{77} Axelroth, Rita & Steve Dubb. (2010).
the Gifford Foundation has allocated financial resources, the Syracuse Center of Excellence has provided sustainability expertise, and Home Headquarters facilitated community input and real estate project implementation.79

Campus Compact is a rapidly growing association of 1,100 colleges and universities who are committed to fulfilling the civic engagement mission of higher education.80 The organization promotes community service that develops students’ citizenship skills, helps campuses forge community partnerships, and provides resources for faculty seeking to incorporate civic engagement into their curriculum.81 Membership in the Campus Compact is increasing at a rate of 70 institutions annually, largely fueled by their desire to “better reflect the original purpose of higher education: to serve as a civically engaged and active leader in preserving, promoting and educating for a democratic society.”82 One example of this mission put into action can be observed from a member of Campus Compact, the University of Memphis. Under the school’s broader “Engaged Scholarship” initiative, it partnered with local leadership to create the University Neighborhoods Development Corporation, a nonprofit community development corporation to stimulate development in the area.83 Moreover, the university’s School of Urban Affairs and Public Policy created the Center for Community Building and Neighborhood Action (CBANA) to provide community organizations with research analysis and provide technical assistance around grant applications and redevelopment planning.84 The CBANA also coordinates

82 Campus Compact (2007).
internships with local community development corporations where students provide technical assistance for 20 hours a week and receive a stipend, course credit and tuition waiver in return. The internship program has proven mutually beneficial as students have gained invaluable real world experience while assisting local organizations working to improve the areas surrounding the University of Memphis. As an added bonus for the career development of the students, several of the interns have been hired by the organizations they intern with after they graduate.85

AN EQUITABLE ALTERNATIVE IN THE NEW ECONOMY: COOPERATIVES

THE CASE FOR COOPERATIVES

While the creation of locally-owned businesses is a positive achievement for both CDCs and EDAs, doing so within the traditional structure of a corporation does not address the inequitable concentration of wealth to a fortunate few through the efforts a large group of wage laborers.86 As illustrated in the economic analysis at the beginning of this paper, the ownership model of the corporation is becoming increasingly problematic in the polarized economy. With the continued loss of well paying, medium-skill jobs, we are left with a bifurcated workforce operating within organizations that siphon profits to senior managers and shareholders. Further antagonizing local communities, externalities may arise from management decisions made in the best interests of absentee owners and shareholders that have no connection to a particular place, including the outsourcing of labor or relocation of a business. Instead of capturing the revenue of businesses to be circulated within the local economy, wealth is instead exported to numerous locations across the country.

Worker cooperatives have increasingly emerged as an equitable alternative to the corporation in the new economy. The term “cooperatives” elicits many different images ranging from a neighborhood grocery store to a housing co-op. Indeed, in addition to worker cooperatives, there are many different types of cooperatives touching nearly every industry in the domestic economy. The International Co-operative Alliance uses the following definition:

“A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.”

The first recognized cooperative business in the United States was a mutual insurance company founded in 1752. Consumer cooperatives such as credit unions and the sporting goods store REI are owned by the people who buy the goods or services that the cooperative provides. Producer cooperatives – primarily agricultural companies such as Land o’ Lakes and Welch’s grape juice – are owned by people who produce similar products and collectively market them to increase sales. ACE Hardware, Best Western Hotels, and KFC are members of purchasing/servicing cooperatives, which are owned by independent business owners who collaborate to increase their purchasing power for goods used in their operation. In consumer, producer and purchasing/servicing cooperatives, the profits of the organization are dispersed to members in the form of rebates, refunds or dividends based on their level of patronage. As of 2009, there were approximately 30,000 total cooperatives in the United States generating over

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$500 billion in revenue, $25 billion in wages and accounting for over 2 million direct and indirect jobs.\textsuperscript{91}

\section*{WORKER COOPERATIVES}

Worker cooperatives are typically for-profit businesses owned and controlled by their employees, with each member owning a share in the business and afforded a vote in key management decisions.\textsuperscript{92} These are usually small businesses in a diverse group of industries including grocery stores, health care, taxi service and professional services. There are approximately 400 worker cooperatives in the country, with the largest being Home Health Care in New York City at 780 employees, although most range from 20-200 employees.\textsuperscript{93} As organizations made up of owner-workers from the community, these businesses often include social responsibility within their mission by contributing a portion of their profits to local charities and community organizations.\textsuperscript{94} Furthermore, because profits are distributed to local owners rather than absentee owners or shareholders who may live in another country, more money is circulated through the local economy, leading to a higher economic impact in the community.\textsuperscript{95}

The degree of worker participation in decision making varies depending on the industry, ranging from electing managers and defining the mission of the organization to the rotation of work roles and decisions regarding purchasing and design of products. Profits for worker cooperatives are distributed to the employees based on a formula of labor input factoring a

\begin{footnotesize}


\textsuperscript{93} Lawless, Greg & Anne Reynolds. (2004).


\textsuperscript{95} Zeull, Kimberly A. & Robert Cropp. (2004).
\end{footnotesize}
combination of hours worked, pay level, and seniority.\textsuperscript{96} The combination of employee ownership and authentic participation in operations has consistently been found to be effective at increasing both the productivity and profitability of organizations.\textsuperscript{97} For example, labor economist John Pencavel found cooperative plywood firms in the Northwest had a 13.5\% higher output rate compared to traditional firms with similar levels of production inputs.\textsuperscript{98}

Rather than attempt to augment the economy by replacing manufacturing jobs or elevating everyone to college graduates to join the upper income strata, worker-owned and controlled cooperatives seek to provide an alternative ownership structure that works within the market of the New Economy in order to collectively build community wealth. In this sense, it addresses the problems of poverty and inequality not merely as a result of a restructured workforce in a constantly evolving market, but of the structure of corporations allocating wealth to the few at the expense of many. As shown with traditional community economic development approaches, the overwhelming force of globalization has proven much too hard to reverse or mitigate through corrective capitalism.

