To the Graduate Council:

I am submitting herewith a thesis written by Comer L. Taylor, Jr., entitled "A Case Study of the Consequences of Displacement Caused by Urban Renewal and Highway Construction on Minority Businesses in the City of Knoxville, Tennessee." I recommend that it be accepted in partial fulfillment of the requirements for the degree of Master of Science in Planning.

Alfred J. Gray

A. J. Gray, Major Professor

We have read this thesis
and recommend its acceptance:

George E. Bauer

Robert L. Wilson

Accepted for the Council:

Hilton A. Smith

Vice Chancellor
Graduate Studies and Research

A CASE STUDY OF THE CONSEQUENCES OF DISPLACEMENT CAUSED BY URBAN RENEWAL AND HIGHWAY CONSTRUCTION ON MINORITY BUSINESSES IN THE CITY OF KNOXVILLE, TENNESSEE

A Thesis

Presented for the

Master of Science in Planning

Degree

The University of Tennessee

Comer L. Taylor, Jr.

December 1974

ACKNOWLEDGMENTS

The author would like to express appreciation to his wife, Crystal, and daughter, Tracy, for their patience and inspiration over the years.

Appreciation is extended to the Tennessee Valley Authority, Division of Property and Supply, Knoxville Reproduction and Stenographic Unit (particularly Linda Tyler and Carolyn Sutton) for their support and assistance in the writing of this thesis.

Special appreciation is also extended to A. J. Gray for the time, patience, and guidance he provided in making this thesis possible.

1176491

ABSTRACT

The purpose of this thesis was to study the consequences of displacement caused by urban renewal and highway construction on minority businesses in the city of Knoxville, Tennessee. Efforts were made to find out: (1) What happens to business establishments when they have been forced to move to another location; (2) To what extent does dislocation lead to business failures; (3) What minority businessmen perceive to be their problems and needs; (4) What are the characteristics of owners of those businesses that did not survive the move as compared to those that successfully relocated; (5) What are the major problems encountered by minority businessmen when they attempt to relocate.

A total of 71 names of displaced minority businessmen were obtained from the Knoxville Urban League, the Knoxville Community Development Corporation, and the State Highway Department (61 of the 71 businessmen were included in the study). These businessmen were all displaced from the Morningside and the Mountain View urban renewal area between 1964 and 1974.

In order to gather data for the study, a combined structured and unstructured questionnaire was designed containing 84 questions. Each businessman was personally interviewed by the author who read each question and recorded the responses.

Comparisons of those businesses that did not survive the move to those that successfully relocated was included in the analysis. The Single Variable Statistical Utility Program, the Two-Way Frequency Distribution Analysis, and the Statistical Package for the Social

Sciences were the computer programs used to analyze the data. Frequency distributions, percentages, cross-classifications, median, and mode were all used to summarize and present the data.

It was found that the ability to survive displacement varied by the type of business and the age of the businessman. The non-survival rate was higher among the eating and drinking, food stores, miscellaneous retail and service establishments, and businessmen 55 years of age and older. These businesses depended upon customers living near the business site. Upon displacement more than half of the 33 non-survivors made the decision to go out of business because they felt they could not afford to start business over again. Others reported their main reason for discontinuing their businesses, after being forced to move, was that they were unable to find another location that would serve the same customers. Still others reported the high cost of buildings and rentals forced them out of business.

There was no relationship shown between fair compensation before or after the 1970 Uniform Relocation Act and the survival or non-survival of the businessmen. It was also found that: annual income before displacement had no relationship to the businessmen's survival or non-survival; and, monthly rents before displacement were revealed to have had no relationship to the survival or non-survival of the businessmen. Despite the greater emphasis placed on money by the 1970 Uniform Relocation Act, more emphasis was needed on the relocation of displaced businessmen. While physical and monetary factors did present a problem, the inability to adapt to change was another reason for the loss of many minority businesses.

TABLE OF CONTENTS

CHAPTER		PAGE
I.	INTRODUCTION	1
	Introduction	1
	Statement of the Problem	4
	Purpose of the Study	6
	Need of the Study	6
	Methodology	8
	Sample	9
	Questionnaire	9
	Techniques of Data Analysis	10
II.	A REVIEW OF BUSINESS DISLOCATION RESULTING FROM PUBLIC PROJECTS	12
	Introduction	12
	Magnitude of the Problem	13
	Assistance in Relocation	14
	Some Case Studies	22
	The Impact of Dislocation from Urban Renewal Areas on Small Business	23
	A Study of Business Dislocation Caused by the Boston Central Artery	26
	An Analysis of Knoxville Minority Businesses and Needed Improvements	28
III.	PRESENTATION OF THE FINDINGS	31
	Characteristics of Displaced Minority Businessmen and Their Businesses	31
	Education	34
	Sex of Operators	34
	Ownership	35

CHAPTER PAGE

Prior Occupation 38

Survival vs. Non-Survival 38

What Happens to Minority Businessmen When They are Forced to Move to Another Location 42

Comparisons of the Businesses That Were Displaced Before and After the 1970 Uniform Relocation Act . . . 45

Time Required to Find a New Site and Methods Used to Find Site 46

Comparisons of Selected Variables Before and After Relocation 49

Distance from home to place of business 49

Rentals 52

Floor Area 52

Advantages and Disadvantages of Former and Present Business Sites 55

The Extent That Dislocation Leads to Business Failures . . 62

Annual Income 62

Monthly Sales 65

Monthly Rent 67

Factors affecting the failure to relocate 70

What are the Major Problems Encountered by Minority Businessmen When They Attempt to Relocate 71

The Needs of Minority Businessmen in Knoxville, Tennessee 71

Business Needs 71

Planning and Other Needs Identified by Knoxville's Minority Businessmen 74

IV. ALTERNATIVE COURSES OF ACTION 79

Introduction 79

CHAPTER PAGE

Alternatives 80

Providence, Rhode Island--Willard Avenue Center 80

Planning and Local Government Input 81

Chicago, Illinois--53rd Kimbark Plaza 82

Chattanooga, Tennessee--Orchard Knob 83

Mobile, Alabama--Broad--Beauregard Plaza 87

V. CONCLUSION AND RECOMMENDATIONS 89

Conclusion 89

Recommendations 93

BIBLIOGRAPHY 98

APPENDIXES 101

A. LETTER FROM COMER L. TAYLOR, JR., TO DISLOCATED BUSINESSMEN 102

B. QUESTIONNAIRE 103

C. PROVISIONS OF THE FEDERAL-AID HIGHWAY ACT OF 1968 110

D. PROVISIONS OF THE 1970 UNIFORM RELOCATION ACT 112

E. LETTER FROM DANIEL W. TILLER WITH ATTACHMENTS 114

VITA 118

LIST OF TABLES

TABLE		PAGE
I.	Problems of Knoxville's Minority Businessmen	29
II.	Selected Characteristics of Business Owners by Type of Business Before Dislocation	33
III.	Significance of Age to Present Status	36
IV.	Significance of Education to Present Status	37
V.	Tenure Before and After Relocation	39
VI.	Occupation of All the Businessmen Prior to Entering Business	40
VII.	Significance of the Type of Business Before Displacement to Present Status	41
VIII.	Size of Business Prior to Displacement	43
IX.	Costs of Move and Compensation for Moving Costs and Losses by Type of Project	44
X.	Compensated Fairly Regarding the Cost to Move by Year Displaced--Survivor	47
XI.	Compensated Fairly Regarding the Cost to Move by Year Displaced--Non-Survivor	48
XII.	Time Required and Method Used to Find New Location by Size of Business	50
XIII.	Distance from Home to Place of Business Before and After Displacement	51
XIV.	Monthly Rent Before and After Displacement	53
XV.	Reported Sizes of Building at Old and New Location . . .	54
XVI.	Advantages and Disadvantages of Present Business Site . .	56
XVII.	Advantages and Disadvantages of Former Business Site . .	57
XVIII.	Selected Site Characteristics After Relocation	60

TABLE		PAGE
XIX.	Evaluation of Former and Present Location	61
XX.	Significance of Annual Income Before Displacement by Present Status	63
XXI.	Comparison of Present and Prior Annual Income Before Displacement by Present Status	64
XXII.	Significance of Monthly Sales Before Displacement to Present Status	66
XXIII.	Significance of Monthly Rent Before Displacement to Present Status	68
XXIV.	Percent Successful in Relocating and Factors Affecting Failure to Relocate by Size of Business	69
XXV.	Problems with Relocation	72
XXVI.	Needs of All Businessmen Included in the Study (Business Needs)	73
XXVII.	Planning and Other Needs Identified by Minority Businessmen	75
XXVIII.	Estimated Consumption Spending Within the Orchard Knob Neighborhood by Residents of the Area	86

CHAPTER I

INTRODUCTION

I. INTRODUCTION

This study represents a case study which focuses on the experiences of sixty-one minority businessmen and their establishments which were displaced either through highway construction programs or urban renewal within the city of Knoxville, Tennessee, during the period 1964 to the present. Although these two programs differ in purpose and in procedure, the one common feature is that they both displace the occupants of an area and disrupt established patterns of behavior.[1]

For the benefit of the urban planners, urban sociologists, and political leaders of the city, a study of the effects of displacement and relocation of minority businesses is an important area for research since it will increase our knowledge of how to handle the serious social and economic problems caused by community development and renewal programs.[2] Presently, many minority businesses are located in areas of transition or blight which are in the path of these developments and very often these businesses are fragile and marginal ones with limited resources but with varying potentials for relocation. Careful planning would perhaps call for detailed working out of a problem on a case-by-case basis with

---

[1] Basil G. Zimmer, Rebuilding Cities (Chicago: Quadrangle Books, Inc., 1964), p. 4.

[2] Ibid., p. 1.

interviews to determine the circumstances and plans of each business operation.[3] But this is frequently not practical mainly because funds and human resources to carry out such work are scarce.

The problems of relocation of minority businesses are very real and more than likely will increase in importance in the future. As noted by Richard Leach "relocation has too often been treated as a minor problem of secondary importance."[4] Urban renewal and highway construction have both given enormous attention to the physical aspects of their programs; that is, the merits of a new expressway for moving traffic and the need for the redevelopment of an area to eliminate slums and blight. Not enough attention has been given to what clearance of an area means to the displaced residents or business establishments particularly the small businesses owned and operated by minorities.[5] Most legislation designed to handle this problem have centered on providing more money to the impacted businessman. Yet evidence has mounted that simply making more money available does not necessarily provide dislocated businesses with the means to relocate "successfully."[6]

Before the 1970 Uniform Relocation Act became law, dislocated businessmen were not compensated fully for moving expenses and losses

---

[3]George S. Duggar, "The Relations of Local Government Structure to Urban Renewal," Law and Contemporary Problems, Vol. XXVI, No. 1, Winter 1961, pp. 49-69.

[4]Richard H. Leach, "The Federal Urban Renewal Program: A Ten Year Critique," Law and Contemporary Problems, Vol. XXV, Autumn 1960, No. 4, p. 788.

[5]Zimmer, op. cit., p. 6.

[6]William N. Kinnard, Jr. and Stephen D. Messner, A Guide To Effective Business Relocation, Center for Real Estate and Urban Economic Studies (The University of Connecticut, 1970), p. 3.

due to displacement. The municipal base for compensation was the appraised value of their property. This base for compensation coupled with actual displacement caused many minority businessmen who did not own but rented their business quarters to be forced out of business.

As noted above, monetary compensation alone will not always solve the problems caused by displacement. A good example, observed by the author, can be seen in a case cited by one of Knoxville's past presidents of the Knoxville Downtown Association. In this case, a minority businessman (owner of a service station) was offered $30,000 by the city government to relocate. The businessman agreed that $30,000 was enough for the property but was not enough to cover the cost of other factors such as higher rental costs, assurance of finding another site which would be equal to or better than the present site, etc. Taking his case to court, he managed to obtain $65,000 from the city.[7] However, he was still unsuccessful in relocating.

A census of minority businesses, conducted by the Federal Government in 1969, revealed just how small the stake of minorities is in our economy. The 35 million minority group members in the United States--Blacks, Indians, Eskimos, Puerto Ricans, Mexican-Americans, Cuban-Americans and others--constitute 17 percent of the total population. However, minority-owned businesses, which then numbered about 322,000 comprised 4 percent of the nation's enterprises, only had total receipts ($10.6 billion) accounting for a scant 0.7 percent of the receipts reported by all U.S. firms. A few reasons for the very

---

[7]Ralph Snyder (personal interview)

low number of minority businesses may include: (1) the lack of expert assistance to learn to manage an economic enterprise successfully,[8] (2) the lack of relocation and financial assistance/aid, and (3) the lack of markets in areas where minorities concentrate. As Mr. Abraham Venable, former Director of the Office of Minority Business Enterprise, pointed out: "Whites may not know that racial loyalty in buying practices is absolutely nil. Black consumers can and do leave the black community to patronize the suburban and downtown stores, but black men with businesses in the black community are stuck with a limited 11 percent of the national buying power. This example shows the need to integrate--until black businesses can face 100 percent of the market, they do not have the same chance for survival in the business world."[9]

Statement of the Problem

The businessman in an area that is marked for urban renewal or highway construction is confronted with the serious problem of finding new quarters. Unlike the case of the businessman who is voluntarily seeking a new location, the timing of the move is out of his hands. When the businessman about to be dislocated starts looking for a new location, he finds that he is competing with others also being forced out of the redevelopment or construction area. He also usually finds that the rent for available space is considerably higher than what he

---

[8]Progress Report: The Minority Business Enterprise Program, the Department of Commerce, 1972, October 1972, p. 5.

[9]Abraham S. Venable, "Black Business Development: Chaos in Transition?," Black Enterprise, October, 1971, p. 51.

had been paying--sometimes twice as much.[10] This is partly due to the fact that he is moving from a depressed or blighted area.

Space requirements are another problem facing businesses about to be dislocated. While these requirements may be small, in many instances they are quite specific. They include such items as street exposure, access to public transportation, high levels of pedestrian traffic, or proximity to concentrations of their customers.[11] The city of Knoxville has experienced an enormous growth rate of minority businesses over the last decade. Over half of those businesses had located in areas of transition only to be faced at a later time with displacement caused by highway construction or urban renewal. As a result, many minority businesses were forced from the business world, many found themselves unemployed for long periods of time, some reverted to farming (operatives), while still others left the labor force, i.e., because of health, age, and retirement reasons, and only a few managed to relocate or obtain managerial or professional jobs.[12] From the author's observations, these businesses, though they appeared to be fragile, provided jobs and an economic base and played a vital role in the nearby communities and central city.

---

[10]William N. Kinnard, Jr., and Zenon S. Malinowski, "How Urban Renewal Projects Affect Small Business," Management Research Summary, January 1961, p. 1.

[11]Ibid., p. 2.

[12]Basil Zimmer, "The Small Businessman and Relocation," Urban Renewal, 1973, pp. 380-404.

Purpose of the Study

The purpose of this study was to analyze the effects of displacement and relocation on minority businesses and the kinds of problems associated with relocation. A great deal of attention was given to finding out:

1. What happens to business establishments when they have been forced to move to another location?

2. What extent does dislocation lead to business failures?

3. What minority businessmen perceive as their problems and needs (both planning and businesswise)?

4. What are the major problems encountered by minority businessmen when they attempt to relocate?

5. What are the characteristics of the owners of those businesses that did not survive the move as compared with those that successfully relocated?

This study was limited to the displacement of minority businesses because of the lack of research and knowledge that is badly needed to deal effectively with the displacement aspect of community redevelopment. The Morningside and the Mountain View Urban Renewal Areas (Tennessee Projects #R-111 and #R-40) were selected for study because of the availability of records, and the fact that large numbers of minority businesses had to relocate because of both projects.

Need for the Study

If cities are to effectively execute urban renewal or redevelopment programs and highway construction programs on the scale which

is essential for the survival of such centers, it is important that we gain additional knowledge concerning some of the consequences of these programs.[13] Relocation of minority businesses is one of the consequences, and it is important to have knowledge of this problem if we are to cope effectively with this aspect of public improvement programs.[14]

Presently, as stated earlier, data on this particular subject is extremely minimal. The author stresses, however, that a lack of data is not an excuse for allowing unfavorable consequences, but it is the only explanation to account for some of the effects that planning decisions have had on minority businesses. Therefore, this study was urgently needed to alert planners, public administrators, and political officials to some of the consequences of being forced to move from an established location. It also serves as a guide to decision-makers in devising programs which will reduce the impact on minority business relocation. It is only through the systematic accumulation of knowledge concerning the problems of dislocation that more effective programs can be developed.[15] Such information would provide the background knowledge necessary to identify workable, alternative courses of action. It would also establish a foundation from which truly innovative efforts can be tried in new types of situations rather than having to operate on a

---

[13] Zimmer, op. cit., p. 3.

