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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. form	Travel Information sheet for Michael Schmidt for travel to Detroit, Feb 15 - 17, 1994 (1 page)	nd	b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Michael Schmidt
OA/Box Number: 7342

FOLDER TITLE:

Community Enterprise Board - Workshops, Applications, Programs

2013-0968-S
sb65

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Community Enterprise Board - Workshops, Applications, Programs

EMPOWERMENT ZONE/ENTERPRISE COMMUNITY WORKSHOPS
DETROIT, MICHIGAN
FEBRUARY 16, 1994

AGENDA

7:00 - 8:30 a.m.	**Registration**	
	Room:	**Mackinac Foyer, Level 5**
8:30 - 9:45 a.m.	**Plenary Session: Welcome and Keynote Address**	
	Room:	**Mackinac Ballroom**
	M.C.:	Roy Priest, Director, Office of Economic Development
	Welcome:	Governor John Engler
	Remarks:	Congressman John Conyers, Jr. Congresswoman Barbara Rose Collins Mayor Dennis Archer Senator Donald Riegle
	Keynote:	Henry Cisneros, Secretary, Department of Housing and Urban Development
9:45 - 10:45 a.m.	**Program Overview**	
	Room:	**Mackinac Ballroom**
	Speakers:	Roy Priest, Director, Office of Economic Development Donald Sykes, Department of Health and Human Services Mark Gordon, Deputy Assistant Secretary/Chief of Staff, Community Planning and Development
10:45 - 11:00 a.m.	**Break**	
11:00 - 12:30 p.m.	**General Session: Approaches to Strategic Planning**	
	Room:	**Mackinac Ballroom**
	Moderator:	Roy Priest, Director, Office of Economic Development
	Panelists:	Marya Morris, American Planning Association Monsignor William J. Linder, New Community Corporation, Newark, New Jersey Pat Costigan, Enterprise Foundation Joseph Reid, Department of Human and Economic Development, Athens/Clarke County, Georgia
12:30 - 1:30 p.m.	**Lunch (on your own)** **Brown Bag Discussion on Strategic Planning (optional)**	
	Room:	**Mackinac Ballroom**
1:30 - 2:30 p.m.	**Break-out Sessions**	
	Session A -- Enhancing Human Resources and Public Safety	
	Room:	**Marquette**
	Panelists:	Donald Sykes*, Department of Health and Human Services Robert Pendleton, Department of Labor Stephanie Jones, Department of Education Bill Mercer, Department of Justice

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1:30 - 2:30 p.m. **Break-out Sessions (continued)**

Session B -- Encouraging Business Investment and Entrepreneurship/Promoting Equal Opportunity
Room: **Mackinac Ballroom**
Panelists: Karen Hontz*, Small Business Administration
P. Val Strehlow, Department of the Treasury
Richard Paul, Department of Housing and Urban Development
Ruth Featherstone, Department of Housing and Urban Development

Session C -- Building Community Infrastructure
Room: **Nicolet**
Panelists: Jeanette Harris*, Department of Housing and Urban Development
Paul Fish, Department of Transportation
James Collison, Economic Development Administration
Judy Sparrow, National Telecommunications and Information Administration
Representative of Environmental Protection Agency

Session D -- Financing Affordable Housing
Room: **Duluth**
Panelists: Robert Brown*, Department of Housing and Urban Development
Bill Foster, Federal National Mortgage Association
Jesse Abraham, Federal Home Loan Mortgage Corporation
Marjorie Green, Michigan State Housing Development Authority

Session E -- EZ/EC in Rural Areas
Room: **Joliet**
Panelists: James Trumbell, Department of Agriculture-Farmers Home Administration
Donald Hare, State Director, Farmers Home Administration

2:30 - 2:45 p.m. **Break**

2:45 - 3:45 p.m. **Break-out Sessions (repeated)**

Session A -- Enhancing Human Resources and Public Safety
Room: **Marquette**

Session B -- Encouraging Business Investment and Entrepreneurship/Promoting Equal Opportunity
Room: **Mackinac Ballroom**

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2:45 - 3:45 p.m. **Break-out Sessions (continued)**