Worker cooperatives attempt to extend democratic participation into the workplace by allowing worker members the right to elect and evaluate management, have a voice in strategic business decisions and participate in gains from the organization. This comparison to the traditional organizational structure’s management principles is described by Henry Levin:

\begin{quote}
\textit{\textquoteleft In contrast, the conventional workplace, whether privately owned or government-sponsored, is governed by an authoritarian regime in which the rights of workers are derogated to the formal and informal rules and practices of those who own and manage the workplace. In exchange for the}
\end{quote}

\textsuperscript{96} Northcountry Cooperative Foundation. (2006).
\textsuperscript{98} Levin, Henry M. (2006).
privilege of work and income, workers relinquish their basic political rights such as freedom of speech and association and the ability by the governed to select who will oversee their entity.  

As market-based enterprises, cooperatives are subject to the same factors of success as corporations, but there are a few unique features that are critical to the success of cooperatives. In particular, a collaborative culture among coworkers, an organizational structure appropriate for the industry, creative financing, and a strong business orientation are essential. Furthermore, worker co-ops perform best with continuous education of their members, a governance structure supported by its members and a clear mission and focus. Worker cooperatives are not without their challenges. Given that these are relatively small locally owned firms that typically pay a living wage and benefits to their member-owners, they can have trouble competing with global corporations that pay minimum wages, achieve economies of scale purchasing power, and often receive government subsidies. Without a local support network, it can also be difficult to find lenders, attorneys and consultants that understand the cooperative model, leading to misguided advice. Due to the combination of these keys to success and operational challenges, cooperatives tend to perform best when they are part of a larger network that can provide mutual business support.

MONDRAGON

Perhaps the best known international example of a worker cooperative network is the Mondragon Cooperative Corporation in the Basque region of Spain. Mondragon originated from a community funded technical school, Escuela Politecnica, started in 1943. The school’s founder

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was a priest whose religious studies led him to seek an organizational model that achieved social justice while maintaining individual property and freedom. Caja Laboral Popular was created in 1959 as a credit union to provide savings accounts for its members in addition to financial and business assistance for the creation of additional cooperatives in the network. Arrasate and Copreci were then created to manufacture the machine components and tools that Ulgor imported for their operations. In 1977, Ikerlan was established as an industrial research and development institution to create new technologies and find solutions to technical problems for the cooperative network. This process of creating an interdependent ecosystem of businesses and support organizations expanded over time to include housing, insurance, education and retail, all of which are cooperatively owned and managed. As of 2009, this network comprised over a hundred cooperative enterprises with approximately 85,000

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108 BBC. (1980).
employees and more than $33 billion in assets. The strength of this growth can be attributed to an interdependent process of import substitution and a diversification across a range of industries.

Mondragon operates under its stated corporate values of cooperation, participation, social responsibility and innovation. The worker-owners meet in a general assembly to elect board members on the basis of “one member, one vote”. These board members are then delegated the power to determine policy and appoint the company president. Not all workers are owner-members. However, those that do wish to participate are required to buy into the organization at a set fee. If they don’t have the funds for this buy-in, it is leant to them at favorable rates and can be gradually paid off through a deduction in wages. Profits at the end of the year are divided between 10% to the community, 20% for reserves, and 70% to the members’ interest bearing capital account. If there is a loss, no more than 30% of the loss can be taken from the cooperative reserves, with the balance absorbed by the members’ capital accounts. If a member leaves the organization, they are required to withdraw their accumulated capital account to ensure continued internal control of the organization.

In addition to an impressive level of production by any means of comparison, Mondragon also illustrates how this can be achieved equitably within the organization. The ratio of maximum pay to minimum pay within the organization is 6:1, compared to typical maximum to minimum income ratios of firms within the United States of 200:1 to 300:1.

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112 BBC. (1980).
113 BBC. (1980).
CLEVELAND MODEL

Mondragon has inspired an initiative to create a cooperative network in Cleveland in response to industrial decline experienced as a result of globalization. In 2007, a partnership of institutions, community organizations and civic leaders led by the Cleveland Foundation formed the Evergreen Cooperative Initiative (ECI) to address the poverty, unemployment and blight surrounding the Cleveland neighborhood known as the Greater University Circle. ECI collaborates with local anchor institutions such as Case Western Reserve University and the Cleveland Clinic to direct a portion of their multi-billion dollar procurement spending to catalyze local worker-owned and operated businesses in order to build community wealth. Economic and environmental sustainability are the central themes for ECI, with specific businesses created and planned including a green commercial-scale laundry, a solar panel and weatherization company, a hydroponic greenhouse, and a community media publication. The ECI hopes to establish 10 for-profit worker cooperatives in the next three to five years with 500 employees.

Figure 9. Evergreen Network. Source: Luviene, Nicholas, et al. (2010)

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growing to 5,000 employees over the next 10 to 15 years.\textsuperscript{117} Future business lines could include more labor intensive enterprises such as rehabilitation, recycling, home care, janitorial services, records retention, medical kit assembly, and a consulting firm focused on cooperative development.\textsuperscript{118}

The ECI seeks to create businesses in industries that are expanding locally such as healthcare and sustainable energy in order to provide a long term market-based approach for the organizations to thrive. Workers are hired for a six-month probationary period before being allowed to buy-in to the organization for $3,000, which is paid through a 50-cent per hour deduction in their pay.\textsuperscript{119} They project that in addition to earning wages and benefits above industry standards, worker-owner employees will build an equity stake in the organizations upwards of $65,000 within eight years. Their community economic development philosophy is summarized by Ted Howard of the Democracy Collaborative below:

\textit{“Rather than using a trickle down approach, Evergreen focuses on economic inclusion and building the local economy from the ground up. Rather than offering public subsidy to induce corporations to bring what are often low-wage jobs into the city, Evergreen supports new businesses that are owned by their employees. Rather than concentrating on workforce training for employment opportunities that are largely unavailable to low-skill and low-income workers, the Evergreen Cooperative Initiative creates the jobs first, and then recruits and trains local residents to take them.”} \textsuperscript{120}

The businesses are created with the help of seed money and loans from foundations and government agencies but are expected to generate a profit in order to pay for themselves over time. Similar to the Mondragon initiative, the eventual goal is to create a network of cooperatives aided by the success of the initial businesses. Thus, the Evergreen Cooperative Development