[14] Ibid.

[15] Martin Millspaugh, "Problems and Opportunities of Relocation," Law and Contemporary Problems, Vol. XXVI, No. 1, Winter 1961, p. 27.

trial-and-error basis or attempting approaches that have already been demonstrated to be unworkable. "With knowledge comes understanding; and from understanding of the past, new directions for the present and future can emerge."[16]

Methodology

A case study approach was used in this study. It covered a period of ten years (1964 to present) and focused on the consequences of displacement by urban renewal and highway construction on minority businesses located in Morningside and Mountain View project areas in the city of Knoxville, Tennessee.

Data pertaining to the number of displaced minority businesses, their owner's names and past or current residential addresses were gathered from the Knoxville's Community Development Corporation, the State Highway Department, and the Knoxville Urban League (see Appendix E). In cases where the whereabouts of displaced minority businesses were not known by the above agencies, telephone and city directories for past years were used to locate these individuals. Only a few cases required the assistance of realtors. It was discovered by the author that the best timesaving technique in locating displaced businessmen (whose whereabouts were unknown by public and private agencies) was to question neighboring businessmen or local residents who live or once lived in the vicinity of the displaced business. No attempt was made to contact the businessmen who moved out of town, nor was any attempt made to find out if they continued in business.

---

[16] Kinnard and Messner, op. cit., p. 10.

Sample

A total of 71 names of displaced minority businessmen were obtained from the Knoxville Urban League, the Knoxville Community Development Corporation, and the State Highway Department. These businessmen were all displaced from the Morningside and the Mountain View Urban Renewal area between 1964 to 1974.

A total of 61 of the displaced businessmen were included in the study. Four of the ten businessmen that were not included in the survey had moved out of town. Their change of residency was confirmed by the Knoxville Community Development Corporation, the State Highway Department records, and relatives or neighbors of the displacees. Four others were deceased, and the last two refused to take part in the study.

Questionnaire

A questionnaire was developed and pretested on six minority businesses located in the city of Chattanooga, Tennessee. The questionnaire required an average of 25 minutes to interview each participant that was included in the study. The questionnaire was made up of 82 close ended questions and only one open ended question (see Appendix B).

Numerous gradations were used to permit a range of expression of opinions. Examples that were used to show the degree of need were: Badly Needed, Slightly Needed, and Not Needed. To show the degree of a problem, i.e.: Not a Problem, Somewhat a Problem, and Very Much a Problem.

Each businessman was personally interviewed by the author who read each question to respondents and recorded the responses. Prior to

each personal interview, the interviewee was contacted by phone and received a letter describing the purpose of the study and requesting his or her cooperation (see Appendix A).

Techniques of Data Analysis

Comparisons of those businesses that did not survive the move with those that successfully relocated was included in the analysis. In order to measure some of the consequences of dislocation, comparisons before and after the move have been presented for a number of selected variables, such as rents, sales, income, and physical features of the business location.

The Chi-Square test was also used to test the independency/dependency among selected variables (age, education, income, type of business, cost to move, previous rent, monthly sales, and tenure) for their relationship to survivors and non-survivors of displacement. The Chi-Square test was selected to test the independence (or lack of statistical association) between two variables. This particular test did not measure the degree of association, it only indicated the likelihood of having a distribution as different from statistical independence by chance alone as the observed distribution. The formula for the Chi-Square test was $X^2 = \sum_i \frac{(f_o^i - f_e^i)^2}{f_e^i}$ with (r-1) (C-1) degrees of freedom, where f_o^i equals the observed frequency in each cell, f_e^i equals the expected frequency, C equals the number of columns in the table, and r equals the number of rows in the table. The expected frequency f_e^i was calculated as $f_e^i = \frac{(C_i r_i)}{N}$. In this case C_i was the frequency in a respective column marginal, r_i was the frequency in a respective row marginal, and N stood for total number of valid cases. Whenever the

value of Chi-Square was .05 or greater, it was assumed that the tested variables were independent of each other. (For example, if the probability associated with a given value of X^2 is .05, then one can reject the hypothesis that the two variables are dependent at the significance level of .05 or greater.)

Three computer programs were used to analyze the collected data; the Single Variable Statistical Utility Program (STAT 009 general purpose) was used to develop one-way tables; the Two Way Frequency Distribution Analysis (STAT 005) was used to develop two-way tables; and, the Statistical Package for the Social Sciences (SPSS) was used for two-way tables and Chi-Square test. Frequency distributions, percentages, cross-classifications, median, and mode were all used to summarize and present the data.

CHAPTER II

A REVIEW OF BUSINESS DISLOCATION RESULTING FROM PUBLIC PROJECTS

I. INTRODUCTION

Under the provisions of Title I of the Housing Act of 1949, as amended, the Federal Government granted assistance and loans to local communities seeking to eliminate slums, urban blight, and substandard housing conditions within their boundaries.[17] Through the Urban Renewal Administration of the Housing and Home Finance Agency, funds were made available to local communities.[18] These funds were designed to provide the means for clearing out and rehabilitating blighted, deteriorated, substandard areas, in which new uses were proposed under an approved plan of development for the area and for the entire community.

Redevelopment projects involve the demolition of most, if not all, of the buildings in a project area, and the clearance of the site in preparation for the proposed new uses. Prior to such action, the individual parcels of real estate must be acquired by the local Redevelopment Agency, and the occupants removed. Although most project areas were predominantly residential in character before redevelopment was initiated

---

[17] The Housing Act of 1949, the first legislation formally to recognize the problem of slum clearance in the United States and to establish a program to accomplish this goal, is technically known as the Public Law 171, 81st Congress (Chapter 338, 1st Session, S. 1070). The amended form, together with the detailed references to the amendments, is found in Federal Laws Authorizing Assistance to Urban Renewal (as amended October 1, 1959) published by the Office of the General Counsel, Housing and Home Finance Agency, Washington 25, D.C.

[18] Ibid.

there were often substantial numbers of business operations as well. Redevelopment clearance was only one aspect of renewal, but it was the aspect which most concerns minority business dislocation-relocation.[19]

The businesses located in redevelopment project areas can range from one-man offices in converted residential space to industrial concerns with several hundred employees. Since most of the projects are areas in the older downtown sections of cities, the bulk of the businesses are relatively small retail and service establishments.

Magnitude of the Problem

By the end of 1959, more than 400 municipalities in the United States had over 650 redevelopment projects in various stages of planning and execution.[20] Only 26 projects had been completed, but more than 350 were beyond planning and in the execution stage.

It was estimated then that there were over 100,000 business firms in all 650 project areas. These firms ranged from hole-in-the-wall newsstands and desk jobbers handling several lines in one corner of a rented office to department stores and mammoth wholesalers. They include every conceivable kind of service organization and manufacturing concern. They even include illegal activities. They represent, in short,

---

[19]William N. Kinnard, Jr. and Zenon S. Malinowski, The Impact of Dislocation From Urban Renewal Areas on Small Business, p. 1.

[20]U.S. Housing and Home Finance Agency, Office of the Administrator, Housing Statistics, February 1960, p. 81-85, on national project totals and characteristics.

a cross-section of business and commercial operations in the downtown areas of American cities.[21]

Despite their great variety, the great majority of these firms had one important characteristic in common: they were small businesses.[22] This lack of size and of economic and financial power led to many problems when the firms were forced to relocate. It should be recognized, therefore, that for practical purposes the business displacement-relocation problem in urban renewal projects is mainly a small business problem.

The approximately 100,000 firms scheduled for displacement from project areas on December 31, 1959, represent a beginning only. Since its inception in 1949, the Federal Urban Redevelopment program had grown in geographic scope and in acceptance. New projects had started at an increasing rate. Although no precise figures are available, it is estimated by the Department of Housing and Urban Development that the volume of business dislocations from renewal areas over the 1960-1970 decade were at least twice the 100,000 that were already underway or planned prior to 1960.[23]

Assistance in Relocation

Recognizing the fact that forced relocation invariably brought about moving expense and probably personal property loss to the business

---

[21] Kinnard and Malinowski, op. cit., p. 2.

[22] Ibid.

[23] U.S. Housing Statistics, op. cit., p. 81-85.

firm, the Congress in 1956 inserted an amendment in the Housing Act of 1949 to provide funds to persons and businesses as displaced to help pay moving and other expenses. Such payments could not exceed $2000 per case.[24] This was raised to a maximum of $2500 in July 1957, and $3000 in September 1959.[25]

The 1956 Legislation was stimulated by hearings conducted in 1955 by the Select Committee on Small Business of the House of Representatives. The Committee investigated the effects on small business of the Washington Square Southeast Slum Clearance Project in New York City.[26] Nearly 1500 businesses were dislocated by the project. "Despite testimony by New York City officials that adequate commercial relocation could be effected, impartial studies conducted by Small Business Administration experts showed that there was not sufficient commercial space available at reasonable rents to effect decent relocation. Numerous complaints from a variety of sources regarding the inadequacy of the administrative provisions for assistance to displaced businessmen were made during hearings. The difficulties most frequently mentioned by Richardson A. Dilworth, Mayor of Philadelphia, city officials and business relocation personnel were:

---

[24]Housing Act of 1956, Public Law 1020, August 7, 1956, quoted from the United States Statutes at Large, 84th Congress, 2D Session, p. 1100-1101.

[25]Housing Act of 1957, Public Law 85-104, 71 Stat. 294, 300 and Sec. 409 (b) Housing Act of 1959, Public Law 86-372, 73 Stat. 654, 674, p. 6.

[26]U.S. House of Representatives, Select Committee on Small Business, Subcommittee No. 2, Hearings Washington Square Southeast Slum Clearance Project, April 19, 1955, 84th Congress, 1st Session.

"(1) Many affected businesses were operated by elderly persons who could not or did not wish to go through the rigors of relocation. These firms went out of business.

"(2) Some firms were marginal or even sub-marginal in character, and went out of business when substandard quarters at substandard rates were no longer available.

"(3) Some firms, especially bars, taverns, junk yards, and liquor stores, had serious relocation problems because of local licensing and zoning restrictions.

"(4) Neighborhood stores suffered when their clientele moved away as a result of redevelopment.

"(5) Relocation payments (for moving and/or property loss) were particularly inadequate when specialized equipment was involved.

"(6) Dislocated firms could rarely afford to relocate back in the reuse area, and usually did not even qualify for such return.

"(7) Many businessmen were completely unaware of the services or technical assistance available to help them in making their move.

"(8) In very small businesses, the owners could often ill afford the time required to search out a new location.

"(9) The requirement that the building be acquired before a firm can be eligible for relocation payments deters effective relocation.

"(10) As redevelopment progresses, the firm's business volume decreases prior to acquisition of the building. This loss is non-compensatory but may be critical to the business itself.

"(11) Value of goodwill is not recoverable when firms go out of business.

"(12) Tenants are eligible for no portion of a condemnation award unless the leasehold interest has market value. Landlords usually require a release clause in the lease that eliminates even this claim against the award.

"(13) Legal tangles often result in a tenant paying double rent for a time.

"(14) Sharply rising rentals often confront the dislocated firm seeking comparable space in other sections of the community."[27]

The complaints revealed by Mayor Dilworth and others followed two general lines. The first is that the financial reimbursement is rarely sufficient to cover actual moving costs and property losses. Second, not all types of losses are compensatory. Nor can the social and personal impact of the dislocation-relocation process be covered by financial compensation alone.

Local redevelopment authorities were later required by law to assist displaced families in finding decent, safe, and sanitary housing which was within their financial means. Such assistance was not legally required to be given to displaced businesses.

Relocation payments (under the 1956 legislation) were financed in full by a 100 percent federal grant. Only a few localities during this period elected not to provide this type of assistance. In addition, reimbursement for loss of income, or for goodwill in the case of firms which went out of business, was not compensatory by relocation payments.

The actual extent to which relocation assistance and payments were provided for displaced businesses varied substantially from city to city, and even from project to project within the same community.

Three points that should be made clear about the provisions of the 1956 legislation include:

1. The provision of assistance to dislocated business firms was optional with the local authority.

---

[27]Kinnard and Malinowski, op. cit., p. 5.

2. The type and extent of assistance provided was usually dictated by the availability of local agency personnel.

3. There was an absolute dollar limit to the financial aid that may be given to each firm if it was to be underwritten by the ultimate federal grant to the project.[28]

Specific proposals were made during 1959 to expand assistance to firms dislocated from urban renewal projects. Three bills were introduced to qualify such firms, or at least those which were legally considered to be small businesses, for disaster loans under the Small Business Act.[29] This would have made loan funds available at low rates of interest and for some risks which could not otherwise have obtained financing.

The official position taken by the Department of Commerce, the Treasury Department, and the Housing and Home Finance Agency in regard to the proposals was negative.[30] The Small Business Administration also disapproved.[31] The bills were not passed by the Congress.

Three major points, which were questioned by many leaders in the field of urban renewal, were offered by opponents of the bills. The

---

[28]Office of the General Counsel, Housing and Home Finance Agency, op. cit., p. 15. This is contained in Section 106-F-2 of the Housing Act of 1956, as amended.

[29]U.S. Senate Committee on Banking and Currency, Subcommittee on Small Business, Small Business Amendments of 1959: Hearing on Various Bills to Amend the Small Business Act of 1953 and the Small Business Investment Act of 1959, Eighty-sixth Congress, First Session, June 22, 29, 30, July 1, 7, 20, 21, 22, 1959, p. 1-6.

[30]Ibid., p. 10-18.

[31]Ibid., p. 60.

first was that firms displaced by urban renewal projects should not receive preferential treatment over firms displaced by other public improvement programs. The second objection was that the Urban Renewal Administration was already encouraging local agencies to offer increased aid to business firms. Hence, additional legislation was held to be unnecessary. Finally, it was contended that since the owners of business real estate received its fair market value under all public takings or condemnation, business firms could not be said to suffer any hardship that called for further compensation or preferential treatment.[32]

It was not until the passage of the Housing Act of 1964 that greater assistance was provided to displaced businesses. Under Section 114 of the 1964 Housing Act, local public agencies engaged in an urban renewal project could pay to any displaced business concern or nonprofit organization (1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit, and that such payment would not exceed $3,000.[33] (2) An additional $1,500 in the case of a private business concern with average annual net earnings of less than $10,000 per year which (a) was doing business in a location under urban renewal, (b) displaced on or after January 27, 1964, and (c) is not a part of an enterprise having establishments outside the renewal area.[34]

---

[32] Ibid., p. 10-18, passim.

[33] United States Statutes At Large, 88th Congress, 2D Session, Housing Act of 1964, Public Law 88-560, September 2, 1964, p. 795-797.

[34] Ibid.

A second major breakthrough in efforts to obtain adequate consideration for those businessmen displaced by public programs came on August 23, 1968, when Congress declared that prompt and equitable relocation and re-establishment of persons, businesses, farmers, and nonprofit organizations displaced as a result of the Federal highway programs and the construction of Federal-aid highways be made--in order that displaced persons do not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole.[35] This declaration was a part of the Federal-Aid Highway Act of 1968 under which the Secretary would approve only those displacement projects which assured that--"(1) Fair and reasonable relocation and other payment would be afforded to displaced businessmen, and (2) within a reasonable period of time prior to displacement there will be available decent, safe, and sanitary quarters, equal in number to the number of and available to such displaced families and individuals and reasonably accessible to their places of employment."[36]

Many of the Housing Acts dating back to the Housing Act of 1949 included provisions for deficiencies in compensation and relocation assistance; in addition, separate acts provided for Federal highway and urban renewal displacees. Finally, in 1970, Congress decided on a common policy for all relocation assistance programs. After many lengthy debates and hearings on the need for uniform relocation assistance,

---

[35]United States Statutes At Large, 90th Congress, 2D Session, Federal-Aid Highway Act of 1968, Public Law 90-495, August 23, 1968, p. 830-833.

[36]Ibid., see Appendix C for additional major provisions provided for in the Federal-Aid Highway Act of 1968.