Session C -- Building Community Infrastructure
Room: **Nicolet**

Session D -- Financing Affordable Housing
Room: **Duluth**

Session E -- EZ/EC in Rural Areas
Room: **Joliet**

3:45 - 4:00 p.m. **Break**

4:00 - 5:00 p.m. **Technical Session: EZ/EC Application and Eligibility/Questions and Answers**
Room: **Mackinac**
Speakers: Roy Priest, Director, Office of Economic Development
Michael Savage, Deputy Director, Office of Economic Development

* Indicates panel moderator

EMPOWERMENT ZONES, ENTERPRISE COMMUNITIES, AND RURAL DEVELOPMENT INVESTMENT AREAS

Omnibus Budget Reconciliation Act of 1993
Title XIII, Chapter I, Subchapter C, Part I

Enterprise Communities 65 urban, 30 rural

Empowerment Zones 6 urban, 3 rural

Urban

one in a city of less than 500,000
one that includes areas in two States with an area population of up to 50,000

750,000 maximum aggregate population of the six

designated by the Secretary of Housing and Urban Development (HUD)

Rural

designated by the Secretary of Agriculture

Designation period of 10 years, made during 1994-1995

Nomination Process

area is jointly nominated by the local government(s) and the State or States in which it is located

State or States and local government(s) have authority
- to make the nomination
- to provide written assurances the application's strategic plan will be implemented

(an area nominated by an economic development corporation chartered by the State will be treated as nominated by a State and a local government)

Eligibility Criteria

Population of nominated area

Urban

the lesser of 200,000 or the greater of 50,000 or 10 percent of the population of the most populous city located within

		the nominated area
	Rural	30,000
<u>Distress</u>		nominated area is one of pervasive poverty, unemployment, and general distress

<u>Size</u> of nominated area

Urban	not to exceed 20 square miles continuous boundary or up to three noncontiguous areas and located entirely within no more than two contiguous States
Rural	not to exceed 1000 square miles continuous boundary or up to three noncontiguous areas in one State and located entirely within no more than three contiguous States

Excludes any potion of the central business district unless the poverty rate for each population census tract in the district is at or above 35 percent (30 percent in the case of an enterprise community)

<u>Poverty Rate</u> within the nominated area

at or above 20 percent for each population census tract

at or above 25 percent in at least 90 percent of the population census tracts

at or above 35 percent in at least 50 percent of the population census tracts

special treatment of tracts with no population or populations of less than 2000 and limited Secretarial discretionary authority to reduce the threshold

Each noncontiguous parcel of a nominated area must meet the poverty rate requirements

Population and poverty rate are determined by the most recent decennial census data available

Application

... demonstrates that the nominated area satisfies the eligibility criteria

... a strategic plan that

.. describes the coordinated economic, human, community, and physical development plan and related activities proposed for the nominated area

.. describes how the affected community is a full partner in the process of developing and implementing the plan and

.. the extent to which local institutions and organizations contributed to the planning process

.. identifies the amount of State, local and private resources that will be available and the private/public partnerships to be used(includes participation by, and cooperation with, universities, medical centers, and other private and public entities

.. identifies the funding requested under any Federal program in support of the proposed economic, human, community, and physical development and related activities

.. identifies baselines, methods, and benchmarks for measuring the success of the plan, including the extent to which poor persons and families will be empowered to become economically self-sufficient

.. excludes actions to assist relocations of establishments from outside the nominated area into it (anti-pirating)

Designation Factors to Consider

... effectiveness of the strategic plan and the written assurances of plan implementation

... criteria specified by the Secretary

Incentives

Tax-exempt Facility Bonds

... the aggregate amount of outstanding enterprise zone facility bonds allocable to any person cannot exceed $3 million with respect to any one Empowerment Zone or Enterprise Community, or $20 million with respect to all Empowerment Zones and Enterprise Communities

Employment Credit Empowerment Zones only

... employer credit for qualified zone wages paid qualified zone employees determined by applicable percentage (20% for 1994 through 2001, then decreasing annually by 5%)

.. qualified employee is one who works and has principal abode in the Empowerment Zone)

.. excludes Targeted Jobs Credit wages

.. amount of qualified wages that may be taken into account for a calendar year is limited to the first $15,000

Expensing under Sec 179 Empowerment Zones Only

... increased by the lesser of $20,000 or the cost of an enterprise zone businesses qualified zone property placed in service during the taxable year

