Minority Affairs Office

(Continued from Page 5)

Policy. Therefore, much attention is devoted toward the certification process. Still, the procedure does not satisfy the concerns of those who want to expedite the involvement of known minority firms.

The procedure ignores one essential fact: the intent and spirit of the program for minority participation is to make an affirmative effort to involve those minority firms which may have experienced difficulty in dealing with the State in the past.

The mere establishment of the identity of a firm as minority should not be sufficient, although essential. Presently, such identification is both essential and sufficient.

Therefore, it follows that companies which have been dealing with the State traditionally would change their ownership to look like minorities; hence, "fronts" and, also, some which become certified.

The certification procedures validates fronts for use elsewhere in the state by other agencies since the certification is not related to a specific contracting opportunity.

It is unreasonable that an entity which is doing business with the state successfully should change into a new structure or support a new enterprise in order to place itself at a disadvantage as regards doing business with the state.

The process is only followed because those involved have been successful in doing business with the State and know that they will enjoy a competitive edge over the bonafide minorities who have had limited success, or none at all, and for whom the program is intended.

Generally, white-female owned firms fit this category. Secretaries in offices become presidents of companies and continue as secretaries to their minority stockholders.

Female stockholders make companies like Enterprise Fuel compete with black firms in state procurement. Enterprise has done business with the state of Maryland for more than twenty years. No black firm has any comparable experience.

The certification procedure must be centralized and simplified. It must go to the essential elements of ownership, control, previous experience with the State, and prospects for business in the private sector.

The identification should be encouraged from every source. Lists of firms which have been identified (not certified) as minorities should be maintained and circulated publicly.

Self-identification can be allowed in this step. The application for publication as a self-identified minority business enterprise should proceed from the office of the Attorney general of the State. The application should be designed to penalize those firms which deliberately mislead or which misrepresent themselves as MBEs.

The certification should be centralized at the Office of Minority Affairs. Certification procedures should satisfy the intent of the law to promote actual involvement of minority firms whose involvement has been minimal.

All applications for certification should proceed from the Office of Minority Affairs.

An entirely new method for certification should be developed. The new method should apply to all state agencies and should be administered by OMA.

Contract approval for a firm to participate on a particular contract as an MBE should be limited to the Office of Minority Affairs. MBEs which have been certified would not be automatically eligible to participate in the 10 percent program.

However, the exclusion from the 10 percent program would not exclude the firm from participation on the contract.

In the case where contract approval is denied, the dollar amount of the firm's contract or subcontract would be allowed in the 90 percent of the contract price, or the contract would provide less than 10 percent MBE participation.

In the latter case, the agency could be required to make up the difference in contracts yet to be awarded.

Thompson elected AAMVA president

Region One of the American Association of Motor Vehicle Administrators (AAMVA) recently elected the D.C. director of Motor Vehicle Services, Robert O. D. Thompson as its new president at its 59th annual meeting.

Thompson will draw on his past 15 years experience in motor vehicle administrative matters to lead the organization for the coming year.

A Navy veteran, he was educated at Prince George's Community College, Largo Md., Northeastern University, Boston, Mass., and Penn State University, Universtiy Park, Penn., with a major in Public Administration and Motor Vehicle Supervision.

Thompson is married to the former Adelaide L Alexander and they live with their two children in Lanham, Md.

Region One of AAMVA is made up of D.C., Maryland, Delaware, New Jersey, Pennsylvania, New York, the New England states, and the Canadian Provinces of Ontario, Quebec, New Brunswick, Nova Scotia and the Price Edward Island.

Pepco files rate increase in Md.

Potomac Electric Power Company asked the Maryland Public Service Commission last week for authority to increase rates 2.9 percent, or $11.6 million.

The request was made under Maryland's "make-whole" regulatory guidelines. The proposed 2.9 percent increase reflects higher costs from November 1979, the end of the test year on which PEPCO's last rate increase was based. That increase totaled 4.5 percent, and was granted April 1980.

"With our programs to hold down operating and construction costs, electricity prices have increased much less than the general rate of inflation," said W. Reid Thompson, chairman of the board and president of PEPCO.

BLACK ECONOMIC DEVELOPMENT

is minorities developing their business skills and talents to help promote a better, more stable economy and community.