Congress adopted the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. This act amended past relocation assistance acts and provided for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by Federal and federally assisted programs. In addition, the act was instituted to provide uniform and equitable land acquisition policies for Federal and federally assisted programs.[37] The Uniform Relocation Act provided greater relocation assistance and compensation for losses and payments for moving expenses (moving expense payments are not to be less than $2,500 nor more than $10,000). It also provided compensation for inspection fees (required by law or local law or ordinance) and licenses (to permit the operation of the displaced business at a new location). In addition compensation was also granted for storage costs, utility and service line connection, conversion costs, and the substitution of equipment (none of the above mentioned provisions were granted in the past housing acts).[38]

The 1970 Uniform Relocation Act made it possible for more small businessmen to survive displacement because now the small businessman does not have to suffer many of the burdens that he suffered before (before the 1970 Uniform Relocation Act, moving expense did not include compensation for the search of a replacement location, or meals

---

[37]Uniform Relocation Assistance and Land Acquisition Policies 1970, Hearings: Committee on Public Works, House of Representatives, 91 Congress, 1st and 20th Sessions, December, 1969-March, 1970. See Transmittal Notice, U.S. Department of Housing and Urban Development, October 29, 1971, p. 29-50.

[38]Ibid., see Appendix D for further details.

and lodging). Now, businessmen can receive up to $10 per hour for the time they use searching for a new location. This made it possible for even one man businesses to spend time searching for a new location and not loose very much, if any, income.

II. SOME CASE STUDIES

The first of the three case studies included in this chapter deals with the impact of dislocation from urban renewal areas on small businesses. The authors were William Kinnard (Head of the Business Department, University of Connecticut) and Zenon Malinowski (Associate Professor of Marketing, University of Connecticut). This particular study was selected by the author because it sought answers to questions that the present study is attempting to answer also.

The second study represents a thesis presented to the planning faculty of the Massachusetts Institute of Technology. The study focused on business dislocation caused by the Boston Central Artery, and it took place in 1959 in Boston, Massachusetts. This case study was selected because it focused specifically on the impact that the construction of the Central Artery had on the Boston area in terms of the dislocation of business activity.

The final study took place in Knoxville, Tennessee, in 1972, and it focused on Knoxville's minority businesses and needed improvements. The author of the study was David Brown, and the study was sponsored by (the Office of Tributary Area Development) the Tennessee Valley Authority. This particular study was selected because it focused on the daily problems endured by minority businessmen in Knoxville. It also added reliability to the needs of the businessmen discovered in the present study.

The Impact of Dislocation from Urban Renewal Areas on Small Business

This study by Kinnard and Malinowski was designed to produce information on the peculiarities of forced relocation of business firms from renewal project areas. One hundred and sixty cities were to have been included in the survey but only 66 replied to the survey request.

The ultimate purpose of the Kinnard and Malinowski study was to find answers to ten specific questions concerning business relocation, which would provide the factual data needed to help carry out business relocation programs.[39] The questions and findings (answers) are reviewed below:

> Question 1. What are the characteristics of dislocated businesses? What size are they? What is their industrial distribution?
>
> Findings: Business relocation from the cities studied were essentially small business problems. The dislocated firms were independent and rarely had over five employees. They were mostly commercial establishments, especially food stores, eating and drinking establishments, and personal service organizations.
>
> Question 2. What are the characteristics of the owners of these businesses?
>
> Findings: The affected businesses were overwhelmingly partnerships or proprietorships. Corporations did appear occasionally among the manufacturing and wholesale establishments but the commercial firms were characteristically owner-operated. A significant, though varying, proportion of the owners were over 60 years of age.
>
> Question 3. What proportion of dislocated businessmen are tenants (or owners)? Is there any discernible difference in their ability to cope with the relocation problem?

---

[39] William N. Kinnard, Jr. and Zenon S. Malinowski, The Impact of Dislocation from Urban Renewal Areas on Small Business, (The University of Connecticut, July 1960), p. 12.

Findings: The firms were typically tenants, without long-term leases. As such, they rarely participate in condemnation awards. It was found that no discernible difference exists between owners and tenants with respect to ability to relocate successfully.

Question 4. What characteristics do sites in the renewal areas have? How large are they? What are rental or occupancy costs?

Findings: Commercial establishments in these areas typically paid very low rents, and occupied small spaces as compared with competitors in other parts of the same cities. Rental rates generally were less than half those prevalent in non-blighted areas.

Question 5. What kinds of new locations do the dislocated businessmen seek in terms of: size, cost, and location?

Findings: Dislocated businessmen generally wanted larger quarters as near the old area as possible at rentals approximately equivalent to what they were currently paying.

Question 6. What kinds of new locations do the dislocated businessmen actually acquire in terms of: size, cost, and location? How do these new sites compare with former sites, and with sites sought?

Findings: Dislocated businessmen almost invariably relocated in the same city. Approximately 75 percent of those who did relocate sought quarters within one mile of their former location; and, nearly 40 percent within one-quarter mile. They generally occupy about the same floor area they did before (which is less than they claimed to want or need), at a square foot rental at least double what they were paying (which is much more than they claimed to be able to afford or to be willing to pay).

Question 7. What special or unique problems are encountered by dislocated firms that differ from those met by firms attempting a voluntary change of location?

Findings: The firm which is forced to relocate generally faces special problems.

a. Time is short. There is strong pressure to act and to choose quickly. Careful consideration of alternatives is not always possible.

b. There is a shrinking supply of suitable space and rent levels are rising because of the competition from other dislocated firms.

c. The timing of the move is largely in the hands of others.

d. It is not usually possible to develop the proper internal financial position to qualify for loans to facilitate the move.

Question 8. Does the small firm have more difficulty than the large firm in finding suitable new space at reasonable rentals?

Findings: The firms going out of business or disappearing were on the average smaller than those that relocate successfully, in that they have fewer employees and occupy less floor area. However, size appears to be a symptom rather than a causative factor in this "mortality." The type of business and the skills or investment required to enter it appear to be much more important. In general, firms in the fields easiest to enter show the greatest attrition. Retail and non-professional personal service operations (e.g., food and clothing stores, restaurants, shoe repair shops) were particularly hard hit.

Question 9. What is the impact of dislocation on business mortality? Is there any particular pattern of business cessations by size or by type of activity?

Findings: Approximately 25 percent of dislocated businesses may be expected to discontinue or disappear. The most likely to cease operations were the marginal firm, the non-specialized business, the elderly operator, and the firm with a licensing or zoning problem. These firms usually occupy smaller-than-average space (even for the redevelopment area) and pay lower-than-average rents.

Question 10. How effective have efforts at assisting dislocated firms been? How significant are relocation payments? What apparent gaps remain in the kinds of assistance that can and need to be provided?

Findings: Relocation payments in three of the 66 cities averaged $1400. This was substantially less than the maximum permissible amount. Well over 20 percent of the claims filed were over the maximum. This means that substantial numbers of dislocated firms individually bore some of the costs of redevelopment.[40]

Although this study focused mainly on small businesses, it provides an excellent insight into some of the same difficulties

---

[40]Kinnard and Malinowski, op. cit., p. 13-76.

encountered by displaced minority businesses. Many of the problems of concern to Kinnard and Malinowski are also the concern of the present study.

A Study of Business Dislocation Caused By the Boston Central Artery

The Saalberg study does not focus on the displacement of small business nor minority business; rather, it focuses on the displacement of businesses in general. The study took place in Boston, where 45 acres in the core of Boston were used for the Central Artery. Close to 600 business establishments and over 7,000 workers were displaced, representing approximately 2 percent of the city's entire business community.

To look closely at the impact which the artery had on existing businesses, Saalberg undertook a case study centered around finding answers to four major questions concerning business displacement. Saalberg studied the relocation movements and business experience in terms of employment growth or decline of almost 600 establishments which were located in the path of a major highway being built in Boston. The study period began January 1950, when the route of the Artery was formally announced and ended in 1957, two years after the completion of demolition.

The study depicts the impact that dislocation has on businessmen, while also focusing on the need for more physical planning (land use) in the urban redevelopment process. It pointed out that planning is very much needed to reduce losses that could be derived from dislocation and to help businessmen better select compatible and functioning locations which would not only benefit the businessmen but the urban economy as well.

The major findings to the four questions of the study were as follows:

Question 1. Is the dislocation caused of sufficient magnitude to require consideration?

Findings: It was discovered by Saalberg that the displacement was of such magnitude and character as to indicate that the questions and problems related to relocation demanded careful study and analysis and a degree of planning not normally evident in highway and renewal projects.

Question 2. Is there a significant loss sustained in terms of business establishments and employment to the area and to the city so that dislocation can be said to have definite detrimental effects, whatever the other benefits of the construction of the highway may be?

Findings: The overall loss of establishments and employment engendered by the forced dislocation did not appear to be significantly greater than what might have been expected to occur under normal circumstances. This appeared to be true whether one looked at the losses incurred by virtue of firms going out of business, the losses attributable to firms moving outside the metropolitan area or the city, or the growth experience of the firms which survived the relocation process.

Question 3. Is the pattern of spatial redistribution associated with the forced dislocation positively or negatively related to the future development of the urban community?

Findings: Saalberg found that the pattern of spatial redistribution generated by the Artery dislocation appears to have been positively related to the more efficient functioning of both the business involved and the urban community in general.

Question 4. Are there ways by which the entire process of relocation might be revamped so that the losses generated can be diminished, the benefits augmented, and the entire process of urban renewal and planning facilitated?

Findings: The Artery experience suggested that the losses generated in the course of the relocation process might be diminished and the benefits augmented if certain policies were adopted. Chief among those would be public financial aid to defray heavy relocation costs and a planned program, related to general urban renewal, of aiding dislocated business to

> select new sites in the area best suited to their particular operations and to the best functioning of the urban economy.[41]

Although this study focused on a much larger city than Knoxville and deals with large businesses as well as small, it pointed out that dislocation of a significant magnitude does not necessarily cause a major loss of establishments and employment above what may be normally expected. Finally, the study pointed out that the process of relocation offers an opportunity for communities to foster business movements which would be beneficial not only to the particular establishments involved, but which would also have the effect of bringing into existence a more efficient and productive land use pattern.

An Analysis of Knoxville Minority Businesses and Needed Improvements

The study by David Brown covered the eastern and western portions of Knoxville and included 73 minority businessmen. The primary purpose of the study was to uncover problem areas of minority businesses and chart them. Table I reveals the problems most consistently reported during Brown's study.

The study makes clear the problems that were endured almost daily by Knoxville's minority businessmen and should serve as a precaution to public improvement programs that are geared toward improving and revitalizing our urban community—in that these improvement programs must take heed to the existing minority business problems (relocations must be well planned, newer sites must be functional and compatible, and the consequences of displacement and relocation must be known) in order

---

[41] James H. Saalberg, A Study of Business Dislocation Caused By the Boston Central Artery. (Thesis, Massachusets Institute of Technology, June 1959), p. 3-15.

TABLE I

Problems of Knoxville's Minority Businessmen

Problems	Number of Business Reports
Break-ins	29
Advertising	28
Police Protection	23
Competition	22
Capitalization	20
Insurance	20
Competent Help	20
Location	19
Education	8
High Taxes	5
Relocation of Public	3
Marketing	2

Source: David M. Brown, An Analysis of Knoxville Minority Businesses and Needed Improvements, October 1972.

that we may improve our urban environment and enhance our urban economy as well.[42] Brown's study may have had additional significance if he had provided comparative statistics for non-minority businessmen, because many non-minority businesses may suffer from these same identified problems.

---

[42]David M. Brown, An Analysis of Knoxville Minority Businesses and Needed Improvements, (Office of Tributary Area Development, Tennessee Valley Authority, October 1972), p. 3-10.

CHAPTER III

PRESENTATION OF THE FINDINGS

I. CHARACTERISTICS OF DISPLACED MINORITY BUSINESSMEN AND THEIR BUSINESSES

The data presented in this chapter is based on personal interviews which were conducted with 61 minority businessmen who were displaced by urban renewal and highway construction in Knoxville, Tennessee (from 1964 to 1974). A total of 71 minority businessmen were reported to have been displaced during this period. However, four of the ten businessmen who were not included in the survey had moved out of town, another four were deceased and the remaining two refused to take part in the study.

The type business operated by the businessmen included in the study were: eating and drinking, apparel and accessory stores, automotive and service stations, food stores, amusement and recreational services, hotels and other lodging places, miscellaneous retail and miscellaneous services.

There were 23 businesswomen and 38 businessmen included in the study (the term businessmen will be used to refer to both male and female business persons). Most of the businessmen had been in business long enough to show that they were capable of being successful businessmen, i.e., only 2 businessmen had been in business less than 2 years, 13 had been in business between 2 to 10 years, and 46 of the businessmen had been in business over 10 years.

All of the businessmen included in the study were black. However, several Spanish-speaking Americans had been displaced during the renewal period, but records showed that some of them died and the others left the Knoxville area. Thirty-seven of the businesses included in the study were small businesses (less than 3 employees), 15 were medium (from 3 to 7 employees), and 9 were large (8 or more employees).

Table II shows a fairly great difference between the young (18-34 years of age), middle age (35-54 years of age), and very old (55 years of age and over) businessmen. Twenty-five percent of the businessmen 55 years of age or older operated miscellaneous services, i.e., funeral homes, barber shops, shoe repair shops, plumbing shops, etc. Another 28 percent operated eating and drinking places, while 18 percent of the businessmen who operated food stores were also 55 years of age and older.

A closer inspection of the age composition shown in Table II reveals that approximately 9 percent of the middle age businessmen were involved in the operation of miscellaneous retail, i.e., jewelry stores, wood sales, and coal sales. In fact, middle age businessmen were the only age group who operated the two miscellaneous retail establishments included in the study. The middle age businessmen tended to also weigh heavily in the eating and drinking operations--22 percent (of the middle age businessmen) came under this category. An interesting trend among the middle age businessmen was that they were almost evenly divided among the types of businesses found in the study.

Forty-two percent of the younger group of businessmen (between the ages of 18 and 34) were found basically in the miscellaneous service category.

TABLE II

SELECTED CHARACTERISTICS OF BUSINESS OWNERS
BY TYPE OF BUSINESS BEFORE DISLOCATION

Characteristics	Number	Type of Business: Eating/ Drinking Percent	Apparel Percent	Auto Dlrs. & Srv. St. Percent	Food Store Percent	Amusement & Recrea. Percent	Hotels/ Lodgings Percent	Misc. Retail Percent	Misc. Service Percent	Percent Total Percent
AGE										
Young	7	0.0	14.3 (1)	0.0	14.3 (1)	0.0	28.6 (2)	0.0	42.8 (3)	100.0
Middle Age	22	22.9 (5)*	13.6 (3)	13.6 (3)	9.0 (2)	13.6 (3)	4.7 (1)	9.0 (2)	13.6 (3)	100.0
Old	32	28.1 (9)	3.1 (1)	12.5 (4)	18.8 (6)	0.0	12.5 (4)	0.0	25.0 (8)	100.0
TOTAL	61	Old	Mid.Age	Old	Old	Mid.Age	Old	Mid.Age	Old	
EDUCATION										
8th Grade/Less	28	22.2 (7)	11.1 (3)	11.1 (3)	18.5 (5)	7.5 (2)	14.8 (4)	0.0	14.8 (4)	100.0
Att. High School	23	25.0 (5)	8.7 (2)	16.6 (4)	16.6 (4)	4.1 (1)	4.1 (1)	8.3 (2)	16.6 (4)	100.0
Att. College	10	20.0 (2)	0.0	0.0	0.0	0.0	20.0 (2)	0.0	60.0 (6)	100.0
TOTAL	61									
SEX										
Female	23	21.9 (5)	8.7 (2)	4.3 (1)	17.4 (4)	8.7 (2)	8.7 (2)	4.3 (1)	26.0 (6)	100.0
Male	38	24.3 (10)	8.1 (3)	16.2 (6)	13.5 (5)	2.7 (1)	10.8 (4)	2.7 (1)	21.7 (8)	100.0
TOTAL	61									

*Numbers in parenthesis indicate the actual number

Education

The educational composition of businessmen varied drastically by the type of business (see Table II). Most of the businessmen with the lowest educational achievements were found among the eating and drinking operators, food stores, and miscellaneous service operations. Twenty-two percent of the businessmen with less than an eighth-grade education operated eating and drinking establishments, and 25 percent of the businessmen who attended high school were also eating and drinking establishment operators. Of some significance is the fact that 60 percent of the businessmen who attended college operated miscellaneous service establishments. Many of the businessmen who had attended college were college graduates and were operating establishments that had been willed to them by their parents. One case in which this was observed involved an engineer who owned and managed a barber shop. Although he worked full-time as an engineer, he was able to hire competent help to operate the shop while he held a full-time job.

Sex of Operators

The largest percentage of female business operators included in the study came under the category of miscellaneous services (26 percent). Another 17 percent of the businesswomen operated food stores, while yet another 21 percent operated eating and drinking establishments. The male business operators were most numerous in the eating and drinking operations (24 percent). The second category which males were numerous was miscellaneous services (21 percent), followed by auto dealership-service stations (16 percent) and food stores (13 percent).