Grants

Social Services in Empowerment Zones and Enterprise Communities (Increase in Block Grants to States for Social Services, Title XX, Department of Health and Human Services)

Amount Available — $1 billion in social service grants to a State for each designated Empowerment Zones and Enterprise Communities for use in accordance with the Strategic Plan for activities to benefit designated area residents

Enterprise Communities — one grant of up to $2.95 million for each urban and rural designee

Empowerment Zones

Urban	two yearly grants of up to $50 million for each designee
Rural	two yearly grants of up to $20 million for each designee
Grant Uses (examples)	drug and alcohol prevention and treatment program service for pregnant women, mothers and children; training and employing disadvantaged adults and youth in construction and rehabilitation of affordable housing, public infrastructure and community facilities; entrepreneurism and self-employment training; services to promote community and economic development;
Process	grants or contracts between the State and providers

CPD/Office of Economic Development
Empowerment Zone Staff
Room 7134 HUD Building
Washington, D.C. 20410
(202) 708-2035

12/22/93

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES:
The Application Process

Basic Requirements: Nine empowerment zones and 95 enterprise communities will be designated through a nationwide competition. In order to apply, communities must meet certain eligibility criteria regarding size, poverty, unemployment and general distress. They must be nominated by their states and local governments. And, they must submit strategic plans developed with the input of community residents that describe the community's vision for the future and explains how this vision can be implemented.

Designating Secretaries: Secretary Cisneros of the Department of Housing and Urban Development will designate up to 6 urban zones and 65 urban communities. Secretary Espy of the Department of Agriculture will designate up to 3 rural zones and 30 rural communities.

Key Evaluation Principles: The strategic plan will serve as the foundation for community applications, and will be judged on the basis of four key principles: economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change.

Application Forms: Unlike most other federal programs, the empowerment zone and enterprise community application requires very few forms to be filled out. Rather, it encourages communities to identify their own problems and solutions, and to tell the federal government how its resources can be used most effectively to revitalize distressed communities. Communities will be expected to submit strategic plans of their own design, that demonstrate creativity and innovation and outline specific steps on the road to revitalization.

Application Guidance: The application materials released today outline eligibility criteria and the benefits of designation, describe the four key principles and the key selection criteria, outline elements that should be included in community's strategic plans, and explain the application process. In addition, planning guidebooks for both urban and rural areas, issued by the Departments of HUD and Agriculture respectively, provide more detailed guidance on how to prepare strategic plans that encompass the range of concerns communities may wish to address. A separate guide on federal programs offers an extensive listing of federal resources available to help designated zones and communities implement their plans, as well as recommendations from numerous federal departments and agencies on different aspects of strategic planning.

Application Workshops: Throughout February, HUD and USDA will offer a series of 12 workshops across the nation to provide technical assistance for communities that wish to apply. The workshops will offer explanations of eligibility criteria, demonstrations of innovative and creative strategic planning, and discussions with numerous federal officials regarding how their programs can help in the development and implementation of strategic plans.

Application Deadline: Applications must be received by 4:00 p.m. on June 30, 1994.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES
Available Resources

In addition to the $3.5 billion in tax incentives and social service grants authorized in last year's Budget Reconciliation Act, Empowerment Zones and Enterprise Communities (EZ/EC) will have access to additional federal resources of up to $3 billion, plus billions of additional private investment. By going through the process of developing a strategic vision for change and the support of broad-based community partnerships, EZs/ECs will also put themselves in a position to be given consideration for additional federal investments that may total upwards of $3 billion, plus a substantially larger amount of private investment in business expansion, housing and community development. For a complete listing of these programs, see the HUD and USDA Federal resource guidebooks. Examples include:

- **One-Stop Capital Shops:** Up to 12 Small Business Administration (SBA) One-Stop Capital Shops will be located in designated EZs or ECs, with at least three serving rural areas. The Capital Shops will also serve as national and regional capital distribution points for underserved markets, with each shop having the capacity to provide $300-$400 million in private loans and equity investments over five years.

- **Community Development Corporation (CDC) Tax Credit:** EZs and ECs have the opportunity to nominate two local community development corporations to receive an exciting new tax benefit. Up to 20 non-profit CDCs (including eight in rural areas) will be designated by HUD. The program will provide up to $1 million in tax credits for up to $2 million in contributions to a CDC.