\textsuperscript{117} Howard, Ted, Lillian Kuri & India Pierce Lee. (2010).
\textsuperscript{118} Luviene, Nicholas, Amy Stitely & Lorlene Hoyt. (2010).
\textsuperscript{119} Luviene, Nicholas, Amy Stitely & Lorlene Hoyt. (2010).
\textsuperscript{120} Howard, Ted, Lillian Kuri & India Pierce Lee. (2010). The Evergreen Cooperative Initiative of Cleveland, Ohio. A \textit{Sense of Place: Place-Based Grantmaking in Practice}. Pgs 6-7.
Fund was established. Capitalized by initial grant funding, each cooperative that receives a loan will pay back the principal with one percent interest, which will perpetually recapitalize the fund to aid additional start-ups. The Evergreen Business Services group was also created to provide technical assistance through “management, administrative, operational and other support, including new venture incubation, market research, initial feasibility study, business plan development and recruitment of interim and permanent management.” Finally, an umbrella organization known as the Evergreen Cooperative Corporation (ECC) was created to manage the network of cooperatives created under the ECI. The ECC is governed by a board of directors that includes representatives from the anchor institutions, foundations, and individual cooperatives involved in the ECI. The Evergreen model differs from Mondragon in that it is the culmination of a concerted collaborative effort among a diverse group of stakeholders, including large anchor institutions, foundations, nonprofits and low-income residents. The resulting delegation of duties between groups is described by Luviene, et al. below:

“One foundation leads, another agency funds, one nonprofit builds governance, and another handles finances. A set of formerly independent local organizations has re-orientated their individual activities to the common goal of launching cooperatives.”

From this it is immediately apparent that a strong lead organization with the political capital and organizing ability to bring seemingly disconnected groups together is necessary.

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121 Howard, Ted, Lillian Kuri & India Pierce Lee. (2010).
123 Luviene, Nicholas, Amy Stitely & Lorlene Hoyt. (2010). Pg. 16.
LOCAL ASSETS TO SUPPORT REVITALIZATION

Auburn Avenue has a wealth of local assets that could work together to collaboratively implement strategies that revitalize the commercial district in a way that is inclusive of local residents and businesses. On the other hand, a handful of upcoming and encroaching development pressures could antagonistic to inclusive community economic development. Georgia State University is slowly purchasing property around the surrounding area to plan for future expansion. This presents both the opportunity to leverage from their future growth and a risk of transforming the community into a college campus. The upcoming Streetcar is expected to bring additional patrons to local businesses and catalyze new development activity. However, it also presents a risk of increasing rents for existing businesses and importing new chains that diminish the historic character of Auburn Avenue, resulting in a form of commercial gentrification. Finally, the local tourism activity presents a market demand for new businesses that can be leveraged immediately to create new businesses. On the other hand, without an economically sustainable approach and thoughtful planning, tourism can exacerbate inequality and threaten the cultural character of the area.

TOURISM

Several historic African-American cultural centers have leveraged their past as a means for revitalizing their futures, including Greater U Street in Washington, D.C., Harlem, the South Side of Chicago, and Beale Street in Memphis, Tennessee.\textsuperscript{124} These tourism-based redevelopment strategies have centered on themes highlighting the history of the community, from music and entertainment to monuments of political activism and African-American entrepreneurship.

As noted earlier in the history overview, Auburn Avenue carries a storied past of African-American political triumph and economic accomplishment that makes it an irreplaceable place in Atlanta. In addition to the Martin Luther King, Jr. birth home and final resting place, many of the monuments from this past remain standing with a powerful story to tell. The spiritual anchors of Big Bethel, Wheat Street, and Ebenezer tower over the street as a testament to their stalwart uplifting of the area. The Prince Hall Masonic Temple and Odd Fellows Building provide meticulously detailed architectural icons of the rise of African-American prominence in Atlanta. The Atlanta Life Insurance headquarters building and office of The Daily World await renovation to remind visitors of the intrepidness of African-American entrepreneurship despite economic injustice. In addition to these treasures of the past, more recent additions such as the APEX Museum, National Park Service visitors center and Martin Luther King, Jr. Center for Nonviolent Social Change provide a rich cultural experience illustrating African-American history and the Civil Rights Movement.

The Butler/Auburn Redevelopment Plan of 2005 proposed the potential redevelopment of Auburn Avenue by catering to the tourism demand generated by the area’s historical significance. To quantify this activity, the National Park Service uses a digital counter at the entrance of their visitors center to calculate how many visitors they receive annually. In 2010, they received 658,453 visitors within the center. However, there may have been more visitors than this to Auburn Avenue given that not everyone enters the visitors center when they visit the area. According to expenditure data estimated by DK Shifflet & Associates provided by the Atlanta Convention and Visitor’s Bureau, tourists in Atlanta spend approximately $131 per day when they visit the city, itemized in Figure 10. When excluding transportation expenditures, tourists spend approximately $87 on food, hotel rooms, shopping, entertainment and miscellaneous purchases, which is
comparable to national averages. This would imply that there is approximately $57,000,000 worth of spending power visiting Auburn Avenue annually. When excluding hotel spending and focusing just on the lower barriers to entry industries of food, shopping, entertainment and miscellaneous spending, this amount decreases to $67 per day, or roughly $44,000,000 annually.

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<tr>
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<th>United States</th>
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<td>Total</td>
<td>$ 114.8</td>
<td>$ 131.7</td>
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<tr>
<td>Transportation</td>
<td>$ 34.8</td>
<td>$ 43.9</td>
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<td>$ 25.7</td>
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<td>Room</td>
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<td>Shopping</td>
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<td>Misc</td>
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**Figure 10.** 2008-2009 Atlanta Tourist Expenditures (Per Person Per Day). Source: Atlanta Convention & Visitors Bureau

While these numbers are rough estimates, they do help indicate the sheer volume of potential spending power from visitors that Auburn Avenue could tap into. Despite receiving over 650,000 visitors to the area, there are very few businesses along Auburn Avenue that can capture this revenue. To illustrate, there are no hotels on the street and only three restaurants. There are even fewer potential venues when viewed in the context of establishments that can accommodate large groups such as family reunions, tour bus groups, and school field trips. This represents an opportunity for new business development on Auburn Avenue to serve this market.