Table III summarizes the survey results of the effects of age and education of operators on the survival of businesses displaced by force. Only 33 percent of the very old businessmen managed to survive displacement (totaling 10 businessmen) while 66 percent did not (totaling 22 businessmen). A closer look at Table III reveals that 68 percent of the middle age businessmen survived displacement (totaling 15 businessmen) and 31 percent did not. The younger group of businessmen were almost evenly divided among the survivors and non-survivors, i.e., 42 percent survived displacement, while 57 percent did not.

Sixty percent of the businessmen who attended college were able to relocate after displacement and 40 percent did not relocate. As for the businessmen who attended high school, 45 percent were able to relocate as opposed to 54 percent who weren't as fortunate. Those who didn't enter eighth grade suffered most. Forty-five percent of the businessmen who didn't make it to the eighth grade did manage to relocate, while 55 percent did not. However, it was revealed in Table IV that the education of survivors and non-survivors were independent variables, and there was no relationship (at the .05 level) between the businessman's education and present status (survivor, non-survivor). In regard to the businessmen's ages, Table III reveals that age and present status were variables that depended on each other. Therefore, it was assumed that the businessmen's ages had some relationship to the survival or non-survival of displacement.

Ownership

Another interesting characteristic of the businessmen included in the study was that 38 (or 62 percent) of the 61 businessmen owned

TABLE III

SIGNIFICANCE OF AGE
TO PRESENT STATUS

Age	Survivor Number	Survivor Percent	Non-Survivor Number	Non-Survivor Percent	Total Percent
Young	3	42.9	4	57.1	100.0
Middle Age	15	68.2	7	31.8	100.0
Old	10	33.4	22	66.6	100.0
TOTAL	28		33		

Chi-Square = 6.24889 with 2 Degrees of Freedom Significance = .0440

TABLE IV

SIGNIFICANCE OF EDUCATION
TO PRESENT STATUS

Education	Survivor Number	Survivor Percent	Non-Survivor Number	Non-Survivor Percent	Total Percent
No High School	12	41.4	16	58.6	100.0
Attended High School	11	45.8	12	54.2	100.0
Attended College	6	65.0	4	35.0	100.0
TOTAL	29		32		

Chi-Square = 1.63373 with 2 Degrees of Freedom Significance = .4418

their businesses before displacement, and only 15 (or 53 percent) of the 28 surviving businessmen owned their businesses when they relocated (shown in Table V).

Prior Occupation

The previous experience of the businessmen varied greatly (see Table VI). Among all the businessmen, 65 percent had entered the business world from labor type jobs. Some of these occupations represented a vast amount of manual skill but did not provide managerial experience.

Survival vs. Non-survival

The ability to survive displacement as shown in Table VII varied by the type of business. It was observed that the non-survival rate was higher among the eating and drinking, food stores, and miscellaneous retail and service establishments. These were businesses primarily dependent on regular (sometimes a limited number of) customers living near the business site. For these businesses, the task of finding another market was a difficult one.

The results of the Chi-Square shown in Table VII further reveal that the present status of the businessmen and their type of business were two variables which depended on each other. From the significance shown in the above mentioned table, it was assumed that survivor and non-survivor had a relationship to the type of business operated.

Of the 28 surviving businesses 12 were neighborhood oriented (one mile radius or less), 9 were community oriented (two to four mile

TABLE V

TENURE BEFORE AND AFTER RELOCATION

Tenure	Before Relocation		After Relocation	
	Number	Percent	Number	Percent
Own	38	62.3	15	53.5
Rent	23	37.7	13	46.5
TOTAL	61	100.0	28	100.0

TABLE VI

OCCUPATION OF ALL THE BUSINESSMEN
PRIOR TO ENTERING BUSINESS

Occupation	Previous Occupation	
	Number	Percent
Unemployed	2	3.5
Professional	11	18.0
Farming	3	4.9
Retired	0	0.0
Clerical (sales)	4	6.5
Operatives (laborers)	40	65.5
Managerial	1	1.6
TOTAL	61	100.0

TABLE VII

SIGNIFICANCE OF THE TYPE OF BUSINESS BEFORE DISPLACEMENT TO PRESENT STATUS

Type of Business	Number	Survivor Percent	Non-Survivor Percent	Percent
Eating & Drinking	13	46.2	53.8	100.0
Apparel	5	100.0	0.0	100.0
Automotive Needs	6	50.0	50.0	100.0
Food	9	33.3	66.7	100.0
Amusement	3	100.0	0.0	100.0
Hotel	7	0.0	100.0	100.0
Misc. Retail	2	50.0	50.0	100.0
Misc. Services	14	50.0	50.0	100.0
TOTAL	61			

Chi-Square = 15.96566 with 7 Degrees of Freedom Significance - .0254

radius), and the remaining seven were regionally oriented (four miles or larger radius). As shown in Table VIII, 60 percent of the 61 businesses employed less than 3 employees, 24 percent employed from 3-7 employees, and the remaining 14 percent employed 8 persons or more.

II. WHAT HAPPENS TO MINORITY BUSINESSMEN WHEN THEY ARE FORCED TO MOVE TO ANOTHER LOCATION

As briefly mentioned in Chapter I, many of the minority businesses included in the study were small and catered to a small and particular clientele. Many could not afford to lose their regular customers. Many perhaps could not generate another market to consume the type of services they offered if forced to move.

When displacement took place in Knoxville, many businesses, basically minority ones, were forced to move. Some of the businesses survived and some did not. Some, perhaps, moved their businesses out of the city limits.

Table IX reveals that out of the 21 businessmen who paid under $400 for the cost to move, 77 percent were displaced by urban renewal. In observing how many were compensated under $400, only 11 businessmen were found. Twenty-two businessmen said they paid between $400 to $999 for the cost to move and only 11 businessmen revealed they received an equivalent compensation. One observation that stood out was that 27 businessmen reported they were not compensated for the cost to move at all. This may have been because the businessmen panicked over the anticipated availability of commercial space and moved too soon to be compensated. When questioned about the timing of their

TABLE VIII

SIZE OF BUSINESS PRIOR TO DISPLACEMENT

Size of Business	Number	Percent
Less than 3 Employees	37	60.7
3 - 7 Employees	15	24.6
8 or More Employees	9	14.7
TOTAL	61	100.0

TABLE IX

COSTS OF MOVE AND COMPENSATION FOR MOVING COSTS AND LOSSES BY TYPE OF PROJECT

Cost and Compensation	Renewal Number	Renewal Percent	Highway Number	Highway Percent	Total Percent Both Projects
Cost of Move					
Under $400	15	77.7	6	22.3	100.0
$400-$999	20	87.5	2	12.5	100.0
$1,000-$2,999	12	92.3	1	7.7	100.0
Over $3,000	4	80.0	1	20.0	100.0
TOTAL	51		10		
Compensation for Cost of Move From Agency					
None	20	79.2	7	20.8	100.0
Under $400	10	90.9	1	9.1	100.0
$400-$999	10	90.9	1	9.1	100.0
$1,000-$2,999	3	75.0	1	25.0	100.0
Over $3,000	8	100.0	0	0.0	100.0
TOTAL	51		10		
Compensation for Tangible Losses					
None	30	81.0	7	18.9	100.0
Under $1,000	11	100.0	0	0.0	100.0
$1,000-$4,999	1	100.0	0	0.0	100.0
$5,000-$9,999	1	25.0	3	75.0	100.0
$10,000-$14,999	1	100.0	0	0.0	100.0
$15,000-$19,999	7	100.0	0	0.0	100.0
Over $20,000	0	0.0	0	0.0	0.0
TOTAL	51		10		

move, most, if not all of the businessmen, reported to have moved according to schedule.

An owner of a drinking establishment, who had been in business for over 9 years expressed strong dissatisfaction with the amount of money he received for losses incurred as a result of displacement. He felt that he should have been paid for his business, since he tried to relocate but could not find a licensable location in the same community and had to give up his license. Thirty-seven businessmen reported they did not receive any compensation for losses and 7 reported to have received between $15,000 and $19,999 for losses (later, it was discovered that these 7 persons were paid the above figure to cover the cost of their property, moving, and losses. Those businessmen displaced by highway construction reported situations similar to those displaced by urban renewal. It was observed that 6 businessmen displaced by highway construction paid less than $400 for the cost to move, while 7 of the businessmen displaced by highway construction reported they were not compensated for the move. The owner of a miscellaneous service operation reported that he had not been compensated for the cost to move but revealed he felt that he was given a good price for his business. (This situation was probably another case where the displacee was paid one lump sum of money.)

Comparisons of the Businesses That Were Displaced Before and After the 1970 Uniform Relocation Act

It was very difficult to try to measure the success of the 1970 Uniform Relocation Act based only on data from this study because many of the displaced persons perhaps still hold resentment over being

forced to move. Thus, it can only be expected that the data presented regarding compensation be weighed mainly in the light of personal feelings because each businessman would have a different meaning or philosophy for fair compensation. Therefore, the success of the 1970 Uniform Relocation Act could not be meaningfully evaluated by the data obtained in this study. In observing the businessmen's view regarding fair compensation, the yes and no responses seem to alternate each year (see Tables X and XI).

It appeared in Table XI that the non-survivors felt they were compensated more fairly than the survivors. In 1964, more than half (68 percent) of the non-surviving businessmen felt they were compensated fairly. Beginning in 1971 and continuing through 1973 one-half or more of the non-surviving businessmen felt they were compensated fairly. Since the non-survivors (33) outnumber the surviving businessmen (28), and based on the data revealed in Tables X and XI, it can be assumed that the 1970 Uniform Relocation Act is working (from a compensation point of view) and is being implemented almost to the extent that the law requires. It may also be assumed from the survey data (based on the Chi-Square test) that there is no relationship between the year displaced and the fairness of compensation.

Time Required to Find a New Site and Methods Used to Find Site

The length of time required to find a new site varied by the size of the business, with the median time for a small business to find a new site being between four to eight months. The medium and larger size businesses usually took from nine to fifteen months to locate a new

TABLE X

COMPENSATED FAIRLY REGARDING THE COST
TO MOVE BY YEAR DISPLACED—SURVIVOR

Year Displaced	Number	Compensated Fairly Yes	Compensated Fairly No	Total Percent
1964	1	0.0	100.0	100.0
1965	6	66.7	33.3	100.0
1966	2	50.0	50.0	100.0
1967	7	14.3	85.7	100.0
1968	5	20.0	80.0	100.0
1969	2	50.0	50.0	100.0
1970	2	50.0	50.0	100.0
1973	3	33.3	66.7	100.0
TOTAL	28	35.7	64.3	100.0

Chi-Square = 5.53778 with 7 Degrees of Freedom Significance = 0.5946

TABLE XI

COMPENSATED FAIRLY REGARDING THE COST TO MOVE BY YEAR DISPLACED--NON-SURVIVOR

Year Displaced	Number	Compensated Fairly Yes	Compensated Fairly No	No Response	Total Percent
1964	8	66.7	33.3	0.0	100.0
1965	2	0.0	50.0	50.0	100.0
1966	5	60.0	40.0	0.0	100.0
1967	3	0.0	100.0	0.0	100.0
1968	2	50.0	50.0	0.0	100.0
1971	4	100.0	0.0	0.0	100.0
1972	2	50.0	50.0	0.0	100.0
1973	7	85.7	14.3	0.0	100.0
TOTAL	33	60.6	36.4	3.0	100.0

Chi-Square = 13.69863 with 7 Degrees of Freedom Significance - 0.568

site. The reason it probably took less time for the smaller businesses to locate a new site was perhaps due to the availability of small commercial structure in the same or nearly the same community.

Most of the displaced businesses reported they found new sites without the assistance of outside sources, news media, or real estate agents. When asked how they found their sites, 28 percent of the small businessmen reported they found the sites themselves, 28 percent of the medium businesses reported they found their own sites, and 43 percent of the large businesses reported to have located the new sites themselves also. Many of the businessmen who reported finding their own sites said they spent countless hours driving around the city searching for a new site (see Table XII).

Comparisons of Selected Variables Before and After Relocation

Distance from home to place of business. As seen in Table XIII, most of the businesses remained in or near the same general area. The biggest change that could be seen in the distance from home to place of business (before displacement) occurred with businessmen living from 4-6 miles away from their business--26 percent of the displaced businessmen fell in this category. After displacement only 7 percent remained in the same range. The median distance before displacement was 2-4 miles, which reduced to 1-2 miles after displacement. The move caused by displacement really made a significant difference in the distance moved from place of business to home—now most of the businessmen are located closer to their places of residency.

TABLE XII

TIME REQUIRED AND METHOD USED TO FIND NEW LOCATION BY SIZE OF BUSINESS

Time and Method Used	Number	Percent	Small Number	Small Percent	Medium Number	Medium Percent	Large Number	Large Percent	Total Percent
Time Used									
Less than one month	2	7.1	0	0.0	0	0.0	2	100.0	100.0
One - three months	2	7.1	2	100.0	0	0.0	0	0.0	100.0
Four - eight months	8	28.6	5	62.5	2	25.0	1	12.5	100.0
Nine - fifteen months	13	46.5	1	7.6	8	61.5	4	30.7	100.0
Over fifteen months	3	10.7	2	66.6	0	0.0	1	33.3	100.0
TOTAL	28	100.0	10		10		8		
Median			4-8 months		9-15 months		9-15 months		
Method Used to Find Present Place									
News media	1	3.6	0	0.0	1	100.0	0	0.0	100.0
Outside sources	7	25.0	5	71.5	2	28.5	0	0.0	100.0
Through friends	5	17.8	1	20.0	3	60.0	1	20.0	100.0
Self	14	50.0	4	28.5	4	28.5	6	43.0	100.0
Real estate agent	1	3.6	0	0.0	0	0.0	1		
TOTAL	28	100.0	10		10		8		
Mode			Outside Sources		Self		Self		

TABLE XIII

DISTANCE FROM HOME TO PLACE OF BUSINESS
BEFORE AND AFTER DISPLACEMENT

Distance from Home to Place of Business	Before		After	
	Number	Percent	Number	Percent
Less than 0.5 miles	1	1.6	9	32.2
0.5 - 1 miles	16	26.2	5	17.8
2 - 4 miles	19	31.3	10	35.7
4 - 6 miles	16	26.2	2	7.2
6 - 8 miles	8	13.1	2	7.1
8 miles and over	1	1.6	0	0.0
TOTAL	61	100.0	28	100.0
Median	2-4 miles		1-2 miles	

Rentals. The monthly rent changed drastically, this was so because a major portion of the business area was under complete renewal, and there were very few inexpensive quarters to be rented. Just about the only available quarters left for rent or sale now were all in standard condition and would cost much more to occupy (as shown in Table XIV) than the previously occupied quarters. Of major importance, 30 businessmen or 49 percent of the 61 businessmen paid less than $100 a month for rent while only five of the surviving businessmen paid this a month. Twenty-three businessmen or 82 percent of the surviving 28 businessmen paid $100 and over for monthly rent after displacement.

Floor Area. With the increase in the cost of rent came the increase in floor area (shown in Table XV). The amount of floor area occupied after dislocation nearly doubled that of the old location. This aspect brought positive statements about displacement from many of the businessmen. An auto body repairman remarked, "I think that urban renewal was the best thing that could happen to this part of town. They are beautifying ever place else in town, why not the East side too? I didn't even have room to expand at my other location, and sometimes I lost business because I didn't have a large enough place to keep all the cars—now I do." Another retailer said, "I have been wanting to expand for years, but I kept putting it off. So, when I had to move I was a little more luckier than some of the others to find a place with plenty of space and a reasonable rent."

Another businessman, owner of a restaurant, said, "I like this place a whole lot better because the other place was declining, and I knew urban renewal was going to come through someday. Over at my other

TABLE XIV

MONTHLY RENT BEFORE AND AFTER DISPLACEMENT

Monthly Rents	Before		After	
	Number	Percent	Number	Percent
Under $50	5	13.7	0	0.0
$50 - $99	25	34.4	5	16.2
$100 - $149	26	37.9	9	34.3
$150 and over	5	13.8	14	49.5
TOTAL	61	100.0	28	100.0

TABLE XV

REPORTED SIZES OF BUILDING AT OLD AND NEW LOCATION

Square Feet	Old		New	
	Number	Percent	Number	Percent
Under 1,000	26	36.0	3	10.1
1,000 - 2,999	21	22.1	1	5.0
3,000 - 4,999	5	13.4	1	5.0
5,000 - 6,999	7	20.0	15	47.8
Over 7,000	2	8.4	8	32.1
TOTAL	61	100.0	28	100.0

place, people were always standing on the outside—this made it bad for my business because people didn't want to go to a place if they had to walk through a bunch of drunks and people saying anything. I like the place I got now."