- **Fannie Mae:** Fannie Mae has committed to work with EZs and ECs to generate substantial **private** investment for housing and homeownership based on their $1 billion HouseOakland initiative.

- **Community Development Banks:** The President's Community Development Bank and Financial Institutions (CDBFI) legislation, which is pending in Congress, will provide $384 million in equity investments on a matching basis and technical assistance to a network of CDBFIs. This program will leverage approximately $2 billion in public and private investment into low- to moderate-income communities.

- **Community Policing:** The $22 billion crime bill pending in Congress will help put more police officers on the streets to work cooperatively with communities that make a long-term commitment to public safety.

- **HUD Grants:** HUD is proposing to provide up to $1 billion to be used by EZs or ECs. These funds can be used to provide badly needed, new or rehabilitated housing and for Economic Revitalization Grants to help subsidize loan guarantees under the Section 108 Loan Guarantee program and other projects to spur economic development.

- **USDA Grants:** USDA is proposing to provide $400 million to designated rural EZs and ECs over the next four years. The funding will be available for housing and community facilities, business development, and water and waste systems.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES: Program Overview

The Empowerment Zones (EZ) and Enterprise Community (EC) program is designed to empower people and communities all across the nation by inspiring Americans to work together to create jobs and opportunity. The Federal government will designate up to 9 EZs and 95 ECs that meet certain poverty and distress criteria and that prepare creative strategic plans for revitalization. (See Application Process Handout for more details).

Key Principles: Four key principles will guide the application and selection process:

- **Economic Opportunity.** Creating jobs within the community, attracting private investment, and expanding access for residents to jobs throughout the region is a first priority to enabling residents to become self-sufficient and communities to revitalize.

- **Sustainable Community Development.** Sustainable economic development can only be successful when part of a coordinated and comprehensive strategy that includes physical and human development, for example, safe streets, clean air and water, lifelong learning and a commitment to personal, family and civic responsibility.

- **Community-Based Partnerships.** A strategic plan for revitalization should start with broad participation of the entire community, including community residents, community groups, private and non-profit sectors, educational and religious institutions and local and state governments.

- **Strategic Vision for Change.** A vision for change is not a laundry list of concerns, shortcomings, and deficits. It is a vision that describes what the community will become -- e.g. a center for emerging technologies, a key export center for farm products. It is also a strategic map that builds on assets and coordinates a response to the needs of the community by integrating economic, physical, human, and other strategies.

Overcoming Federal Barriers: A primary goal of this initiative is to renew the commitment to cooperation among the federal, state and local governments. The Community Enterprise Board will work with all communities that have submitted a strategic plan for change -- even if they are not designated as an EZ or EC -- to overcome programmatic, regulatory, and statutory impediments and encourage more effective economic, human, physical environmental and community development strategies.

Tax Incentives: The legislation included approximately $2.5 billion in new tax incentives. ECs are eligible for new tax-exempt facility bonds for certain private business activities. Businesses located in EZs will also be afforded an employer wage credit of up to $3000 per year per employee for wages and training expenses for employees who are zone residents. And zone businesses will be afforded additional Section 179 expensing deductions of up to $20,000 (for an annual total of up to $37,500). In addition, although not limited to EZs or ECs, individual investors are eligible for a 50% exclusion of capital gains for investments in

certain small businesses. And, corporate and individual investors may now defer the gain on the sale of publicly traded securities by reinvesting the proceeds in a Specialized Small Business Investment Company (SSBIC) -- an SBA-licensed venture capital firm that provides equity investment and loans to socially and economically disadvantaged businesses.

Social Services Block Grants: The legislation included $1 billion in flexible social services block grant (SSBG) funds that can be used to promote economic self-sufficiency and reduce dependency. ECs will receive approximately $3 million in SSBG funds for approved activities identified in their strategic plans. In EZs, designated areas will receive up to $40 million for each rural zone and up to $100 million for each urban zone for approved activities identified in their strategic plans.