On the other hand, much of the foot traffic that visits The King Center remains on this portion of the street without exploring the rest of the area’s history. In fact, often tour buses arrive directly at The King Center site, unload their passengers to visit the site, and then get back on the bus to leave without having exploring any other portion of Auburn Avenue. Some of this behavior could be attributed to a lack of advertising that directs tourists to the additional treasures along the street and informs them of their historical significance. For example, as shown in Figure 11,
the tourist maps distributed by the National Park Service Visitor Center identify only one building outside of the two block radius surrounding The King Center – The Prince Hall Masonic Building – and no points of interest on the west side of the connector.\textsuperscript{125}

This is understandable given that the historic site was established “to preserve the places where Martin Luther King Jr. was born, lived, worked, worshiped, and is buried,”\textsuperscript{126} As such, the National Park Service is both restricted in their boundaries and cautious of the perception of the park jurisdiction extending to the rest of Auburn Avenue. However, an additional map could be distributed that identifies local businesses and additional structures with a background on their historic significance in order to increase foot traffic to the rest of the street. Additionally, tour guides could be posted along Auburn Avenue to provide information on points of interest and recommend local businesses to visit. Although National Park Service employs tour guides that are confined to their jurisdiction, a creative partnership could be established that provides funds for additional tour guides that are trained and affiliated with the National Park Service. The nearby business improvement district, Central Atlanta Progress, also provides an Ambassador Force that provides information and directions to visitors of Downtown Atlanta. This program could either be extended to Auburn Avenue or a similar program could be created that is more knowledgeable of the local historical context. This would also be an opportunity to hire local residents who have a rich background on the history of the community.

Figure 11. Martin Luther King Junior National Historic Site Visitors Map. Source: National Park Service
While tourism can be utilized as a means for community development, traditional tourism development strategies may be antagonistic to the wealth development of residents in communities. Tourism can be a tenuous industry to solely rely on, given that it is dependent on the disposable income of visitors from other economies. Although this industry can generate an impressive number of jobs and economic impact when viewed in the aggregate, this impact is less impressive when evaluated at the individual level. An analysis of the tourism industry in Wisconsin performed by Dave Marcoullier, et al., found that this sector accounted for 12% of total jobs statewide, equating to approximately 320,000 jobs. Additionally these businesses created approximately $1.4 billion in proprietor’s income, or about $64,000 per business. However, at the individual worker level, the average annual wage and salary income generated by these jobs were approximately $13,000, less than the statewide average of $27,000 for all jobs in the state. This is to be expected when considering that most jobs created by tourism are within the retail, entertainment, accommodation and food service businesses. By design, these jobs are traditionally low wage, seasonal, and part-time.

On the other hand, some jobs within the tourism sector can lead to higher paying careers, such as hotel managers, chefs, and meeting planners. Furthermore, tourism jobs can provide workforce training for the low-income underemployed, improving living standards while creating an entry point into the economy that they may be able to leverage in the future to attain more

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advantageous positions or start their own businesses.\textsuperscript{131} To be sure, although Marcoullier found that management jobs paid significantly more than entry level positions in Wisconsin, these make up a small percentage of the total employment created. For example, roughly 90 percent of the jobs created in the Food and Drinking Establishments sector were related to food preparation and serving, paying $9,000 per year. Meanwhile, management positions within this sector accounted for 2% of jobs, paying an average of $22,000 annually.\textsuperscript{132}

Tourism as a method for community development on Auburn Avenue also needs to be cautious to maintain the historic character of the street while benefiting the local community. For example, new businesses in the accommodation sector are often global organizations that have no connection to the local community and export profits to their shareholders and distant headquarters. While the creation of new businesses that capture unmet tourism demand can be an important means to leverage local economic development, the organizational structure and contextual character of these businesses can make a big difference in outcomes for the community. Tourists are attracted to Auburn Avenue because of its uniquely historic cultural significance. If this is diluted with the attraction of new chain stores that tourists can patron anywhere in the country, the value and draw of the area will be diminished. The 2005 Butler/Auburn plan acknowledged this risk. “Authenticity is critical in keeping Sweet Auburn alive and connected to its past; but authenticity can come in unlikely places, like the unassuming Rib Shack at Auburn and Fort Street, or the Silver Moon barber shop.”\textsuperscript{133} There is also a risk of encouraging “tourism gentrification,” where an increase in consumption-oriented activities and

\textsuperscript{131} Marcoullier, Dave, et al. (2004).
\textsuperscript{132} Marcoullier, Dave, et al. (2004).
entertainment venues can result in increased housing values, leading to the displacement of lower-income residents.134

The philosophy of ecotourism provides a good reference for how tourism could appropriately manifest in a community in light of its potential externalities. Although ecotourism is most often referred to in natural areas within developing countries, the same principles can be applied to Auburn Avenue. Namely, ecotourism advocates for tourist activities to refrain from harming the environmental, social, and cultural characteristics of the community while contributing to the economic well-being of the local population.135 In turn, this contributes to the long-term sustainability of the tourism sector. Tourism should be utilized as a complimentary industry to the multi-faceted sources of the community’s economic activity, rather than overwhelming the local economy. Local residents will be more willing to participate in preserving the community’s attraction if they can genuinely participate in its economic benefits.136 Long-term affordable housing initiatives should also be part of the tourism development strategy to ensure that residents can remain in their community. Collectively, the preservation of the cultural character of Auburn Avenue will ensure that this area remains a truly unique destination that continues to attract visitors into perpetuity.

ANCHOR INSTITUTIONS

Auburn Avenue is surrounded by a diverse set of anchor institutions that could be engaged in a collective local economic development initiative. Anchor institutions are defined as

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organizations that are tied to a particular location due to mission, invested capital, or relationships to customers and employees. While this term usually refers to universities and hospitals, commonly referred to as “Eds & Meds”, it can also include churches, libraries, museums, and arts organizations. This analysis will focus on the following local organizations along and adjacent to Auburn Avenue: Georgia State University (GSU), Grady Hospital, and several large churches, many of whom have participated in community development initiatives in the past. The encapsulating presence of these institutions is illustrated in Figure 12. There is a strong precedent for engaging anchor institutions in community economic development. The underlying ideology behind this collaborative approach to revitalizing communities is summarized below.