Advantages and Disadvantages of Former and Present Business Sites

One of the largest factors disliked by the surviving businessmen about their present location was the accessibility they now have to their customers. This factor they (25 percent) rated as being an extreme disadvantage compared to their former location (see Tables XVI and XVII). Rent at the new location had a mode of being neither an advantage nor disadvantage. There were very few changes in the advantages and disadvantages of the former and present sites. However, this may be attributed to the range of choices the businessmen had in rating each site. (They were given a chance to really rate both sites, which perhaps made a bigger difference in their response than if they were only given a chance to label each site as being an advantage and a disadvantage.) Twenty-eight percent of the surviving businessmen said the presence of sidewalks at their present location was an extreme advantage, while another 28 percent indicated it was an advantage.

The businessmen agreed that they had adequate parking at their former and present locations, yet many indicated through open conversations that the only parking available at their former location was on-street parking. One restaurant owner complained that he had been trying to get the city to install 30-minute parking meters in front of his business for years because he was losing money and customers. His

TABLE XVI

ADVANTAGES AND DISADVANTAGES OF PRESENT BUSINESS SITE

Factors	Total Number	Extreme Advantage Percent	Advantage Percent	Slight Advantage Percent	Neither Advan Nor Disadvan Percent	Slight Disadvantage Percent	Disadvantage Percent	Extreme Disadvantage Percent	Total Percent	Mode
Adequate parking	28	32.1	3.5	17.8	17.8	0.0	7.1	21.7	100.0	Extreme Advantage
Accessibility to customer	28	10.7	0.0	21.6	7.1	21.4	14.2	25.0	100.0	Extreme Disadv
Type of business in the area	28	7.1	3.6	17.9	50.0	10.7	7.1	3.6	100.0	Neither Adv/Disadv
Presence of sidewalks	28	28.5	28.5	3.5	10.7	3.5	14.6	10.7	100.0	Extreme Advantage
Street lighting	28	28.1	32.1	0.0	14.8	17.8	3.5	3.5	100.0	Advantage
Type of Neighborhood	28	10.7	17.8	14.5	42.8	10.7	0.0	3.5	100.0	Neither Adv/Disadv
Rent	28	7.2	7.1	7.1	32.1	28.5	7.2	10.8	100.0	Neither Adv/Disadv
Nearness to bus lines	28	25.4	14.2	17.8	7.1	14.2	14.2	7.1	100.0	Extreme Advantage
Adequate space for expansion	28	21.4	32.4	17.8	10.7	3.5	7.1	7.1	100.0	Advantage
Attractiveness of building	28	25.9	29.6	11.2	11.1	14.8	7.4	0.0	100.0	Advantage
Traffic congestion	28	21.4	7.1	14.3	39.4	0.0	17.8	0.0	100.0	Neither Adv/Disadv
Business competition	28	18.5	14.8	11.2	29.6	18.5	7.4	0.0	100.0	Neither Adv/Disadv
TOTAL NUMBER OF RESPONSES	28									

TABLE XVII

ADVANTAGES AND DISADVANTAGES OF FORMER BUSINESS SITE

Factors	Total Number	Extreme Advantage Percent	Advantage Percent	Slight Advantage Percent	Neither Advan Nor Disadvan Percent	Slight Disadvantage Percent	Disadvantage Percent	Extreme Disadvantage Percent	Total Percent	Mode
Adequate parking	61	52.4	3.2	14.7	11.4	8.1	6.5	3.2	100.0	Extreme Advantage
Accessibility to customer	61	91.8	1.6	0.0	1.6	0.0	4.9	0.0	100.0	Extreme Advantage
Type of business in the area	61	39.3	16.3	9.8	29.5	3.2	0.0	1.6	100.0	Extreme Advantage
Presence of sidewalks	61	52.4	14.7	9.8	11.4	4.9	0.0	6.5	100.0	Extreme Advantage
Street lighting	61	1.6	54.0	8.1	6.5	21.3	1.6	6.5	100.0	Extreme Advantage
Type of neighborhood	61	26.2	21.3	14.7	29.5	6.5	1.6	0.0	100.0	Neither Adv/Disadv
Rent	61	65.5	4.9	8.1	14.7	1.6	4.9	0.0	100.0	Extreme Advantage
Nearness to bus lines	61	80.3	6.5	4.9	4.9	3.2	0.0	0.0	100.0	Extreme Advantage
Adequate space for expansion	61	26.2	14.7	11.4	14.7	19.6	4.9	8.1	100.0	Extreme Advantage
Attractiveness of building	61	1.6	24.5	18.0	9.8	26.2	9.8	8.1	100.0	Neither Adv/Disadv
Traffic congestion	61	27.8	21.3	9.8	27.8	8.1	0.0	3.2	100.0	Extreme Advantage
Business competition	61	42.2	19.6	14.7	21.3	0.0	0.0	0.0	100.0	Extreme Advantage
TOTAL NUMBER OF RESPONSES	61									

remarks were, "This parking is better than at my other one--people used to park in front of my business and go down the street for hours. Then when lunch time came my customers had no place to park, so they would leave. I don't have that problem at this one." Another cafe and lodging owner who had been in business 22 years said, "The people at the Housing Authority have always tried to help me--even though they hurt me some, they still help me. You see when the little parking that I do have here is full they allow my customers to park on the street and sidewalk in front of my business. See, the state is going to widen that street; and when they do, they have already promised me that they are going to provide some paved off-street parking for me. See, at my other place, I didn't even have this; and with the state coming through, I have a little more to look forward to."

Another interesting factor was that the mode for adequate space at the present location was ranked as an advantage, while at the former location, it was ranked as an extreme disadvantage. Despite the fact that a great deal of the businessmen claimed to have needed more space, many complained they now had too much space. One miscellaneous service operator said he didn't want the place he purchased, but he wanted to stay in business. The site he purchased was in a bad location, but he had to buy it. Now, he says, "I am paying rent on property that I doubt that I will ever be able to use for a profit." A few of the businessmen that fell in this similar situation were asked the question: Did you contact anyone at the Metropolitan Planning Commission for assistance in determining if the site you chose was good location for your type of business? The author feared many of the businessmen would not know

what MPC was and wouldn't know they even existed. It turned out that all of the businessmen had heard of MPC and most of them had attended one or more Planning Commission meetings. To sort of sum up the basic reason as to why no one approached MPC for help, one displaced businessman said, "They couldn't help me even find a site that was zoned for commercial purposes—they wouldn't change the zoning like they do for everyone else—they wouldn't even listen to my argument, so why should I ask them to evaluate my site—I can do that."

When the businessmen were asked about the advantages and disadvantages of their former site, 91 percent rated the accessibility to their customers as an extreme advantage. Other factors that received high ratings were the nearness to bus lines, in which 80 percent of the businessmen ranked as being an extreme advantage, and rent, which was rated by 65 percent of the businessmen as being an extreme advantage. The remaining factors were just about rated evenly to the present site.

The majority of the surviving businessmen thought their present site conditions were better than the former, and an overwhelming majority thought the present building was much newer than the former one (see Table XVIII and XIX). When the businessmen were asked to evaluate their former and present locations, 52 of the 61 businessmen said they were satisfied with their old locations. In contrast to that, 15 of the 28 surviving businessmen said they were slightly satisfied with their present locations, while 9 surviving businessmen revealed they were dissatisfied with their present locations (the reason so many businessmen were satisfied with their former sites is due to the fact that many of the businessmen did not relocate). Many of the surviving

TABLE XVIII

SELECTED SITE CHARACTERISTICS AFTER RELOCATION

Site Characteristics	Number	Percent
Condition of Area		
Present area better	12	42.8
Both areas same	7	25.1
Present area worse	9	32.1
TOTAL	28	100.0
Age of Building		
Present newer	18	72.0
Both same age	4	16.0
Present older	3	12.0
No response	3	0.0
TOTAL	28	100.0

TABLE XIX

EVALUATION OF FORMER AND PRESENT LOCATION

Evaluation	Former		Present	
	Number	Percent	Number	Percent
Satisfied	52	85.3	3	11.2
Slightly Satisfied	6	9.8	15	55.5
Dissatisfied	3	4.9	9	33.3
No Response	0	0.0	1	0.0
TOTAL	61		28	

businessmen indicated that they were slightly satisfied with their place of business because they had not occupied the site long enough to evaluate it.

III. THE EXTENT THAT DISLOCATION LEADS TO BUSINESS FAILURES

Annual Income

The first factor that will be examined in observing the extent to which dislocation leads to business failures is annual income. Note (Table XX) that 16 of the businessmen reported annual earnings between $4,000 and $7,999. Of that number, 9 were non-survivors against 7 survivors. The real significant difference is observed at the highest level of income. Here 11 of the businessmen earned $12,000 and above, and still 4 of the businessmen were non-survivors—the other 7 were survivors. These differences must be viewed with caution because the differences cannot all be blamed on the consequences of displacement. It should be recalled that the businesses that did not survive the displacement were basically small businesses, many of which were operating at a very minimum level.

One factor that does require a great deal of study and consideration is the decrease in annual income reported by the displaced businessmen. Of the 33 non-surviving businessmen, none reported having annual incomes higher than it was before being displaced (see Table XXI). Ninety-five percent of the non-surviving businessmen said their incomes were lower now than before being displaced. Yet one-fourth of the total surviving businessmen reported their incomes were lower, while 62

TABLE XX

SIGNIFICANCE OF ANNUAL INCOME BEFORE DISPLACEMENT BY PRESENT STATUS

Annual Income	Survivor Number	Survivor Percent	Non-Survivor Number	Non-Survivor Percent	Total Percent
Less than $2,000	0	0.0	2	100.0	100.0
$2,000 - $3,999	0	0.0	2	100.0	100.0
$4,000 - $7,999	7	43.7	9	56.3	100.0
$8,000 - $11,999	10	45.5	12	54.5	100.0
$12,000 and more	7	68.6	4	36.4	100.0
No Response	4	50.0	4	50.0	100.0
TOTAL	28		33		

Chi-Square = 3.0842 with 4 Degrees of Freedom Significance - .6342

TABLE XXI

COMPARISON OF PRESENT AND PRIOR ANNUAL INCOME
BEFORE DISPLACEMENT BY PRESENT STATUS

Present Income Compared With Before Displacement	Survivor		Non-Survivor	
	Number	Percent	Number	Percent
Higher	5	13.0	0	0.0
Same	16	62.0	1	4.4
Lower	7	25.0	32	95.5
TOTAL	28	100.0	33	100.0

percent revealed their incomes remained the same. Some of the surviving businessmen reported they were lucky and found sites that provided some of the accessibility to their customers as the former site did. One businessman said, "I didn't lose any money because I found a good site, and I advertised it well. I advertised when I was moving and where I was moving, and the different stock that I would be carrying at my new location. I advertised a discount sale on my opening day and everything. Then, about a week before it was time for me to move I began transferring my old business to this one."

Another businessman reported, "I was luckier than some of the other guys because actually this place is much better than the one I had before, and I don't think I lost any money in the deal." As usual, those that survived the move were generally happy and pleased; and, surprisingly, a very few of the non-survivors were generally pleased with the overall outcome of displacement (especially compensation, which was discussed earlier in Chapter III, Table XI). Then, on the other hand, there were both survivors and non-survivors who were displaced in the early sixties who still feel today they were badly mistreated and taken advantage of. However, the non-survivors predominantly viewed displacement practices unfavorably. In observing the significance of annual income to present status in Table XXI it was observed that the two variables are independent of each other, thus having no significant relationship.

Monthly Sales

Another interesting observation was seen in the monthly sales of the businessmen (see Table XXII). Nine of the businessmen included

TABLE XXII

SIGNIFICANCE OF MONTHLY SALES BEFORE DISPLACEMENT TO PRESENT STATUS

Monthly Sales	Survivor Number	Survivor Percent	Non-Survivor Number	Non-Survivor Percent	Total Percent
Less than $1,000	3	42.9	4	57.1	100.0
$1,000 - $2,999	8	42.1	11	57.9	100.0
$3,000 - $7,499	6	42.9	9	57.1	100.0
$7,500 - $14,999	5	55.6	4	44.4	100.0
$15,000 and more	2	100.0	0	0.0	100.0
No Response	4	44.4	5	55.6	100.0
TOTAL	28		33		

Chi-Square = 2.72894 with 4 Degrees of Freedom Significance - 0.6342

in the study reported monthly sales before displacement between $7,500 and $14,999; yet, 4 of these businessmen were not able to relocate. By observing closer, it was discovered that 15 of the businessmen had monthly sales between $3,000 and $7,499, and 6 of those businessmen survived the forced move. In contrast, 7 of the businessmen reported monthly sales of less than $1,000, and yet 3 of them were able to relocate. It appeared from the monthly sales reported in the study that sales had nothing or very little to do with relocating. A part of the problem may have centered around the assistance provided in helping these businessmen relocate. However, the finger can't be pointed at one agency or person. Many other local and community bodies may have volunteered assistance in helping relocate these businessmen as well.

Monthly Rent

The monthly rent provided another interesting observation. Fifteen of the businessmen paid monthly rents of $120 and more; of that number, only 7 survived. The same thing holds true for the 11 businessmen who paid rent between $50 and $69; only 7 survived. Here, too, the cost of rent at least within limits of the survey did not appear to be the factor behind the survival and non-survival of the displaced businessmen (Table XXIII).

While almost all of the non-survivors claimed they would have stayed in business indefinitely had they not been forced to move, a great deal (17 businessmen) went out of business because they could not afford to start business over again (see Table XXIV).

TABLE XXIII

SIGNIFICANCE OF MONTHLY RENT BEFORE DISPLACEMENT TO PRESENT STATUS

Monthly Rent	Survivor Number	Survivor Percent	Non-Survivor Number	Non-Survivor Percent	Total Percent
Less than $50	2	35.0	3	65.0	100.0
$50 - $69	7	54.5	4	45.5	100.0
$70 - $89	5	62.5	2	37.5	100.0
$90 - $120	2	20.0	11	80.0	100.0
$120 and more	7	46.7	8	53.3	100.0
No Response	5	50.0	5	50.0	100.0
TOTAL	28		33		

Chi-Square = 4.4585 with 4 Degrees of Freedom Significance - .3475

TABLE XXIV

PERCENT SUCCESSFUL IN RELOCATING AND FACTORS AFFECTING FAILURE TO RELOCATE BY SIZE OF BUSINESS

Relocated	Number	Small Percent	Medium Percent	Large Percent	Total Percent
Yes	28	60.0	20.0	20.0	100.0
No	33	61.3	25.8	12.9	100.0
TOTAL NUMBER OF RESPONSES	61				
Reasons For Not Relocating					
High cost of building or rental	4	100.0	0.0	0.0	100.0
Age	0	0.0	0.0	0.0	0.0
Health	0	0.0	0.0	0.0	0.0
Unable to find another location that would serve the same customers	6	100.0	0.0	0.0	100.0
Could not afford to start business over again	17	70.6	23.5	5.9	100.0
Could not find proper zoning—problem securing license	2	100.0	0.0	0.0	100.0
Other	4	100.0	0.0	0.0	100.0
TOTAL NUMBER OF RESPONSES	33				

Factors affecting the failure to relocate. Shockingly, about one-third of these businessmen made the decision to go out of business without any effort to move to a new site. However, the other two-thirds had planned to continue their business operations at a new site and had at least tried to find a new site prior to their decision to discontinue their businesses. Among the other businessmen, six reported their main reason for discontinuing their business after being forced to move was they were unable to find another location that would serve the same customers (see Table XXIV). This was perhaps due either to their inability to find a site which met their specifications or to the costs involved. Another four businessmen reported the high cost of buildings and rentals forced them out of business. It was generally agreed upon by 67 percent of the businessmen who did relocate that rents and building costs to purchase building were very much a problem. One businessman, who was unable to relocate because of high rentals, said, "Rent was high enough as it was; and, with all the displaced businessmen looking for a new site, the prices shot sky high." The businessmen were not the only ones to lose something from this displacement. The city endured a loss as well. Despite the fact that many of the 33 non-surviving businesses were small and sometimes employed only one person, these businesses helped to make up a part of the city's economic base--they provided jobs, and they decreased the number of possible welfare and unemployed recipients that the taxpayers may have had to provide for.