Private-Sector Investment: Designated EZs and ECs will have a range of tools available to maximize the flow of private capital and investment to their nominated areas. Fannie Mae, for example, has committed to work with EZs and ECs to generate substantial investments for housing and homeownership. Other new initiatives -- such as the President's Community Development Banking and Financial Institutions Bill, the SSBIC rollover provision, and new, proposed Community Reinvestment Act regulations that focus on actual lending and investment in low-income communities -- should also result in substantial new credit investment in underserved communities.

One Stop Capital Shops: The Small Business Administration (SBA) has committed to targeting some of its considerable lending and community development tools to small and minority businesses in distressed communities and underserved markets. Up to 12 One-Stop Capital Shops will be located in designated EZs or ECs, with at least three serving rural areas. The Capital Shops will also serve as national and regional capital distribution points for underserved markets, with each shop having the capacity to provide $300-400 million in private loans and equity investments over 5 years.

Additional Federal Programs: On September 9, 1993, the President issued a Presidential memorandum creating the Community Enterprise Board and directing 13 agency members of the Board to identify existing programs that further the goals of the EZ/EC initiative and make resources available from those programs for use by EZs and ECs in implementing their strategic plans. Included in the application materials is a menu of programs, including Community Policing and National Service, for which EZs and ECs may receive consideration and technical assistance.

National Challenge to the Private Sector in Each Region: With the EZ/EC application process, and the tools listed above, local communities and governments have a unique opportunity to build strategic alliances with the private sector in their region. Many of the tools, such as the SSBIC rollover, One Stop Capital Shops, and CRA Reform, offer positive incentives to the private sector to get involved. The EZ/EC initiative is a national challenge to all sectors to come together to realize a strategic vision for community revitalization.

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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

TRAVEL INFORMATION

Name of Traveler Michael T. Schmidt **SS #:** [redacted] (b)(6)

Destination: Detroit, MI

Desire to Depart (approx) Feb 15 (Date) 7:00 pm (Time)

Desire to Return (approx) Feb 17 (Date) 6:00 pm (Time)

Leave from: Wash Natl X Dullas____ BWI____

Return to: Wash Natl X Dullas____ BWI____

Forward/Aisle____ Forward Window X Other________

Row 9 - Seat F

11 19 - F [illegible] 2/F

Rental Car Needed? Yes X No____

Desire Lodging Reservations at: Westin Renaissance Center

conf # 189CFG

(313) 568-8000

From: Feb 15 (Date) **To** Feb 17 (Date) (2 nights 15th & 16th)

Purpose of TDY Attend Urban Empowerment Zone Workshop

Approved by Carol? ✓ or Forwarding for approval now:____ (Please attach background info)

==

Travel Authorization #____________ **Dated:**____________

Per Diem L: 80 **MI&E** 38 = 118.00

[illegible] 71 + [illegible] - Confirmation 189CFG

Car $______ Natl Rental
[illegible] day 52.00

NW 239
2/15 DE: 7 30p. AR. 9.07

NW 1131
2/17 DE: 7 [illegible] AR. 8.28

2 nights @ 80 = 160.00
3 days @ 38 = 114.00
374.

To Carol - 2-1-94
To Gordon - 2-3-94

HERTZ Ford tempo
conf 881118383983

AGENCY CONTACTS FOR EMPOWERMENT ZONE/ENTERPRISE COMMUNITIES TECHNICAL ASSISTANCE CONFERENCE

NAMES		AGENCY	PHONE #	FAX #
PETER NECHELES	-	AG	720-4581	720-2080
JERRY BRITTEN	-	HHS	690-8774	690-8252
LARRY PARKS	-	COMMERCE	482-5061	482-2693
BRENDAN DOYLE	-	EPA	260-2693	260-2685
BILL MERCER	-	JUSTICE	514-4137	514-8639
ED JURITH	-	ONDCP	395-6709	395-6708
DAVE STRASBERG	-	SBA	205-6657	205-7230
FRED WILLIAMS	-	TRANSP	366-1696	366-7116
SAUL PARKER	-	LABOR	219-8668 [illegible]	219-5455
JUDY WURTZEL	-	ED	401-3389	401-3095
VAL STREALOH	-	TREASURY	622-0869	622-9260
KEN REINFELD	-	INTERIOR	208-4950	208-4976
BOB SAHADI	-	FNMA	752-3300	752-4230
JOHN GIBBONS	-	FREDDIE MAC	703/903-3315	703/903-2755
Mark Gordon	-	HUD		[illegible]-3336