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Roland Smith, President

MBDA and Commerce Dept. agree to pool resources

In an effort to provide greater support through more efficient operations for minority small businesses, the Minority Small Business Development of the Department of Commerce and the U.S. Small Business Administration, Region III have signed a joint agreement to pool their resources and programs.

The agreement, that will encourage joint projects between the two agencies thus eliminating duplication was signed by Richard E. Barber, regional administrator of the SBA's Region III and Luis G. Encinias, regional director of MBDA's D.C. Regional Office.

Under the provisions of the agreement designed to make readily available programs of both agencies to help minority small business loans programs, certification of eight (a) small businesses, management assistance and training all will be implemented to provide greater access for minority firms.

The agreement is another step to improve the status of the minority small business program that started in 1968 when seven companies received eight contracts worth $10,493,524. Nationally for the first seven months of the fiscal year a total of 1,353 contracts have been awarded to 702 companies valued at almost $4.5 million.

During the same period in Region III, 927 contracts with 383 companies worth over $2 million have been awarded, and Barber said, "By the end of the fiscal year (September), he forecast that over $4 million in contracts would be awarded in Region III.

Region III covering the states of Pennsylvania, Delaware, Maryland, Virginia, West Virginia, and D.C. has the largest portfolio with 507 companies participating in the program. A comparison with other regions shows California in Region IX the closest with 276 companies listed.

Information for this program should be directed to the assistant regional administrator for Minority Small Business, Small Business Administration, One Bala Cynwyd Plaza, Bala Cynwyd, PA. 19004 or Regional Director, Minority Business Development Agency, 1730 K Street, N.W., Suite 420, Washington, D.C. 20006.

Ronald Chatman named promotions manager

Ronald Patrick Chatman

Ronald Patrick Chatman has been named advertising and promotions manager for 98 Rock-WIYY. He will be responsible for managing the promotional aspects of the station's operations and generating a wider listening audience through creative advertising efforts.

Chatman attended the University of Maryland and the University of Southern Mississippi in Hattiesburg, where he majored in radio, television and film, with a minor in journalism and marketing.

Mt. Pleasant opens Lampstand bookstore

The Lampstand Christian Bookstore founded by the Mt. Pleasant Baptist Church, became a reality last March.

The project which began in November 1979 when the ministry purchased the business, stock and building in the 900 block N. Castle St. included a coordinated effort of volunteers, church and the paid staff of the church.

Grand opening activities were held March 29 and church leaders actively participating in the program were the Rev. Matthew R. Silver and Mrs. Betty Johnson, president of the Women's Convention of United Baptist Missionary Convention.

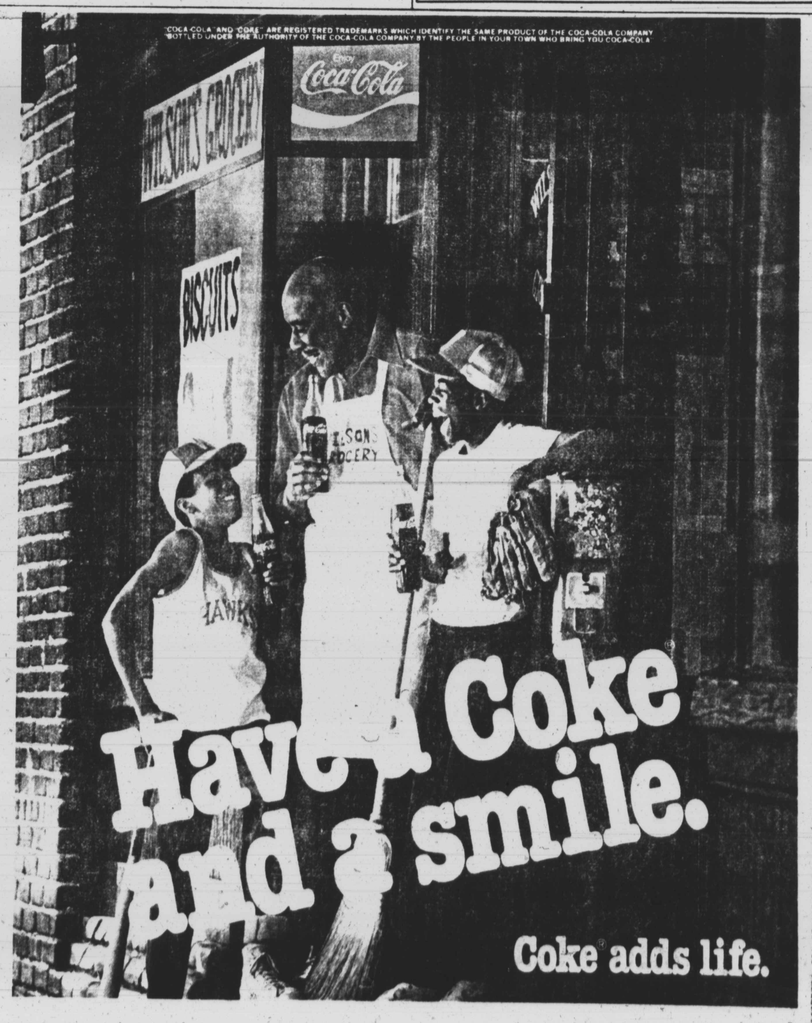
The primary objective of the bookstore is to provide an outreach ministry to all denominations within the church community. The store will supply Christian literature and church supplies to all denominations.