IV. WHAT ARE THE MAJOR PROBLEMS ENCOUNTERED BY MINORITY BUSINESSMEN WHEN THEY ATTEMPT TO RELOCATE

All 28 of the surviving businessmen reported that finding a suitable site was also a very major problem (as shown in Table XXV). Most of the businessmen tried to find suitable sites either in or near the old area because they wanted to remain in an area that they considered suitable for their needs. Adequate parking was another problem that 82 percent of the businessmen rated as being very much a problem.

Zoning wasn't a problem for 46 percent of the businessmen, but the other 53 percent who rated zoning as very much a problem indicated that they really felt the pinch of a planning tool.

The accessibility to customers was another problem in which 96 percent of the businessmen said was very much a problem. The last really major problem encountered by these businessmen was finding a site near their former locations. This was rated by 89 percent of the businessmen as being very much a problem.

V. THE NEEDS OF MINORITY BUSINESSMEN IN KNOXVILLE, TENNESSEE

Business Needs

The most important business need pointed out by the businessmen included in the study was better police protection. Seventy-five percent of the businessmen felt that better police protection was badly needed (see Table XXVI). This fact was pointed out in Chapter II regarding a study conducted in 1972 on Knoxville minority businesses which revealed that break-ins was the number one problem and lack of

TABLE XXV

PROBLEMS WITH RELOCATION

Problems	Number	Finding Suitable Site Percent	Rent Percent	Adequate Building Percent	Zoning Percent	License Percent	Finding Near Location Percent	Accessibility to Customer Percent	Business Competition Percent	Presence of Sidewalk Percent	Time to Find Site Percent	Adequate Parking Percent
Not a problem	28	0.0	14.2	10.7	46.3	75.0	7.3	3.5	7.1	10.6	7.1	10.8
Somewhat a problem	28	0.0	17.9	3.6	0.0	0.0	3.5	0.0	17.9	10.6	7.1	7.1
Very much a problem	28	100.0	67.9	85.7	53.7	25.0	89.2	96.5	75.0	78.8	75.0	82.1
No response	—	—	—	—	—	—	—	—	—	—	10.8	—
TOTAL	28	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE XXVI

NEEDS OF ALL BUSINESSMEN INCLUDED IN THE STUDY (BUSINESS NEEDS)

Needs	Number	Better Advertising Percent	Competent Help Percent	Better Police Protection Percent	Long Term Loans Percent	Outside Professional Assistance Percent	Additional Management Training Percent
Badly Needed	61	57.4	55.7	75.4	67.2	65.5	68.8
Slightly Needed	61	16.4	13.1	9.8	6.6	14.8	13.1
Not Needed	61	26.2	31.2	14.8	26.2	19.7	18.1
TOTAL	61	100.0	100.0	100.0	100.0	100.0	100.0
Mode		Badly Needed	Badly Needed	Badly Needed	Badly Needed	Badly Needed	Badly Needed

police protection was the number three. Though most of the businessmen interviewed were the heads of their businesses, 68 percent agreed that additional management training was badly needed (see Table XXVI). Many of the businessmen confessed they didn't have the money to attend management seminars, and some of the others who had attended seminars revealed they were a waste of time. Most of the businessmen seemed to agree that a great deal more management training is needed. One businessman said, "I need to know more about the hiring of competent people—what to look for when I interview a person. In addition, I don't know the first thing about long-range planning—I plan from one week to the next."

A few of the businessmen had a bookkeeper or an accountant, but admitted they didn't know if the person was doing a good job or not. The only way they could measure what type job was being done was at the end of the year when taxes were due.

Long-term loans were another factor in which 67 percent of the businessmen said was badly needed.

Planning and Other Needs Identified by Knoxville's Minority Businessmen

All of the planning and miscellaneous needs identified in this study were pointed out directly by the businessmen included in the study. No structured, closed-ended questions were used to depict possible needs. After the data was gathered, the needs were all written down and matched for similarity (see Table XXVII).

The greatest planning need pointed out by the businessmen (16 responses) was the need for more technical assistance in aiding

TABLE XXVII

PLANNING AND OTHER NEEDS IDENTIFIED BY MINORITY BUSINESSMEN

Number of Responses	Identified Needs
16	More technical assistance is needed by minority businessmen in relocating businesses.
10	Need to be given an active role in replanning minority businesses and communities.
9	Need for lawyers to have an active role in assisting minority businessmen in land transactions.
8	Need for professionals to counsel and represent the view of minority businessmen.
8	Need for minority businessmen to be provided with another functioning location whenever displaced.
7	Needs for more Small Business Administration (SBA) funds.
6	Need for minority businessmen to be educated about planning and its benefits.
5	More assistance is needed by minority businessmen to find available capital.
5	More Federal and local monies should be used to help save and prevent minority communities and businesses from becoming blighted.
4	More incentives should be offered with community redevelopment plans so that minority businessmen can afford to take part.
4	Need more plans calling for the rehabilitation of neighborhoods as opposed to redeveloping them.
3	Need for the Knoxville Community Development Corporation to develop a plan/plans which calls for planned predominantly minority neighborhood shopping centers.

TABLE XXVII (continued)

Number of Responses	Identified Needs
2	More planning studies should be made available to the minority businessmen (such as the mayor's downtown plan).
1	More outside professional assistance should be made available to minority businessmen.

minority businesses in relocating. This problem was pointed out earlier in the study and is seen (Table XII) by the type of methods most of the businessmen used in finding another site.

The next major need (10 responses) identified was the need to give minority businessmen and community leaders an active role in replanning the minority community. This particular subject seemed to have bothered a great deal of the businessmen. Many said no one in the community was asked what they wanted, or if they wanted what was being proposed. None of the businessmen seemed to have been against urban renewal but more or less the way it was carried out. One auto body repairman said he thought that urban renewal was the only way to get rid of the poor and blighted conditions in East Knoxville. In fact, he commended the Housing Authority for the job that was done, but he degraded the way they went about doing it. The repairman said, "We have finally gotten one thing out of urban renewal that can help the children in our community, and that is a new playground with all the latest facilities."

The next greatest need to be pointed out was a miscellaneous need. That need was for more lawyers to have an active role in assisting minority businessmen in land transactions (9 responses). Many of the businessmen felt that many of the small problems which occurred could have been prevented if they had someone to give them legal advice and guidance.

There were two needs that received equal responses (8). The first was the need for more professionals to counsel and represent the views of black businessmen. Several of the businessmen indicated they

wish organizations like the Advocates for Neighborhood Development had been established during the time major urban renewal efforts were taking place in East Knoxville. They seemed to have felt that organizations such as AND would have enabled them to have had more input into the redevelopment of East Knoxville.

The second equally rated need was the need for minority businessmen to be provided with another functioning location whenever displaced. One particular need among the lesser mentioned needs deserves special recognition. That need was that more incentives should be offered with community redevelopment plans so that black businessmen can afford to take part. Several of the businessmen talked about the Mayor's downtown redevelopment project as a prime example. One businessman said, "I don't think it would be asking too much to ask the city to give a group of black businessmen a tax cut on an acre or two of land so that some black businesses can be located downtown." The businessman, however, pointed out that black businessmen haven't really organized themselves as a group, and until that is done he couldn't see how black businesses would ever get ahead.

Table XXVII points out additional needs that were identified in the study. These needs should all be given considerable study if further redevelopment in Knoxville, slated for black communities, is going to represent the minority businessmen's needs.

CHAPTER IV

ALTERNATIVE COURSES OF ACTION

I. INTRODUCTION

Most case studies center around the study of a particular event that has taken place over a period of time, depicting mainly what occurred during the selected time span. Very few studies (in cases where a problem is studied) include a chapter devoted to reviewing alternative (successful approaches by other communities having a similar situation) approaches that could have/may be used to successfully tackle a problem.

The prior chapters of this study have focused on the problems encountered by minority businessmen and on the level of business discontinuances associated with displacement and relocation activities. In this chapter, emphasis will be placed on "successful" relocation efforts that have been undertaken by selected communities in the United States.

It is hoped that this study will reveal not only the consequences that displacement had on minority businesses in Knoxville, but also successful approaches that can be used in future displacements caused by urban redevelopment.

This chapter deals with case studies of the displacement and relocation processes in four American cities. All of the studies dealt with small businesses and also pointed out some of the difficulties encountered during the relocation process.

II. ALTERNATIVES

Providence, Rhode Island—Willard Avenue Center

The study took place in Providence, Rhode Island, in 1970 and involved 22 displaced businessmen. The Willard Center Project Area contained an L-shaped strip of some thirty commercial establishments located predominantly in dilapidated structures. Most of the stores focused on serving the predominantly Jewish population of the surrounding neighborhood.[43]

Realizing that development was to take place in the area, and recognizing the disadvantages of dispersion and the advantages of continuing to operate in one location in close proximity to one another, the merchants organized informally and approached the Providence Redevelopment Authority with a strong request that they be allowed to remain in the project area, and together. PRA agreed with the idea.[44]

After several meetings, it was decided that a corporation should be formed to buy the needed land. Several problems arose at this point. First, the Small Business Administration financing was not available for tenant firms. In addition, the Small Business Displacement Payment had not yet been authorized, and even more significant, the businessmen would not agree to corporate ownership of the real estate. Instead, each insisted on separate fee title to his own building area, as well as to the land in the rear (loading) and in the front (parking).[45]

---

[43] Kinnard and Messner, op. cit., p. 166.

[44] Ibid.

[45] Ibid., p. 167.

Additional difficulties occurred when efforts were made to finance the development. Because of the individual ownership of building space and land, plus the lack of separate and distinct partitioning of store sections within the building (the PRA insisted on one building for the entire development), several financial institutions refused to consider the loan. A federal savings and loan association finally financed the development in the amount of 60 percent of the total cost of the project.

Planning and Local Government Input

Due to the enormous setback requirements placed on the existing Willard Center the businessmen were able to remain in their former location until the new building was completed. At the completion of each store, the new owner was able to move his stock through the backdoor and into the Center. At the completion of the new site, the entire block of the former location was razed, and surface parking was provided upon the clearance of the land. During the time construction was taking place, PRA and the City of Providence cooperated with the effort by providing a temporary access road and low-rent parking space across from the old locations.

Finally, after all construction was completed, 18 of the original 30 businessmen moved into the center (most of the 12 owners who dropped out did so because they were impatient with delays and others lost heart as anticipated costs mounted). One point that should be brought out from this effort is that leadership from within the group of effected businesses was identified--making it possible for the displacees to have input in the redevelopment plan.

Chicago, Illinois--53rd-Kimbark Plaza

Kinnard and Messner were the authors of this study which took place in Chicago, Illinois, in 1970. The Chicago approach serves as a "landmark" case in that it represents one of the first efforts in Chicago to successfully relocate displaced small local business firms. In this case, a group of 16 displaced local businessmen and professionals formed a corporation for the purpose of developing a shopping center for displaced businessmen and professionals located in the redevelopment area.

A major innovation of the effort was the priority given to displaced businesses in obtaining a site for the development of the shopping center. This perhaps was the first case in which renewal plans made provision calling for a certain area to be used for the construction of a facility by local displaced businessmen. Another advantage to the displacees was the location of the new site. By moving only a short distance, the merchants remained in the same neighborhood and retained their old customers. However, due to the smallness of the businesses involved, the corporation found it difficult to obtain mortgage funds. With the help of a life insurance company (which provided the financing with a mortgage commitment of $600,000) the joint effort was able to continue. With the assistance of the relocation staff several business firms were successful in obtaining long-term SBA and Displaced Business Loans.

Upon final construction of the new center which occupied two and one-half acres of land purchased from the Chicago Department of Urban Renewal, the displaced businessmen began moving in. The Center

included off-street parking in the Center for 100 cars, and each occupant was provided with space that included air conditioning, central heating, and an incinerator. Until more managerial training and capital is made available to black businessmen this approach perhaps would not be very useful in the displacement and relocation of black businessmen. Another weakness of this approach when related to black businessmen is the problem of getting black businessmen to unite their financial resources.

Chattanooga, Tennessee—Orchard Knob

This study took place in 1972 in a predominantly black community in Chattanooga, Tennessee. The study was an effort by the Townlift Staff of the Tennessee Valley Authority to provide an alternative which would allow black businessmen to remain in business after displacement. The implementation of the Orchard Knob renewal effort has not fully taken place at this time but is expected to begin shortly. An interesting factor in the Chattanooga effort was the concern shown by the Chattanooga Association of Minority Business Development in making an analysis of the commercial opportunities in the Orchard Knob renewal area.

After a number of meetings between the Urban Renewal Agency, the Planning Department, effected local citizenry, and interested local minority associations, it was finally concluded that the urban renewal effort would take place in phases to eliminate the scattering of the community. The idea was to build new apartments and living quarters and move the residents from their old location to the newer residential

community only as these new residents became available, thus keeping the community together.

Another innovation in the Chattanooga renewal effort was the granting of commercial space to be located in the new residential area to accommodate the businesses that would be displaced or left without a market to serve. Now that commercial space had been granted in the renewal efforts CAMBD contacted the Townlift section of the Tennessee Valley Authority to secure assistance to investigate the feasibility of locating a neighborhood shopping center in or near the Orchard Knob Urban Renewal Area.

After TVA agreed to conduct the feasibility study, work began immediately, i.e., census tracts covering the study area were identified, and the examination of the community's social, economic, and demographic base was under way.

The data revealed that 11,030 persons lived in the study area and that of this amount, 9,498 were black. There were 3,583 households, of which 959 consisted of a single primary individual. Of the remainder, 681 of all the families in the study area were families with female heads.[46] The educational attainment for the study area was significantly better than the whole city. In comparing the 86 percent of the area's black population with the whole black population of the city, it was found that among persons 25 years old and over the study area had a higher proportion of high school graduates and a substantial number of

---

[46]Chattanooga Association of Minority Business Development with technical assistance from the Tennessee Valley Authority, Analysis of Commercial Opportunities in the Orchard Knob Urban Renewal Area, September, 1973, p. 3.

college graduates (40 percent of the black college graduates in Chattanooga were found in the study area).[47]

The next step required the inventory and analysis of businesses within the study area. An analysis of the businesses revealed that there were 62 retail and service businesses (35 were operated by blacks and 17 were operated by whites), providing employment for 180 persons. The largest number of firms to appear in the study area fell under the category eating and drinking (11) and personal care (10).

An estimate of the income available for spending in the retail and service sectors was obtained by applying to the gross income an allowance for other claims on income, such as housing, utilities, medical expenses, insurance, taxes, and savings. Thus the families residing in the study area had more than $10 million available for the consumption of goods and services.[48]

It was expected that if the average suggested store was of average size for its type and did an average volume of business, there could be 11 establishments, 6 retail, and 5 service, occupying an area of 38,000 square feet and doing an annual dollar volume of business of $2.5 million. Thus the proposed center would need to attract less than half of the $5.4 million shown in Table XXVIII in order to assure adequate support. This would leave ample potential spending to support the other small shops that may be feasible at other location within the study area.[49]

---

[47] Ibid.

[48] Ibid., p. 15.

[49] Ibid., p. 19.

TABLE XXVIII

ESTIMATED CONSUMPTION SPENDING WITHIN THE ORCHARD KNOB NEIGHBORHOOD BY RESIDENTS OF THE AREA

Kind-of-Business Group	Percent Spent in Neighborhood	Local Expenditure by Category
Retail Business		
Convenience Goods Stores:		
Food stores	80	$3,157,847
Eating & drinking places	50	342,368
Drug Stores	60	441,052
Shopping Goods Stores:		
General merchandise	5	45,313
Apparel & accessories	15	123,857
Furniture, home furnishings	30	99,690
All other stores:		
Hardware	20	60,418
Automotive dealers	10	57,397
Gasoline service stations	70	401,780
Miscellaneous retail	50	176,219
Selected Services		
Personal care	80	443,066
Recreation	30	84,585
TOTAL		$5,433,592

Source: Economic Research Staff, TVA

This approach is seen by the author to be of great assistance in helping to solve a problem which has always seem to plague the black community undergoing redevelopment—the loss of black business and the scattering of residents to other parts of the city. A feasibility study such as the one that was carried out in Chattanooga would be a part of every redevelopment process since it indicates not only what is feasible but also indicates the need for and the ability of the effected community to support private enterprise.

Mobile, Alabama--Broad-Beauregard Plaza

The approach used in Mobile offers additional innovation to relocation programs. As a part of the relocation efforts in Mobile, a lease guarantee approach was used to guarantee the rental payments of displaced businessmen over a specified period of time. The lease guarantee insurance policy is designed to enable small businesses to compete for shopping center space or any other location on the same basis as larger firms with more financial resources and better credit ratings.[50] Under this plan, private insurors are encouraged to participate in the program. In Mobile, an insurance company entered into a contractual agreement with the Small Business Administration to the effect that the private company would be the primary insuror and that SBA would reinsure up to 80 percent of the losses over a stipulated amount.[51]

In 1967, seven black businessmen were displaced from an urban renewal project in Mobile and were relocated as lease guaranteed tenants

---

[50] Kinnard and Messner, op. cit., p. 214.