FYI

CHERYL CASHIN	-	NEC	456-6410	456-2223
PAUL DIAMOND	-	NEC	456-7604	456-2223
KUMIKI GIBSON	-	VP	456-7020	456-6425

Paul Weinstein - DPC 456-7028

Brent Mundt - contractor (301) 773-4495

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

MEMORANDUM

To: **Members of Work Group for the Empowerment Zones Initiative Technical Assistance Workshops**

From: **Peter Necheles**

Subject: **Rural Workshops**

Date: **January 25, 1994**

Attached is a draft version of USDA's agenda. Please note that the structure is very similar to HUD's except for the session in the afternoon on technical assistance.

We would like information from each agency on what your needs are for the afternoon session. Ideally, each agency will have a total of 1 hour for presentations in a breakout room as well as having a booth in a larger area. The agency could conduct 4 - 15min. sessions or 3 - 20min. sessions, etc. I understand that some agencies may require longer periods of time -- SBA has stated that it needs to have solid 1 hour sessions; we may provide for 2 separate 1 hour sessions given the complicated nature of the SBA initiative.

We would also like to determine who will participate at each session and what type of space and supplies are needed.

Please provide these items to Beverly Gillot by the close of business on Wednesday, January 26, 1994. Her fax number is 202-690-126[illegible]

Also attached is a list of the sites for the rural sessions. We are gathering material on the available hotels and maps for each of the areas and will provide that material shortly.

As always, please call me with any questions or comments. Thanks for your help.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES
USDA Technical Assistance Workshops

7:00 Registration table opens

8:00 Plenary Session

Welcome, Introduction and Keynote address (1hr)

Workshop overview (15 min.)

Vision and overview of the Program (30 min.)

9:45 Break

10:00 Substance of the Program

Application Process (1 hr)

Title XX SSBG Program (20 min.)

Questions and Answer Session (40 min.)

12:00 Lunch

1:30 Specific Information on Federal and State Programs and on Technical Assistance

<u>In the breakout rooms for 50 people:</u>

Rooms A+B	Federal Agency Breakout (Agencies change every 30 min.; each agency is provide opportunity to conduct 2 presentations)
Room C	Eligibility and Certification
Room D	Partnerships, coordination, linkage & community development
Room E	Strategic Planning at the grassroots level

<u>In the large room for 500 people:</u>

Resource fair with tables set up by each federal agency, state government, private and not for-profit groups, universities and foundations

4:00 Conclusion to the Session

Wrap up of the event

Further questions and answers

DRAFT 1/25/94

EMPOWERMENT ZONE/ENTERPRISE COMMUNITY WORKSHOPS

*February 3, 1994 - Chicago
Chicago Westin
909 North Michigan Avenue
Chicago, IL 60611
(312) 943-7200

*February 7, 1994 - Washington
Sheraton Hotel and Towers
1400 6th Avenue
Seattle, WA 98101
(206) 621-9000

Rural

**February 8, 1994 - West Virginia
Charleston Civic Center
200 Civic Center Drive
Charleston, WV 25301
(304) 345-1500

Rural

**February 9, 1994 - North Carolina
Robeson Community College
A.D. Lewis Auditorium
Lumberton, NC 28359
(919) 738-7101

Rural

*/**February 11, 1994 - Texas
Holiday Inn Civic Center "Holidome"
200 West Expressway 83
McAllen, TX 78501
(210) 686-2471

Rural

**February 14, 1994 - Mississippi
Washington County Convention Center
S. Raceway Road
Greenville, MS 38701
(601) 332-0488

*February 16, 1994 - Michigan
Westin Renaissance Center
Jefferson Avenue and Brush Street
Detroit, MI 48243
(313) 568-8000

**February 17, 1994 - New Mexico
New Mexico Highlands University
Student Center Ballroom
Las Vegas, NM 87701
(505) 454-3590

Rural

*February 18, 1994 - New York
Omni Park Central
870 7th Avenue
New York, NY 10019
(212) 247-8000

*/**February 23, 1994 - Georgia
Westin Peachtree Plaza
210 Peachtree Street
Atlanta, GA 30303
(404) 659-1400

*February 25, 1994 - California
Westin Bonaventure
404 S. Figueroast
Los Angeles, CA 90071
(213) 624-1000