“Anchor institutions are among the largest employers and purchasers in many large and mid-size municipal areas. These institutions are rooted in place; unlike corporations, they rarely ‘get up and leave.’ As such, they have a self-interest (at least in theory) in helping ensure that their surrounding neighborhoods are stable, vibrant and healthy.”

Aside from the inherent moral obligation of anchor institutions to play a role in the improvement of their communities, the self-interest for anchor institutions to participate in community revitalization strategies is more than just a theory. Among the potential benefits are the creation of a local environment that increases the capture of staff and customers, building the local and regional economy, generating community and political support, contributing to institutional mission, and building support among internal constituencies. As human capital service providers, attracting high-quality staff is critical to the success of universities and hospitals.

139 Howard, Ted, et al. (2010).
For example, GSU recently identified becoming one of the leading research universities in the nation as a goal in their strategic plan and launched an initiative to recruit 100 faculty members over the next five years.\textsuperscript{141} In addition to the appeal of the university, the amenities, safety and perception of the surrounding community will play a significant role in the decision of professors, researchers, staff and students when deciding whether to work or study at GSU. The same can be said for the potential physicians, nurses and patients at Grady Hospital. Local revitalization initiatives involving anchor institutions can also improve their relationship with the surrounding community and political representatives. This can be advantageous for institutions that are experiencing a large amount of growth by maintaining good relationships with constituents whose support will be needed with building permits, zoning variances, and resident receptivity to their expanded presence in the community.

The types of initiatives that anchor institutions can pursue range from heavily involved investments of holistic neighborhood revitalization to more ancillary involvement through the participation in a community development partnership. Other strategies that leverage the human capital assets and operational needs of the institution include lending university expertise and research to the community and directing the purchasing, contracting and hiring needs of the organization toward locally owned businesses. However, anchor institution initiatives have been described as falling into two categories: the “Noah Principle” – building arks that result in tangible outcomes – and “predicting rain” – describing problems that will persist if no action is taken.\textsuperscript{142}

\textsuperscript{141} Georgia State University. (January 2011). \textit{Strategic Plan: 2011-2016/21}.
\textsuperscript{142} Harkavy, Ira, et al. (2009), pg. 150.
Figure 12. Anchor Institutions Surrounding Auburn Avenue
OVERVIEW

The most prolific anchor institution surrounding Auburn Avenue is Georgia State University (GSU). Originally founded as an evening community school in 1913, GSU has steadfastly advanced its educational distinction, student enrollment and local economic impact in downtown Atlanta. To date, GSU is the second largest institution in the University System of Georgia and one of the leading urban research universities in the Southeast. The university employs over 1,100 full-time faculty members with an enrollment of over 31,000 students pursuing 250 different bachelor’s, master’s and doctoral degree programs offered through six colleges. From 2005 to 2009, enrollment increased 17%, an average of 3.4% annually. The burgeoning presence of GSU has had a visible impact on the vibrancy of downtown Atlanta. Over the last 10 years alone, the university’s economic impact has nearly tripled to $1.4 billion annually and has an employment impact of 11,000 jobs. This fiscal impact is measured by three primary sources: spending for personnel, operating supplies and expenses, and spending by the students who attend the university. It also factors the spending by the institution for capital improvement projects and the multiplier effect of these cumulative expenditures as they circulate through the local economy. Despite the economic impact on Downtown Atlanta, Auburn Avenue and the local workforce have largely been left out of the revitalization efforts and employment benefits. This may be partially due to GSU’s respectful refrain from disturbing the historic character of the

147 Humphreys, Jeffrey, M. (2010).
street. Alternately, it may have been due to a general assumption that the market would respond to growth surrounding Auburn Avenue by improving the area. When asked how the area would be affected by the school’s planned $1 billion expansion in 2006, former president David Patton remarked, “It’s going to put the critical mass of people on the street. Our students have money to spend, and they’ll spend it there.”\(^{148}\) Indeed, this prediction has been partially true for neighboring Edgewood Avenue, which has witnessed the creation of several restaurants and drinking places catering to a young clientele. However, despite the construction of a 2,000 unit student housing complex one block north of Auburn Avenue, only a small portion of these students venture onto Auburn Avenue. To date, there has been no significant or sustained effort on behalf of the school to leverage their resources or include the Auburn Avenue community in a way that would allow them to participate in the benefits of GSU’s expansion.

### FUTURE EXPANSION

GSU’s growth is forecasted to continue into the near future, with enrollment projected to increase to 36,000 students by 2015, putting the school on track to potentially become the largest university in the state of Georgia.\(^ {149}\) Along with this growth comes an increased demand for space to occupy. This demand will create a “space deficit” of approximately 2.8 million square feet\(^{150}\). Given GSU’s configuration as an urban university without a confined and insular campus, this will translate into the reach of their real estate acquisition and development activities spreading further into new territories of downtown Atlanta. As shown in their Master Plan document pictured in Figure 13, the school has identified portions of Auburn Avenue as “redevelopment” areas and the blocks just north of it as a “potential campus expansion zone”.


\(^{149}\) Georgia State University. (2006).

\(^{150}\) Georgia State University. (2006).
Figure 13. Georgia State University Master Plan. Source: GSU
While this expansion could be leveraged to stimulate business development on Auburn Avenue through increased expenditures, real estate development and the increased spending power of students, it also represents a challenge to maintain the historic and cultural character of the area. For example, at another urban research university, Temple University in Philadelphia, enrollment has increased 31% over the past 10 years, to nearly 40,000 students.\textsuperscript{151} To aid in this growth, Temple has deployed a private security force of over 400 police officers and security guards throughout the surrounding community.\textsuperscript{152} As a privately contracted force, by design the security staff is hired to increase the safety of their paying customers: faculty, staff and students. This may lead to problems of accountability and profiling in an effort to improve safety for the university’s expansion. Moreover, with this growth, student housing investors have purchased nearby single-family homes and converted them into multifamily housing, putting an upward pressure on housing values. In the blocks surrounding the university, home values have increased from $32,891 in 2000 to $97,224 in 2009, displacing and excluding lower-income residents from living there.\textsuperscript{153} From a quality of life standpoint, long-term residents have been overwhelmed by an increased recurrence of late-night student parties.