[51] Ibid., p. 215.

in the Broad-Beauregard Plaza (a racially integrated shopping center). Before the new approach went into effect, these same businessmen were unable to find suitable relocation sites. Now the local public agency (responsible for the execution of local urban renewal program) is encouraging this type of financial arrangement. In fact, it has also agreed to offer complete cooperation by staggering demolition, and providing land in project areas for the construction of similar plazas.

This case offers many advantages to the displaced businessmen, but there is one advantage which deserves special recognition. That advantage is the opportunity for black businesses to face 100 percent of the market—having an equal chance of survival in the business world.

CHAPTER V

CONCLUSION AND RECOMMENDATIONS

I. CONCLUSION

This study focused on the consequence of displacement caused by urban renewal and highway construction on minority businesses in the City of Knoxville, Tennessee. It was not the intention of this study to test hypotheses, nor give credit or discredit to any organization, group, or person. The purpose of the study was to study the consequences of displacement caused by urban renewal and highway construction on minority businesses over a ten-year period beginning in 1964 and to present the findings of that study. In addition to presenting the findings, efforts were made to reveal some of the remarks and feelings of the businessmen toward certain situations. Efforts were also made to identify the characteristics of the businessmen included in the study as well as what happened to minority businessmen when they were forced to move, along with other important data such as: the extent that displacement leads to business failures, the needs of minority businessmen, and the problems these businessmen encountered when they attempted to relocate.

Displacement for redevelopment purposes should not be viewed negatively, for it was found in this study that displacement provided many benefits to the displaced minority businessmen that might not have been accomplished otherwise, and it certainly provided even a great deal more to the community as a whole and the city. Despite the fact

that on the surface a few of the businessmen viewed their displacements as a loss, when one goes beneath that surface and analyzes the situation many of the non-surviving businesses could have existed today if decisions to give up had not been made so early, and if proper and adequate relocation assistance had been provided.

Some of the businessmen, both survivors and non-survivors, saw the Morningside and the Mountain View urban renewal projects along with the east-west connector as assets to the community and the city. It was said by some of the businessmen that urban renewal was the only choice and chance they had to achieve the type community that they could identify with and be proud of.

Even though displacement provided many, many amenities to the community, and even provided such needed factors as more floor area and parking space, etc., to the displaced businessmen, it must be realized that displacement aided in depriving many businessmen of their livelihood.

Can displacement be solely blamed for this negative impact on minority businesses? It was illustrated throughout the study that the larger and better-trained minority businesses were the ones to survive displacement, while the small marginally-operated business could not survive. (Sixty percent of the businessmen who attended college were able to relocate after displacement, as opposed to 55 percent of the businessmen who did not complete the eighth grade and were not successful in relocating. As for the businessmen who attended high school, 45 percent were able to relocate. The non-survival rate was highest among the small eating and drinking, food stores, and miscellaneous retail and

services. Fifty percent of the 14 eating and drinking establishments were unable to relocate, while 66 percent of the 9 food stores failed to relocate also. In addition, all 7 hotel and lodging establishments were unable to relocate, but all 5 of the apparel and accessory stores and the amusement and recreational services were able to relocate.)

Stronger emphasis should be placed on area rehabilitation and conservation through the development and enforcement of adequate code enforcement programs (effort should be made to promote and assist in the rejuvenation of existing codes to permit desirable flexibility in the use of the latest type of low-cost, pre-fabricated structures. Additional efforts should be made to prevent the decay of minority business structures by recommending and endorsing adequate public improvements, zoning controls, and paint-up/fix-up programs). In addition, more thought should be given to carefully rehabilitating minority business areas to include off-street parking, facade treatment, rerouting of traffic, uniform canopies, and the addition of major merchants to further strengthen the business area.

While physical factors did present a problem, the lack of financing and the inability to adapt to change were other reasons for the loss of many minority businesses. (Seventeen of the 33 non-surviving businessmen indicated that they went out of business because they could not afford to start business over again. Four more of the businessmen indicated that the high cost of building and rentals prevented them from relocating. Still, an additional six businessmen said they left the business world because they were unable to find another location that would serve the same customers.)

While more money eases readjustment, concentration should be given to other things if minority businesses are to be supported. The findings revealed that better relocation assistance was needed--the median time required for large and medium businesses to find a new site was between 9-15 months. The mode for the method used to find another site for small business was "outside sources," and "self" for both medium and large business. In addition, 100 percent of the surviving businessmen said that finding a suitable site was very much a problem. Fifty-seven percent of the businessmen said better advertising was badly needed, 75 percent indicated better police protection was badly needed, and 65 percent indicated that outside professional assistance was also badly needed. Lastly, 68 percent of the 61 displaced businessmen indicated that additional management training was needed as well.

Other conclusions that were drawn from this study included: fair compensation before or after the 1970 Uniform Relocation Act had no relationship to the businessmen's survival or non-survival; annual income before displacement was also found to have had no relationship to the businessmen's survival or non-survival; monthly sales prior to displacement was found to have had no relationship to the businessmen's survival or non-survival; and, monthly rents before displacement were revealed to have had no relationship to the survival or non-survival of the businessmen.

Even though very small portions of the data revealed in this study seem to have indicated that the businessmen perhaps would have remained in business indefinitely if they had not been displaced, much

more evidence and study would be required before one could come to such a conclusion.

It can be concluded, however, that far better assistance from relocation agencies was needed to help properly relocate displaced businessmen. Also, much more input was needed from community leaders and businessmen in the redevelopment process.

The author recommends that before further major redevelopment takes place in a community, the redevelopment agency should study and adopt a displacement relocation approach that has been proven successful in other American cities (the author also suggests that interested redevelopment agencies read Chapter IV for helpful guides on what other cities have done to eliminate the loss of businesses due to urban redevelopment) and also the extension demonstration program recommended.

II. RECOMMENDATIONS

The recommendations presented below represent an effort by the author to indicate ways that the professional field of planning, and other agencies/groups involved in urban redevelopment can provide more responsive assistance in guiding and strengthening the development of minority business not only in Knoxville, but throughout America. The following steps and programs recommended will aid in helping the minority businessmen to survive future displacements and to also become a stronger economic chain in the City of Knoxville.

It is recommended that the Knoxville Community Development Corporation experiment with the recommended programs on the next project that takes place in Knoxville, Tennessee. KCDC should be the coordinator

of the programs, but social service agencies should have a role in helping KCDC implement the programs. In order for the programs to maintain their effectiveness in the coming years, a local policy needs to be established since no federal guidelines may be attached to black grants.

The recommendations include:

1. Extension Program--More emphasis should be placed on extension demonstration type programs. Example: the Tennessee Valley Authority farm demonstration program gave farmers free fertilizer for agreeing to develop farm plans and goals. It is believed that a similar type approach would work involving minority businessmen.

Such an extension type approach could be applied to provide incentives for minority businessmen to remain in business. For example, such a program might provide for a rent supplement so that displaced businessmen could pay the same rent for a three-year period if they would agree to work with a consultant on bookkeeping, long-range commercial planning, hiring practices, merchandising, management techniques, budgeting, and other business skills. Such an extension program would certainly help minority businesses to survive displacements and, most important, survive in the business world from a business standpoint.

2. Education--A major part of the extension program should stress needs to be focused on educating minority businessmen about local land use patterns, zoning, local plans and their benefits and effects, transportation, etc. More emphasis should be placed on providing plans and other pertinent available materials which might steer

the minority businessman in his present and future business education (this can be accomplished, in addition to the extension program, by working closely with a variety of federal, state, and local agencies/ groups which might disperse materials on educating and assisting minority businessmen in their development; included would be the Small Business Administration, Chamber of Commerce, financial institutions, builders, and similar interest organizations). The City of Knoxville would seem to have special opportunities by expansion of programs of this type through the help of the University of Tennessee.

3. Relocating Assistance--Elected local officials should encourage elected federal representatives of the State of Tennessee to endorse legislature which would require: displaced businessmen to be fairly compensated for improvements of rental property. (This would help eliminate slum causing factors and would encourage businessmen to maintain and enhance rental properties; now, under the present relocation legislature, the land owner is compensated for the costs of improvements when displacement is necessary.)

Displaced businessmen should receive the same subsidy provided to displaced homeowners (under the 1970 Uniform Relocation Act, a displaced homeowner can receive a subsidy payment which will allow him to move into a more expensive home for the same cost of the home he was displaced from. Example: a homeowner is displaced from a home which costs $12,500 and he finds a home which costs $20,000--the government will pay the extra $7,500 at no additional cost to the homeowner). Since the choice available to individuals in choosing new places to live is

far greater than that open to businessmen in relocating, some type of subsidy should be made available to the businessman if he is to survive.

A. It is also recommended that more input from not only the local planning and KCDC staff, but affected community leaders and representatives and financial institutions be put into future redevelopment efforts.

B. Planning should begin placing some attention on urging and promoting the development of minority business concentration through compatible zoning, incentives, and land use plans. Market analysis/ feasibility studies should be provided (upon request) to organized minority business groups regarding the feasibility of locating in a particular area; or if additional businesses can be supported in an existing business area (more information and publicity should be provided to minority businessmen regarding the best locations for very small community shopping plazas). More efforts should be made to discourage minority business development in areas which are undesirable for business due to future planned changes, location, and enormous business competition. Priorities should also be given to organized displaced minority business groups in selecting a suitable site to relocate.

Greater emphasis needs to be placed on promoting minority business development and expansion in the presently revitalizing downtown area (since many minority businesses had to leave the central business district, more efforts should be placed on encouraging minority businessmen to return when possible through Center City redevelopment) or other locations where minority businessmen can participate in a larger market.

C. Stronger emphasis should be directed at encouraging minority businessmen to unite as an organized business group so that the needs of minority businessmen can easily be identified whenever there is a need to replan or add/subtract from a minority community. Organized community leaders from all facets should be encouraged to take part and provide input in community redevelopment efforts. (Encouragement should be shown by publicizing meetings through the local newspaper/neighborhood newspaper, television, radio--especially radio stations tuned in most often by minorities, and whenever possible, a letter of encouragement to participate should be addressed to known organized community leaders.

BIBLIOGRAPHY

BIBLIOGRAPHY

Brown, David M. An Analysis of Knoxville Minority Businesses and Needed Improvements. Greater Knoxville Minority Business Bureau, Knoxville, Tennessee, 1972.

Chattanooga Association of Minority Business Development with Technical Assistance from the Tennessee Valley Authority. Analysis of Commercial Opportunity in the Orchard Knob Urban Renewal Area. September 1973.

Chill, Daniel. Business Relocation: A Moving Problem. Yale Law School, New Haven, 1960.

Duggar, George S. "The Relations of Local Government Structures to Urban Renewal," Law and Contemporary Problems. 1960.

Greer, Scott. Urban Renewal and American Cities. The Bobbs-Merrill Company, Inc., 1965.

Hearings Before the Committee on Public Works, House of Representatives, Ninety-first Congress, First and Second Session, December 1969-March 1970.

Kinnard, William N. and Malinowski, Zenon S. "How Urban Renewal Projects Effect Small Business," Management Research Summary. Washington, D.C., 1961.

Kinnard, William N. and Messner, Stephen D. A Guide To Effective Business Relocation, A Center For Real Estate and Urban Economic Studies. The University of Connecticut, 1970.

Leach, Richard H. "The Federal Urban Renewal Program: A Ten Year Critique," Law and Contemporary Problems. 1960.

Millspaugh, Martin. "Problems and Opportunities of Relocation," Law and Contemporary Problems. 1961.

Saalberg, James H. A Study of Business Dislocations Caused by the Central Artery, (Masters Thesis in City Planning, Massachusetts Institute of Technology). 1960.

Snyder, Ralph (personal interview) 1974.

The Department of Commerce. Progress Report. 1972.

U.S. Department of Housing and Urban Development. Transmittal Notice. October 1971.

U.S. Housing and Home Finance Agency Office of the Administration. Housing Statistics. February 1960.

U.S. House of Representatives. Select Committee on Small Business, Hearings, Washington Square Southeast Slum Clearance Project, Eighty-fourth Congress, First Session, April 1955.

U.S. Senate. Committee on Banking and Currency, Subcommittee on Small Business, Small Business Amendments of 1959: Hearing on Various Bills to Amend the Small Business Act of 1953 and the Small Business Investment Act of 1959. Eighty-Sixth Congress, First Session, June 22, 29, 30, July 1, 7, 20, 21, 22, 1959.

United States Statutes At Large. "Housing Act of 1949," Public Law 171, Eighty-first Congress, First Session, July 1949.

United States Statutes At Large. "Housing Act of 1956," Public Law 1020, Eighty-fourth Congress, Second Session, August 7, 1956.

United States Statutes At Large. "Housing Act of 1964," Public Law 88-560, Eighty-eighth Congress, Second Session, September 1964.

United States Statutes At Large. "Federal Aid Highway Act of 1968," Public Law 90-495, Ninetieth Congress, Second Session, August 1968.

Venable, Abraham S. "Black Business Development: Chaos in Transition?" Black Enterprise. 1971.

Wilson, James Q. "The Small Businessman and Relocation," Urban Renewal. MIT Press, 1973.

Zimmer, Basil G. Rebuilding Cities. Chicago: Quadrangle Books, Inc., 1964.

APPENDIXES

APPENDIX A



TENNESSEE VALLEY AUTHORITY
KNOXVILLE, TENNESSEE 37902

March 4, 1974
505 Arnstein Building
Knoxville, Tennessee 37902

Dear Minority Businessmen/Former Businessmen:

Your name has appeared along with other names of minority businessmen/businesswomen who have once been displaced from the center city of Knoxville, Tennessee (between 1964 to the present), by urban renewal or highway construction. Currently, there is a study underway directed at determining the effects of dislocation on minority businesses. Its purpose is to gather data from businessmen who were successful and unsuccessful in relocating along with identifying needs and problems expressed by minority businessmen/businesswomen in an effort to produce a model (textbook) which can be used by city planners and public officials in making rational decisions. A study of such is designed to help reveal both the positive and negative consequences of relocating minority business while also indicating alternative courses of action that can be taken by the decisionmaker.

When the interviewer calls on you for a personal interview, please cooperate for this is a study designed not only to aid public officials and city planners but mainly to help you, i.e., the minority businessmen.

Sincerely,

/S/
Comer L. Taylor, Jr.