Lampstand Christian Bookstore, Inc. specializes in the sale of Bibles, books, music, pictures, and gifts. Also, included in the stock will be Vacation Bible School and Sunday School literature.

The store is open daily from Monday through Saturday, from 10 a.m. to 6 p.m.

Black businesses at Harborplace

Mr. Crab Queen — Dwight Withers
Southern Style Barbeque — Ben Mercer
Some Like It Hot — Sandy Dotson
Tomlinson Craft Connection — Beverly Brown and Ginny Tomlinson
Remembering You — Dorothy Johnson
Bon Bon Tree — Leslie Carr
Shuckers — Cleveland Washington
Just Burgers — Michael Butler
New Life Yogurt — Bonnie Diggs
Hungan Dazzs Ice Cream — Fred O'Neal
Diggs Plus — Sina Bond
Harborpiece Subs — Jim Smith and Joyce Cole
Something Good — Sheila Brooks
Anna's Fried Dough — Walter Pickett
Shoe Shine — John Bailey
Handcraft and Jewelry — Mary Butler and Alfred Simms



Urban America Housing Report

Investor's guide to real estate

By Mel deRutiedge

When dealing in real estate, the investor must analyse his own resources and goals, as well as the investment. He must be sure that not only will the investment give him what he is looking for, but that he will be able to put into the investment all that is necessary to obtain the best possible results.

A real estate investment will ordinarily provide an investor with tax shelter, a hedge against inflation, or development opportunities. But, usually, a single investment will not serve all possible purposes, so the investor will have to choose an investment on the basis of his own needs.

Capital and staying power

Real estate requires relatively large amounts of capital and staying power. The investor should have sufficient resources to meet these demands and a willingness to take risks.

He or she should also be reasonably sure that his or her resources are sufficient, not merely for the present, but also for future contingencies. We have all heard of investors who could have realized huge profits on a deal if only they had been able to hold out for a little longer.

Investors frequently earn large profits by taking a passive position with respect to a particular project or venture where they have linked their economic strength with the expertise of a real estate professional. But with many real estate investments, the investor expects to take an active role.

Where this is so, it is important for the investor to assess his available time and knowledge. Thus, an investment that required aggressive development or intensive supervision may not be suitable for a busy man unless he expects to work with a real estate professional.

Looking at the property

The apparently practical approach for determining what a property will show really does not work too well. There are too many qualitative variables to permit a meaningful answer.

Instead, the investor should focus his attention on the basic principle that "value equals the present worth of future benefits." The immediate return on a property is important only insofar as it provides a guide to the future benefits. It should not be the sole determining consideration.

The best way to develop a clear picture of the property and its potential is to examine all the principal factors and then integrate them into a meaningful conclusion.

The principal factors that the investor should consider are the following:

LOCATION: This, of course, is of prime importance. The desirability of a particular location is a constantly changing factor, and a judgement as to the present quality of a certain piece of property can be seen as part of an evolutionary pattern.

For example, a fully developed residential neighborhood is probably on a plateau. A moderate income residential neighborhood may be more likely to decline than to improve. A strong retail or office district is likely to continue to improve unless it is challenged by a stronger district.