How university expansion transpires in a community is largely influenced by the approach taken by the school’s executive leadership. GSU has demonstrated an inclusive temperament regarding their role in downtown Atlanta. The past president of GSU from 1992 to 2008, Carl Patton, had an urban planning background and took steps to improve the university’s

\textsuperscript{151} Temple University. \textit{Profile and Challenge Statement: Dean, Tyler School of Art.} 2010.
\textsuperscript{153} Kase, Aaron. (2010).
relationship with the local community. He was often quoted as saying that GSU was “a part of the community rather than apart from it.”

Prior to Patton taking office, GSU had attempted to separate themselves from the community by utilizing catwalks and raised platforms that were meant to demarcate the space between the school and the rest of the city. However, under Patton’s leadership, new and existing buildings were opened to the community through pedestrian connections and public spaces. Moreover, the university involved community leaders and residents in creating their expansion plans through advisory groups providing input to architects and planners contracted by GSU. As a result, the university’s relationship was strengthened with local business owners, the mayor and public officials, all of which provided ongoing support for the school’s expansion. Although Patton improved how GSU expanded into Downtown Atlanta, the university did not establish or participate in proactive community development initiatives targeted at benefiting the surrounding low-income population.

GSU AND DOWNTOWN ATLANTA

For a university to get involved with local community development there has to be receptivity and commitment starting from the president’s office that disseminates through the individual departments. GSU’s current president, Mark Becker, took office in January 2009 and almost immediately appeared to indicate a collaborative perspective with an interest in the progress of cities. In his investiture speech in October, 2009, Becker discussed the three prongs of

156 Perry, David, et al. (2008).
a successful modern research university. Among them, constructive partnerships, he discusses below:

“Constructive partnerships. These are the win-win relationships between the university and the community that get us into the extra innings; relief pitching so to speak. Our partners can be local governments, businesses, not-for-profits and other educational institutions, to name a few. Not one of us has all the resources individually needed to do all that we want and need to do. GSU already has a large number of such partnerships locally, and globally, and the potential for more is enormous. How do we build on our established foundations to greatly multiply the effect? What are the innovative programs and partnerships of the future? How does Georgia State lead in global conversations addressing building and sustaining great cities?”

Furthermore, in January, 2011, the university presented their five to ten year strategic plan after a yearlong planning process involving participants from throughout the institution. The plan outlined five primary goals along with initiatives to guide the school’s growth and direction. These ranged from improving student success to becoming a leading research university to increasing its global perspective and reach. Of particular interest for gauging GSU’s potential in participating in a community development initiative was Goal #4, which states “Be a leader in understanding the complex challenges of cities and developing effective solutions.” During a recent speech launching the plan, Becker elaborated on this goal:

“Goal 4 is one that I like to say is uniquely ours, at least uniquely ours in Georgia. The University system of Georgia has 35 institutions. If you do a strategic plan for those 35 institutions, they are going to all have something about student success…. Not all 35, in fact none of the other research universities in this state will have this goal. This one is distinctly ours. Because of our location here in downtown Atlanta, this is where we are, we are in the city. We have got right here, if you will, a laboratory, a learning environment. And it’s the opportunity and also our responsibility to take that on.”

As part of this goal, the university plans to create a Council for the Progress of Cities (CPC), which will be a “confederation of researchers and campus entities to support collaboration with

158 Becker, Mark. (October 20, 2009). *President Becker’s Investiture Speech*. Accessed online at: http://www.gsu.edu/president/45123.html
159 Georgia State University (January 31, 2011). *Strategic Plan 2011-2016/21*. 
academic, governmental, corporate, nonprofit, community organization, and foundation partners.”161 The CPC will seek to create an interdisciplinary platform of research and professional fellows to provide best practices and solutions for challenges in Atlanta and other urban areas. Particular interest will be given to Atlanta’s historical significance in the Civil Rights Movement and the South.162

CHURCHES

As illustrated by the anchor institutions map and described in the history section of this report, Auburn Avenue is lined with several churches, including Big Bethel African Methodist Episcopal, Ebenezer Baptist, and Wheat Street Baptist. Each of these institutions has a strong history in the community and economic development of the Auburn Avenue area. Big Bethel, Atlanta’s oldest African-American church founded in 1847, helped foster the creation of Morris Brown College, Standard Life Insurance Company, and Gate City Colored School – the first public school for African-Americans in Atlanta.163 Ebenezer created several social service programs, including a teen mother ministry, tutoring program, counseling, senior’s day care center and food cooperative.164 Wheat Street launched a comprehensive series of initiatives ahead of their time, including a school, senior housing, affordable housing, shopping centers and a credit union.165

Many of the programs of these churches were implemented from the late 1800’s to early 1900’s, prior to the official practice of “community development.” In this sense, they were some of

the original community development pioneers. Since the time of slavery, African-American churches have been relied on as advocates and stewards in their communities to address the economic, social and political injustices experienced by their members. These churches remain active in their communities to this day. In 2008, Big Bethel partnered with local developer, The Integral Group, to construct the $50 million Renaissance Walk mixed-use project consisting of 161 condos atop 30,000 square feet of retail space. Ebenezer operates the Intergenerational Resource Center to provide recreational day care to the disabled and senior citizens. The new Truly Living Well Urban Farm was recently created on the former site of the Wheat Street Gardens affordable housing project on land owned by Wheat Street, as pictured in Figure 14. During the construction of Renaissance Walk, Atlanta City Councilman Cesar Mitchell discussed the renewed role in faith-based community development.

“I think what you have seen is churches realize that the well-being of the community goes part and parcel with not only the well-being of the church, but also the well-being of the parishioners. And so I think many churches have seen community development work as kind of compatible with and consistent with the mission of soul redevelopment.”