An Equal Opportunity Employer

APPENDIX B

QUESTIONNAIRE

1. Age

   1. Young____
   2. Middle age____
   3. Old____

2. Education

   1. Did not attend high school____
   2. Attended high school____
   3. Attended college____

3. Sex

   1. Female____
   2. Male____

4. Occupation prior to entering business

   1. Unemployed____
   2. Professional____
   3. Farming____
   4. Retired____
   5. Clerical (sales)____
   6. Operatives (laborers)____
   7. Managerial____
   8. Not in labor force____

5. Occupation after dislocation

   1. Unemployed____
   2. Professional____
   3. Farming____
   4. Retired____
   5. Clerical____
   6. Operatives____
   7. Managerial____
   8. Relocated____

6. Type of business prior to displacement

   1. Eating and drinking____
   2. Apparel and accessory stores____
   3. Automotive dealers and service stations____
   4. Food stores____
   5. General merchandise stores____
   6. Building material and garden supplies____
   7. Furniture and home furnishings stores____
   8. Amusement and recreation services____
   9. Hotels and other lodging places____
   10. Wholesale - durable goods____
   11. Wholesale - nondurable goods____
   12. Miscellaneous retail____
   13. Miscellaneous services____
   14. Other____

7. What year were you last displaced?

1. 1964____
2. 1965____
3. 1966____
4. 1967____
5. 1968____
6. 1969____
7. 1970____
8. 1971____
9. 1972____
10. 1973____
11. 1974____

8. Length of time unemployed after dislocation

1. Less than 1 month____
2. 1-3____
3. 4-8____
4. 9-15____
5. over 15 months____

9. If you were dislocated, which (one) answer best fits your reason for going out of business after being dislocated?

1. High cost of buildings or rentals____
2. Age____
3. Health____
4. Unable to find another location that would serve the same customers____
5. Could not afford to start business over again____
6. Could not find the proper zoning or had problems securing a license____
7. Other____

10. Size of business before dislocation

1. Small (less than 3 employees)____
2. Medium (3-7 employees)____
3. Large (8 or more employees)____

11. Size of present business

1. Small____
2. Medium____
3. Large____

12. Were you displaced by (1) urban renewal____ or (2) highway construction____?

13. Length of time in business

1. Less than 2 years____
2. 2-10 years____
3. More than 10 years____

14. Service area

1. Neighborhood (1 mile radius or less)____
2. Community (2-4 miles)____
3. Region (4 miles or more)____

15. Distance from home to place of business

1. Less than 0.5 miles____
2. 0.5-1 mile____
3. 2-4 miles____
4. 4-6 miles____
5. 6-8 miles____
6. over 8 miles____

16. Did you serve a particular (1) economic____, (2) ethnic____, or (3) racial____ group?

17. Size of building occupied prior to displacement

1. Under 1,000 sq. ft.____
2. 1,000-2,999 sq. ft.____
3. 3,000-4,999 sq. ft.____
4. 5,000-6,999 sq. ft.____
5. over 7,000 sq. ft.____

18. Size of present building

1. Under 1,000 sq. ft.____
2. 1,000-2,999 sq. ft.____
3. 3,000-4,999 sq. ft.____
4. 5,000-6,999 sq. ft.____
5. Over 7,000 sq. ft.____

19. Monthly rent or payment prior to displacement

1. Less than $50____
2. $50-$99____
3. $100-$149____
4. $150 and over____

20. Monthly rent - present location

1. Less than $50____
2. $50-$99____
3. $100-$149____
4. $150 and over____

21. Monthly sales prior to displacement

1. Under $1,000____
2. $1,000-$2,999____
3. $3,000-$7,499____
4. $7,500-$14,999____
5. over $15,000____

22. Present monthly sales

1. Under $1,000____
2. $1,000-$2,999____
3. $3,000-$7,4999____
4. $7,500-$14,999____
5. over $15,000____

23. Annual income prior to displacement

1. Under $2,000____
2. $2,000-$3,999____
3. $4,000-$7,999____
4. $8,000-$12,000____
5. over $12,000____

24. Present annual income

1. Higher____
2. Same____
3. Lower____

Indicate which of the following list of factors served as an advantage or disadvantage to the former business site:

	(1) Extreme adv.	(2) Adv.	(3) Slight adv.	(4) Neither adv./ disad.	(5) Sl. dis- adv.	(6) Dis- adv.	(7) Extreme disad.
25. Adequate parking	____	____	____	____	____	____	____
26. Accessibility to cust.	____	____	____	____	____	____	____
27. Types of businesses in the area (compl.-noncompl.)	____	____	____	____	____	____	____
28. Presence of sidewalks	____	____	____	____	____	____	____
29. Street lighting	____	____	____	____	____	____	____
30. Type of neighborhood (blighted/well maintained)	____	____	____	____	____	____	____
31. Rent	____	____	____	____	____	____	____
32. Nearness to bus lines	____	____	____	____	____	____	____
33. Adequate space for expan.	____	____	____	____	____	____	____
34. Attractiveness of bldg.	____	____	____	____	____	____	____
35. Traffic congestion	____	____	____	____	____	____	____
36. Business competition	____	____	____	____	____	____	____
37. Other	____	____	____	____	____	____	____

38. Evaluation of former location

1. Satisfied____
2. Slightly satisfied____
3. Dissatisfied____

39. Evaluation of present site

1. Satisfied____
2. Slightly satisfied____
3. Dissatisfied____

40. Present distance from home to place of business

1. Less than 0.5 miles____
2. 0.5 miles-1 mile____
3. 2-4 miles____
4. 4-6 miles____
5. 6-8 miles____
6. over 8 miles____

Indicate which of the following list of factors serve as an advantage or disadvantage to the present site:

	(1) Extreme adv.	(2) Adv.	(3) Slight adv.	(4) Neither adv./ disad.	(5) Sl. dis- adv.	(6) Dis- adv.	(7) Extreme disad.
41. Adequate parking	____	____	____	____	____	____	____
42. Accessibility to cust.	____	____	____	____	____	____	____
43. Types of businesses in the area (compl.-noncompl.)	____	____	____	____	____	____	____
44. Presence of sidewalks	____	____	____	____	____	____	____

	(1) Extreme adv.	(2) Adv.	(3) Slight adv.	(4) Neither adv./ disad.	(5) Sl. dis-adv.	(6) Dis-adv.	(7) Extreme disad.
45. Street lighting							
46. Type of neighborhood (blighted/well maintained)							
47. Rent							
48. Nearness to bus lines							
49. Adequate space for expan.							
50. Attractiveness of bldg.							
51. Traffic congestion							
52. Business competition							
53. Other							

Problems with Relocation

	(1) Not a Problem	(2) Somewhat a Problem	(3) Very Much a Problem
54. Finding a suitable site			
55. Rent			
56. Finding a building which adequately meets your needs			
57. Proper zoning			
58. Securing license (liquor, junkyard, etc.)			
59. Finding another location near former business			
60. Finding a site with adequate parking			
61. Finding a site that is accessible to customers			
62. Finding an attractive building			
63. Finding a site with complementary businesses			
64. Finding a site that has accommodations for pedestrians (presence of sidewalks)			
65. Length of time it takes to find another site			

66. Method used to find present site

1. News media____
2. Outside sources____
3. Through friends____
4. Self____
5. Real estate agent____
6. Other____

67. Present condition of area surrounding site

1. Present area better____
2. Both areas same____
3. Present area worse____

68. Cost to move to present site

1. Under $400____
2. $400-$999____
3. $1,000-$2,999____
4. over $3,000____

69. Compensations for the cost to move

1. Under $400____
2. $400-$999____
3. $1,000-$2,999____
4. over $3,000____
5. none____

70. Compensation for total losses due to relocation

1. Under $1,000____
2. $1,000-$4,999____
3. $5,000-$9,999____
4. $10,000-$14,999____
5. $15,000-$19,999____
6. over $20,000____
7. none____

71. Were you compensated fairly as far as the cost of moving is concerned?

1. Yes____
2. No____

72. Site characteristics (age of building)

1. Present newer____
2. Same____
3. Present older____

73. Length of time it took to find another site

1. Less than 1 month____
2. 1-3 months____
3. 4-8 months____
4. 9-15 months____
5. over 15 months____

NEEDS OF BUSINESSMEN

Business Needs

		(1) Badly Needed	(2) Slightly Needed	(3) Not Needed
74.	Better advertising	_____	_____	_____
75.	Competent help	_____	_____	_____
76.	Better police protection	_____	_____	_____
77.	Long-term loan	_____	_____	_____
78.	More outside professional assistance	_____	_____	_____
79.	Additional managerial training	_____	_____	_____
80.	Planning and Other Needs			

81. Did you (1) rent____ or (2) own____ your business before being displaced?

82. Do you presently (1) rent____ or (2) own____ your business?

83. Cultural and Ethnic Origin

1. Blacks____
2. Indians____
3. Puerto Ricans____
4. Mexican-Americans____
5. Italians____
6. Others____

APPENDIX C

PROVISIONS OF THE FEDERAL-AID HIGHWAY ACT OF 1968

505. Relocation payments

"(a) Payments for Actual Expenses.--Upon application approved by the State agency, a person displaced by any highway project approved under section 106 or section 117 of this title may elect to receive actual reasonable expenses in moving himself, his family, his business, or his farm operation, including personal property.

"(b) Optional Payments--Dwellings.--Any displaced person who moves from a dwelling who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (a) of this section may receive--

"(1) a moving expense allowance, determined according to a schedule established by the Secretary, not to exceed $200;

"(2) a dislocation allowance of $100.

"(c) Optional Payments--Businesses and Farm Operations--Any displaced person who moves or discontinues his business or farm operation who elects to accept the payment authorized by this section in lieu of the payment authorized by subsection (a) of this section, may receive a fixed relocation payment in an amount equal to the average annual net earnings of the business or farm operation, or $5,000, whichever is the lesser. In the case of a business, no payment shall be made under this subsection unless the State agency is satisfied that the business (1) cannot be relocated without a substantial loss of its existing patronage, and (2) is not part of a commercial enterprise having at least one other establishment, not being acquired by the State or by the United States, which is engaged in the same or similar business. For purposes of this subsection, the term 'average annual net earnings' means one-half of any net earnings of the business or farm operation, before Federal, State, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business or farm operations moves from the real property acquired for such project, and includes any compensation paid by the business or farm operation to the owner, his spouse, or his dependents during such two-year period."

508. Relocation services

"(a) Each State shall provide a relocation advisory assistance program which shall include such measures, facilities, or services as may be necessary or appropriate in order--

"(1) to determine the needs, if any, of displaced families, individuals, business concerns, and farm operators for relocation assistance;

"(2) to assure that, within a reasonable period of time, prior to displacement there will be available, to the extent that can reasonably be accomplished, in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, housing meeting the standards established by the Secretary for decent, safe, and sanitary dwellings, equal in number to the number of, and available to, such displaced families and individuals and reasonably accessible to their places of employment;

"(3) to assist owners of displaced businesses and displaced farm operators in obtaining and becoming established in suitable locations; and

"(4) to supply information concerning the Federal Housing Administration home acquisition program under section 221 (d) (2) of the National Housing Act, the small business disaster loan program under section 7(b) (3) of the Small Business Act, and other State of Federal programs offering assistance to displaced persons.

"(b) Nothing in this chapter shall be construed to prohibit any person from exercising any right or remedy available to him under State law with respect to any action of a State Agency in carrying out this chapter."

APPENDIX D

PROVISIONS OF THE 1970 UNIFORM RELOCATION ACT

Under the Uniform Relocation Act, Relocation Payments include:

"(1) Relocation Payments for moving expenses;

"(2) License and Inspection Fees. A relocation payment for moving expenses may include the amount of inspection fees required by local law or ordinance and licenses and permits required to permit the operation of the business at a new location;

"(3) Relettering and Printing;

"(4) Storage Costs. A relocation payment for moving expenses may include actual reasonable storage costs incurred by a business concern that either (1) does not immediately re-establish a new location, or (2) although re-establishing at a new location, cannot complete its move until the total required spaces become available;

"(5) Loss of Property;

"(6) Utility and Service Lines. A relocation payment for moving expenses may include the necessary expenditures for reconnecting utility services to relocated, or substitute equipment, machinery, or trade fixtures, to the extent that these services were required in the old location. Utility services may include electrical, water, gas, compressed air, vacuum, vent, sewer, oil, and similar internal service lines;

"(7) Conversion Costs. A relocation payment for moving expenses may include expenditures made by a business concern to adapt or convert relocated equipment to the use of a different type of power supply;

"(8) Substitute Equipment. A business concern or owner of outdoor advertising displays or signs may elect to replace with a comparable item, any item of personal property currently utilized in its operation but which is not to be moved;

"(9) Physical Changes at New Location;

"(10) Leased Equipment;

"(11) Searching for a Replacement Location:

a. A relocation payment for moving expense may include actual reasonable expenses incurred by a business in searching for a replacement location. Searching expenses may include:

(1) Transportation expenses within a radius of 50 miles from the boundaries of the political jurisdiction in which the displacement will occur, at a mileage rate not to exceed the amount normally paid by the local agency for travel of its staff;

(2) Meals and lodging while away from home;

(3) An amount to cover the reasonable time spent in searching, based on the hourly wage rate of the

business concern's representative, but not to exceed $10.00 per hour;

(4) Reasonable fees paid to a real estate agent or broker to locate a replacement site or operation;

b. The maximum total amount of compensation for the searching expenses, as identified above, is limited to $500 unless the local agency determines that a greater amount is justified.

"(12) Payment in Lieu of Moving and Related Expenses. Amount of payment: A payment in lieu of moving related expenses shall be equal to the average annual net earnings of the business concern or farm operation, but not less than $2,500 nor more than $10,000. For the purposes of this payment, a profit-making business owned by a nonprofit organization shall be treated as a business, not as a nonprofit organization. Payment to a nonprofit organization which does not operate for profit, shall be in the amount of $2,500;

"(13) Temporary Move. A business concern that makes a temporary move shall be compensated for both the temporary move and the subsequent move to a permanent location;

"(14) Relocation Assistance. Advisory services shall include: Determining the need, if any, of displaced persons; providing current and continuing information on the availability, prices, and rentals, of comparable decent, safe, and sanitary sales and rental housing, and of comparable commercial properties and location for displaced businesses; assurance that within a reasonable period of time, there will be available public and commercial facilities and at rents or prices within their financial means; supply information concerning Federal and State housing programs, disaster loan programs and programs offering assistance to displaced persons."

APPENDIX E

April 18, 1974

Mr. Comer L. Taylor
Regional Planner
Tennessee Valley Authority
505 Arnstein Building
Knoxville, Tennessee 37902

Dear Mr. Taylor:

Attached is a copy of the business concerns displaced by our agency in connection with the Morningside Urban Renewal Area, Tennessee Project #R-111.

As requested, additional information will be forthcoming on the minority businesses displaced in the Mountain View Urban Renewal Area, Tennessee Project #R-40.

If I may be of any further assistance please contact me at 524-0392.

Yours truly,

/S/
DANIEL W. TILLER
Business Relocation Officer

DWT:h

Enclosure

ESTIMATE OF NON-RESIDENTIAL DISPLACEMENT
MORNINGSIDE URBAN RENEWAL AREA
TENNESSEE PROJECT NO. R-111

	White		Black	
	Owner	Tenant	Owner	Tenant
Retail, Wholesale	5	6	5	4
Service	3	2	8	4
Nonprofit Organization			3	
Other	3	—	—	—
TOTAL	11	8	16	8

BUSINESS CONCERNS, NONPROFIT ORGANIZATIONS, AND FARM OPERATIONS TO BE DISPLACED

Franklins Market
1818 Vine Avenue

Andrews Tamale's
1801 Linden Avenue

McCalla Avenue Supply
2002 McCalla Avenue

Ruby's Club
1411 McCalla Avenue

Friendly Barber
1903 McCalla Avenue

Ken Faulkner Motors
1414 Magnolia Avenue

Thurston Motor Lines
1609 Henrietta Street

Joyce's Private Club
1413 McCalla Avenue

Walker's Barber Shop
1924 Magnolia Avenue

Knox Collision Service
103 Preston

Park City Package Store
1926 Magnolia Avenue

A. F. Aston
1520 Magnolia Avenue

Austin and Vine Grill
1700 Vine Avenue

Mrs. Carrie L. Royston
1601 McCalla Avenue

Sherrod Electric
1501 Chilhowee Avenue

Willis Wood
1628 Vernon Street

Mrs. Carrie N. Reid
1633 Dandridge

Mrs. Willard Webster
304 Gibbons Street

Thomas Lovely
121 Magnet

McCalla Avenue Cafe
1905 McCalla Avenue

Mt. Nebo Baptist Church
1333 Yeager

New Salem Baptist Church
1400 Laurans

Poor Boy's Restaurant
1405 McCalla Avenue

Reagan's Grocery
1846 Linden

S. V. Whaley
1727 Mabry

Floyd Sands Garage
1617 Pennsylvania

S & S Sales
1907 Saxton Street

A. B. Reid
2336 Vine Avenue

Austin Washteria
1901 McCalla

Brewers Esso
2001-3 Vine Avenue

Church of God
1837 Dandridge

Ernie Jackson
1420 Chilhowee

Highlander Center
1625 Riverside

Ideal Package Store
1501 McCalla Avenue

Jenks Food Market
112 Clifford

Joe's Auto Repair
2003 Vine Avenue

Julia's Glass Shop
1609 Pennsylvania

J. G. Gray
121 Magnet

Katherine's Tourist
1853 Dandridge

Keck & Davis
122 Winona

Kentucky Coal Company
1506 McCalla Avenue

Lovely's Electric Company
418 Magnet

VITA

Comer L. Taylor, Jr., was born in Fort Lauderdale, Florida, on October 12, 1949. He attended elementary and secondary school in West Palm Beach, Florida, and was graduated from Roosevelt High School in 1967. In September 1968 he entered Alabama A&M University and received a Bachelor of Science degree in Special Education in January 1971. During the winter of 1971, he accepted a Housing and Urban Development stipend at Alabama A&M University and began study toward a Master's degree in Urban Studies. He received this degree in May 1972 and has been employed by the Tennessee Valley Authority since June 1972.

He entered the Graduate School at the University of Tennessee in September 1972 and received a Master's degree with a major in Planning in August 1974. He is a member of the American Society of Planning Officials and an associate member of the American Institute of Planners.

He is married to the former Crystal Bryant, and they have one daughter, Tracy.