IMPROVEMENT: An improvement should be judged by other structures of its own type, in relation to its location, and by its rental structure. Certain types of improvements, such as hotels, motels, bowling alleys, restaurants, are not really an improvement of real estate, but part of a business enterprise.

When you buy the property, you, in effect, are buying the business plus real estate. In many cases, if the business does not work out, the existing structures cannot be used for other purposes and must be demolished, if the property is to be put to some other useful purpose.

RENTAL SCHEDULE: The questions that should be considered here are: how competitive is the retail level, where is it headed and what is a stabilized level? One mistake in this area is to assume automatically that the rental level is equal to the rental value. This is not always the case.

The present rental level merely indicates what the present tenant is willing to pay for the premises. Premises rented at a bargain price in a good community have greater rental value than high paying premises in a declining area. Also, a low rent apartment in a fashionable neighborhood will eventually bring more than a currently higher priced unit in a middle-income neighborhood.

EXPENSES: Here, you have to estimate what problems will develop during your ownership. Actual expenses that were incurred by the seller may be less reliable than an informed estimate, since there usually is a wide variance from year to year in such annual expenses as maintenance, insurance and renting. Using a percentage of income formula is also not reliable.

As a building ages, rents are likely to increase, while income is likely to decline because of increased maintenance costs. Your best guide is to make an educated estimate of the future expenses based on the information that is available.

NET INCOME: The free and clear income is the best measure of real value —before a premium or penalty resulting from financing. One area to watch is earnings for the owner's services. The time and effort provided by the owner, as well as the risk, are factors that should be taken into consideration when setting a capitalization rate.

FINANCING: When must the mortgage be refinanced? Will replacement be readily available? How will service costs on the amortised balance compare with current charges? Is it likely that new, increased financing may be available? These are some of the points to consider here.

LEVERAGE: You should know the ratio of equity cash that will be required when you first acquire the property and in the future. The less cash you invest, the better the leverage and the less amount of risk involved. Spreading your capital over several properties will permit the same dollars to control more real estate.

TAX CONSEQUENCES: Low amortization (and higher interest) is great for taxes but not for refinancing. High land values hurt depreciation deductions, but give the best opportunity for growth and stability.

PRICE: It is better to pay a little more for what you want than to pay a little less for something that does not fit your goals.

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Pantry Pride

Eugene Rolls was employed in 1971 as a full time Grocery Clerk. he was promoted to Grocery Manager in February, 1975. Mr. Rolls was selected for the Store Manager Training Program in August 1976. On April 1, 1977 he became a Store Manager which entails complete responsibility for the operations of Pantry Pride Store in the Meadowmin Center.

Jim Knight started working for Pantry Pride in 1959 as a part time porter, he was promoted in 1961 to a Grocery Clerk, in 1963 Mr. Knight was given responsibility of the Grocery Department on the night shift as a Grocery Night Captain. He became a Grocery Manager in 1971, and a Store Manager Trainee in 1972. Jim Knight was promoted to Store Manager in 1973 and has managed two (2) of the Pantry Pride Stores. Presently store manager in th Edmondson Village Shopping Center.

Jim Ransom started working for Pantry Pride in 1969 on parcel pick-up, later that year he became a porter and in 1960 he was promoted to a Grocery Clerk. Jim became a Night Captain in 1962 and a Grocery Manager in 1964. Mr. Ransom became a Store Manager Trainee in 1966 and in 1967 was promoted to a Store Manager. Jim Ransom has worked with the Department of Education with special projects in his store and has been honored with the Mayor's Certificate for his cooperation. Mr. Ransom has managed four (4) Pantry Pride Stores. Presently store manager at Waverly Towers.

EDWARD BROWN was hired by Food Fair Inc. as a part-time cashier in July 1968 at Franklintown and Franklin Sts. Early in 1969 he was transferred toPantry Pride No. 46 in the Edmondson Village Shopping Center, working there as a part-time cashier and grocery clerk. Approximately 3 years later he was transferred to Mondawmin and trained as a part-time office clerk. In 1974 he was given full-time status with the company. He worked at Mondawmin until he was promoted to front end manager, in Westminster, Md. He worked in Westminster until he joined the store manager's training program in January 1978. His store manager's training was completed in November 1978 and he was given his first store in Landover Shopping Center.

AT PANTRY PRIDE

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