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168 Ebenezer Baptist Church. (2011)
ADDITIONAL ORGANIZATIONS

The churches of Auburn Avenue have the strongest history of community development on Auburn Avenue and GSU may have the greatest untapped potential, but there are numerous other organization on Auburn Avenue that could contribute to a collaborative initiative. As identified in the anchor institutions map of Figure 12, Grady Hospital, the National Park Service and the Martin Luther King Junior, Jr. Center for Nonviolent Social Change (The King Center) are also established directly adjacent to Auburn Avenue. Grady Hospital has endured financial challenges over the past decade and was recently subject to state funding cuts. Thus, their receptivity and capacity for new community development initiatives that are far removed from the mission of health care may be low. The National Park Service (NPS) has made a significant impact on the eastern portion of Auburn Avenue through their visitor center and the renovation of several homes surrounding and including the King Birth Home. The leadership of the National Park Service has been very cooperative in creating partnerships in the past toward the improvement of the preservation district. New initiatives with the NPS are possible but would need to be creative given that their jurisdiction is restricted to the boundaries of the district identified on their visitors map in Figure 11. The King Center conducts a variety of programs aimed at raising awareness to the local and international Civil Rights Movement and may be receptive to participating in highlighting the significance of Auburn Avenue’s role in this movement. The Historic District Development Corporation is a nonprofit community development corporation created to preserve and revitalize the King Historic District. Most of their work has taken place in the residential portion of Auburn Avenue, with hundreds of residential units built or renovated and thousands of square feet of commercial space constructed. HDDC could help provide development expertise to the real estate component of
comprehensive initiatives. The Southern Christian Leadership Conference has participated in economic development initiatives in the past. Business entities such as Citizens Trust Bank and the Atlanta Life Insurance Company have strong histories of economic development and civic engagement. While more recent businesses, such as the First Choice Credit Union, are looking for ways to be a part of the future revitalization of Auburn Avenue. First Choice recently registered itself as a Community Development Financial Institution and is investigating initiatives that it could fund through this new capacity. The Sweet Auburn Area Coalition is the local business association and is actively engaging the local business community to identify their concerns and create new initiatives to improve the area. This coalition could provide representation of the business community to maintain an open dialogue with their objectives and participate in revitalization efforts. Finally, the neighboring business association, Central Atlanta Progress, could be collaborated with for access to technical assistance, funding opportunities, and joint initiatives.

RECOMMENDATIONS

As discussed earlier, Auburn Avenue has been subject to several planning efforts over the past 60 years. However, these plans have largely sat idle, waiting for the next update to once again generate excitement and hope from the local community, only to fade over time. One reason these plans have not been implemented is that they lacked a concerted effort among local stakeholders and city-wide agencies to direct resources and tactics in a coordinated effort. Instead, plans have largely waited on the development activity of individual land owners and precarious private investment. If groups were to combine their resources, constituents, social and political capital toward a joint revitalization initiative, they could reach a critical mass necessary to achieve a tipping point for the local area.

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AUBURN AVENUE REVITALIZATION INITIATIVE

The creation of a new collective initiative, the Auburn Avenue Revitalization Initiative, is recommended. With the participation of several key stakeholders, this new initiative could have several advantages, including the ability to allocate resources, attract new funding based on a shared vision, and mobilizing participants around improving the area. The Auburn Avenue Revitalization Initiative (AARI), should include local anchor institutions, churches, nonprofits, foundations and government officials involved with community economic development in and around the Auburn Avenue area. Individually, these organizations will achieve a limited effectiveness, but combined they can achieve an impact that could result in Auburn Avenue finally achieving revitalization.

As identified earlier, there are numerous organizations along Auburn Avenue, each with their own technical expertise and community connection that could benefit a collective effort. However, each of these organizations also has their own vision for their individual properties and the broader Auburn Avenue area. The key to bringing several groups together for a collective effort will be to find the common vision that these groups share. Although each entity has their own organizational objectives to pursue, the revitalization of Auburn Avenue is an initiative that would help most of them reach their goals. Businesses would increase profits, churches would build their congregations, the university would improve their reputation and attract more students and faculty, and nonprofits would achieve their social mission. The methods to achieve this common ground could be facilitated through visioning sessions conducted by a third party who is trusted and unbiased. It is critical that everyone who is encouraged to participate in the initiative have a voice in the creation of these objectives. If they are unable to see their contribution to the initiative, they will be unlikely to remain interested. These objectives could
then be translated into specific initiatives within an operational action plan. Rather than create another redevelopment plan that is focused primarily on real estate projects, any new revitalization plans must be comprehensive in that they address the social, economic, and physical conditions of Auburn Avenue.

**GEORGIA STATE UNIVERSITY - COMMUNITY PARTNERSHIPS**

GSU has a wealth of intellectual and economic resources to contribute to the collaborative revitalization initiative of Auburn Avenue. The university’s new Council for the Progress of Cities (CPC) will offer critical research to understanding local problems and provide solutions based on best practices. Moreover, this new department presents an opportunity for the university to take a more active role in their community. This department should be augmented or expanded to take a more proactive approach at providing applied research for organizations and initiatives on Auburn Avenue. Additionally, the CPC could be responsible for facilitating the application of GSU’s faculty and student technical assistance, engaged scholarship and service learning for local organizations and initiatives. For example, the CPC could coordinate internships for students to work with community development organizations, similar to the Emory University and University of Memphis examples discussed earlier. The Office of Civic Engagement at GSU currently coordinates volunteer opportunities for students, faculty and staff in the community through a partnership with the United Way. But these volunteer projects typically utilize the labor of their participants rather than their valuable human capital. This office could help facilitate the placement of students within these types of service learning internship positions. This would be beneficial for the community organization by helping to increase their capacity to improve the community surrounding GSU and provide valuable work experience for students. The university could offer course credit for this work in addition to tuition waivers. Given that there would likely
be a relatively small amount of total internships each semester, this would be a marginal loss of revenue for the school in light of its potential benefits. These student candidates could be drawn from an interdisciplinary background reflecting the diversity of GSU’s academic offerings and the complexity of revitalizing Auburn Avenue, including urban policy, sociology, real estate, business, hospitality and social work.

Moreover, other departmental assets could be coordinated by the CPC to help catalyze community development initiatives on Auburn Avenue. GSU has a variety of individual departments that could provide a targeted collaborative of technical, financial, and educational support for coordinated efforts at revitalization. The Georgia State University Small Business Development Center provides consulting services for business plans, marketing strategies, financial analysis, management structure and access to capital in addition to educational classes.171 This service could be applied to new business creation on Auburn Avenue. The Educational Opportunity Center offers assistance with applying for financial aid and admission to post-secondary education. Additional services include career assessments, free computer classes, counseling sessions and referrals to other agencies.172 This department could be utilized to help residents surrounding Auburn Avenue to obtain workforce training at GSU and other local post-secondary schools that provide training in trades. Finally, the Georgia State University Foundation was created to help the university fund capital improvement initiatives related to its expansion. This could be directed toward initiatives that both aid in the revitalization of Auburn Avenue and at the same time provide expansion space for GSU. While each of these individual

departments would be difficult for a community economic development organization to navigate, the CPC could act as a one-stop shop to facilitate their collective resources.

As discussed in the earlier section regarding GSU, this will take a political will from the executive leadership, starting from the president and following through to the individual departments. Recent sentiment from the president appears to indicate the leadership recognizes their important role in the city of Atlanta and the unique opportunity it provides for the university to participate in urban revitalization. GSU is currently operating within a budget constricted environment as the state has implemented budget cuts to higher education in light of declining revenues. However, many of the institutional resources described earlier already exist and could be directed toward supporting a revitalization initiative. Moreover, president Mark Becker recently addressed how the university should respond to this budget challenge:

“The challenge we face is that this is not the best budget environment, but that doesn’t mean that we stop. Because we can do things, it just means that we are going to have to go slower than we might prefer to go. But that might be a hidden blessing, because as we get off to a slow start, we can be deliberate. We can take time to have these conversations and get this buy in and participation. But as the economy comes back we’ll be able to accelerate…The worst thing that we could do right now is say ‘It’s a bad economy, it’s a bad budget, we shouldn’t even be doing that.’ That’s about the most ridiculous thing you could ever think. The future is coming. We are going to have another 10 years. We need to prepare for it and that’s what this has been about. So we are basically ready to go into the future even if we must start off slowly, we’ll be ready to roll.”173

Directing human capital resources from within a university toward community development strategies is one way to create a low cost method of participating in the improvement of the surrounding community. Directing portions of the procurement spending that a university conducts in their normal course of business is another alternative that requires no additional budget line items. GSU spends over $54 million annually on expenditures for their

operations, many of which are imported from other cities. These include a wide variety of products, from uniforms to furniture. The university could allocate some of this spending toward locally-owned businesses to help catalyze business development, leading to the improved economic well-being of the community and an improvement of their surrounding area. This type of strategy that is being implemented in Cleveland would require some commitment and coordination to be applied to Atlanta. As a public institution, GSU is required to go through a “request for proposals” procurement process in order to select the lowest bidder. On the other hand, special exceptions are afforded for businesses that are determined to be “sole source” providers of the product being purchased. To be clear, the Cleveland Model seeks to create businesses that provide a high quality product at competitive prices. Moreover, each of their businesses utilize sustainable practices that exceed the industry norms. For example, their Evergreen laundry cooperative was the first LEED-certified facility in the state of Ohio. When combining this low environmental impact of operations with the added benefit of a lower carbon footprint from purchasing locally, this could be considered a special exception that fits the university’s efforts at improving their sustainability. Again, a strong commitment from the executive leadership would be necessary to get the individual departments to recognize and value this dual benefit of local revitalization and sustainability in order to cooperate.

COOPERATIVE NETWORK

Revitalization, community development, and job creation are all important objectives to be pursued by a collective initiative. Particularly for areas like census tracts 28 and 33, where the percentage of the population that is jobless exceeds 50% as shown in Figure 5, the creation of jobs is a welcome improvement over marginal employment opportunities. Yet, we have seen with the analysis of the new economy that the domestic economic landscape in the United States is
becoming exceeding unequal as we spiral increasingly further from a production based economy to a service based economy. Business development in the form of corporations does have the benefit of building wealth to the fortunate few who own the majority interest in the business as well as senior management. On the other hand, it is proving a destructive ownership model for the wealth creation of the rest of America. Furthermore, we have seen that over the last decade job growth has been relatively stagnant in the higher-skilled sectors while continuing to increase in the low-skilled occupations. Thus, it has become impractical to believe that we can all simply obtain college degrees to access the new economy and build individual wealth.

A new approach is necessary if the country is to evolve with this new economic landscape. Community development corporations and economic development agencies are faced with the results of their initiatives since the 1960s. Revitalization for the sake of revitalization can lead to increased property values and a replacement of long-term residents with those who are able to afford the renewed community. Without addressing the economic condition of the individuals who live in a community, place-based redevelopment can instead improve the physical appearance of buildings and streets while doing little to improve the well being of those who call that place home. While this may be easy to overlook for government agencies when banking on the increased tax revenues from their initiatives, the Diaspora of low-income residents to another location in the city will not address the underlying social disparities that lead to the problems they are responding to.

Worker cooperatives present a promising potential for a new economic response based on the democratic principles that this country was founded on. Community economic development organizations are positioned well to be leaders in implementing this innovative market intervention. This could be applied to Auburn Avenue through a cooperative network
similar to Mondragon and the Cleveland Model. Implementation could be accomplished either through the newly created Auburn Avenue Revitalization Initiative or through a smaller collective of foundations, economic development organizations, and community development corporations. Specific industries could focus on the economic development potential of the local area. Purchasing power from GSU and Grady Hospital could help create new businesses in industries that do not compete with the local economy. These could be complimented with additional businesses that capture the tourist expenditures of visitors to Auburn Avenue. Recruitment, screening and workforce training could be provided through a partnership with the Atlanta Workforce Development Agency. GSU could provide technical assistance for the businesses regarding management, accounting and finance. A revolving loan fund for the businesses administered by Citizens Trust Bank or First Choice Credit Union could be established to help fund future businesses creation within the network. The precedent for this type of economic development strategy exists through the examples of Mondragon and the Cleveland Model.

Creating a cooperative network along Auburn Avenue will have its challenges. The most important factor necessary for its implementation will be the political will and leadership of the organizations that possess the requisite resources. Many of these organizations in Atlanta currently implement their own particular strategies based on what they are familiar with. It would be overly simplistic to imply that an education process on the advantages of cooperatives would adequately address this challenge. As described with forming a new Auburn Avenue Revitalization Initiative, individual organizations would need to collectively shape how a cooperative network could be implemented based on their experience with community economic development in Atlanta.


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