*/**February 28, 1994 - Missouri
Hyatt Regency Crown Center
2345 McGee Street
Kansas City, MO 64108
(816) 421-1234

* HUD - sponsored
** USDA - sponsored
*/** Joint HUD/USDA - sponsored

May be a workshop sponsored by HUD in Cleveland, Ohio — Date + Place to be announced at a later date —

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL # of pages ▶ 1

To Peter Nicholas	From RDA
Dept./Agency	Phone #
Fax # 202-720-2080	Fax # 806-894-0340

URBAN EMPOWERMENT ZONE/ENTERPRISE COMMUNITY WORKSHOPS

REGISTRATION FORM FOR URBAN CONFERENCES

The Department of Housing and Urban Development (HUD) is pleased to announce a series of workshops on Empowerment Zones and Enterprise Communities.

Join HUD staff, economic development professionals, and community planners for a day-long session. The workshops are designed to answer your questions about:

- Who may apply for EZ/EC status
- The benefits of participating in the program
- How to apply for designation
- Preparation of a strategic plan
- Effective utilization of Federal resources

This is a 1-day meeting. Registration begins at 7:30 a.m. The workshop starts at 9:00 a.m. and ends approximately 5:00 p.m.

You must register by fax or mail. We regret that we cannot accept telephone registrations.

Fax to: URBAN
HUD, Office of CPD
(202) 828-7092

Mail to: Urban EZ/EC Conference Office
1225 19th Street NW., 5th Floor
Washington, DC 20036

For information: (202) 828-7034

A limited number of guest rooms are available at a workshop rate. Please contact the hotel directly. Some hotels may also have government rate rooms available to qualified guests.

Additional dates and cities may be announced at a later date.

URBAN EMPOWERMENT ZONE/ENTERPRISE COMMUNITY WORKSHOPS

Locations and Dates

February 3, 1994
Chicago Westin
909 North Michigan Avenue
Chicago, IL 60611
(312) 943-7200

February 7, 1994
Sheraton Hotel and Towers
1400 6th Avenue
Seattle, WA 98101
(206) 621-9000

February 9, 1994
Cleveland Convention Center (Meeting)
50 Lakeside Avenue
Cleveland, OH 44114
(216) 348-2211

Sheraton Cleveland City Centre (Hotel)
777 St. Clair Avenue
Cleveland, OH 44114
(216) 771-7600

February 16, 1994
Westin Renaissance Center
Jefferson Avenue and Brush Street
Detroit, MI 48243
(313) 568-8000

February 18, 1994
Omni Park Central
870 7th Avenue
New York, NY 10019
(212) 247-8000

February 23, 1994
Westin Peachtree Plaza
210 Peachtree Plaza
Atlanta, GA 30303
(404) 659-1400

February 25, 1994
Westin Bonaventure
404 S. Figueroa Street
Los Angeles, CA 90071
(213) 624-1000

February 28, 1994
Hyatt Regency Crown Center
2345 McGee Street
Kansas City, MO 64108
(816) 421-1234

Note: Rural EZ/EC workshops are being scheduled by the Department of Agriculture for the following locations: Charleston, WV (February 8), Lumberton, NC (February 9), McAllen, TX (February 11), Greenville, MS (February 14), and Las Vegas, NM (February 17). For information call (806) 894-0336.

Mr.
Ms.____________________

Title/Position____________________

Agency Name____________________

Street Address____________________

City__________ State__________ ZIP__________

Phone Number__________ Fax Number__________

❑ **Please check here if you are a person with disabilities or require special services. Send written description of needs at least one week prior to the session you plan to attend.**

Check The Session That You Will Attend

❑ **Chicago, IL**	**February 3**
❑ **Seattle, WA**	**February 7**
❑ **Cleveland, OH**	**February 9**
❑ **Detroit, MI**	**February 16**
❑ **New York, NY**	**February 18**
❑ **Atlanta, GA**	**February 23**
❑ **Los Angeles, CA**	**February 25**
❑ **Kansas City, MO**	**February 28**

THE WHITE HOUSE

WASHINGTON

January 26, 1994

MEMORANDUM FOR MARK GORDON
PETER NECHELES

FROM: Paul Weinstein

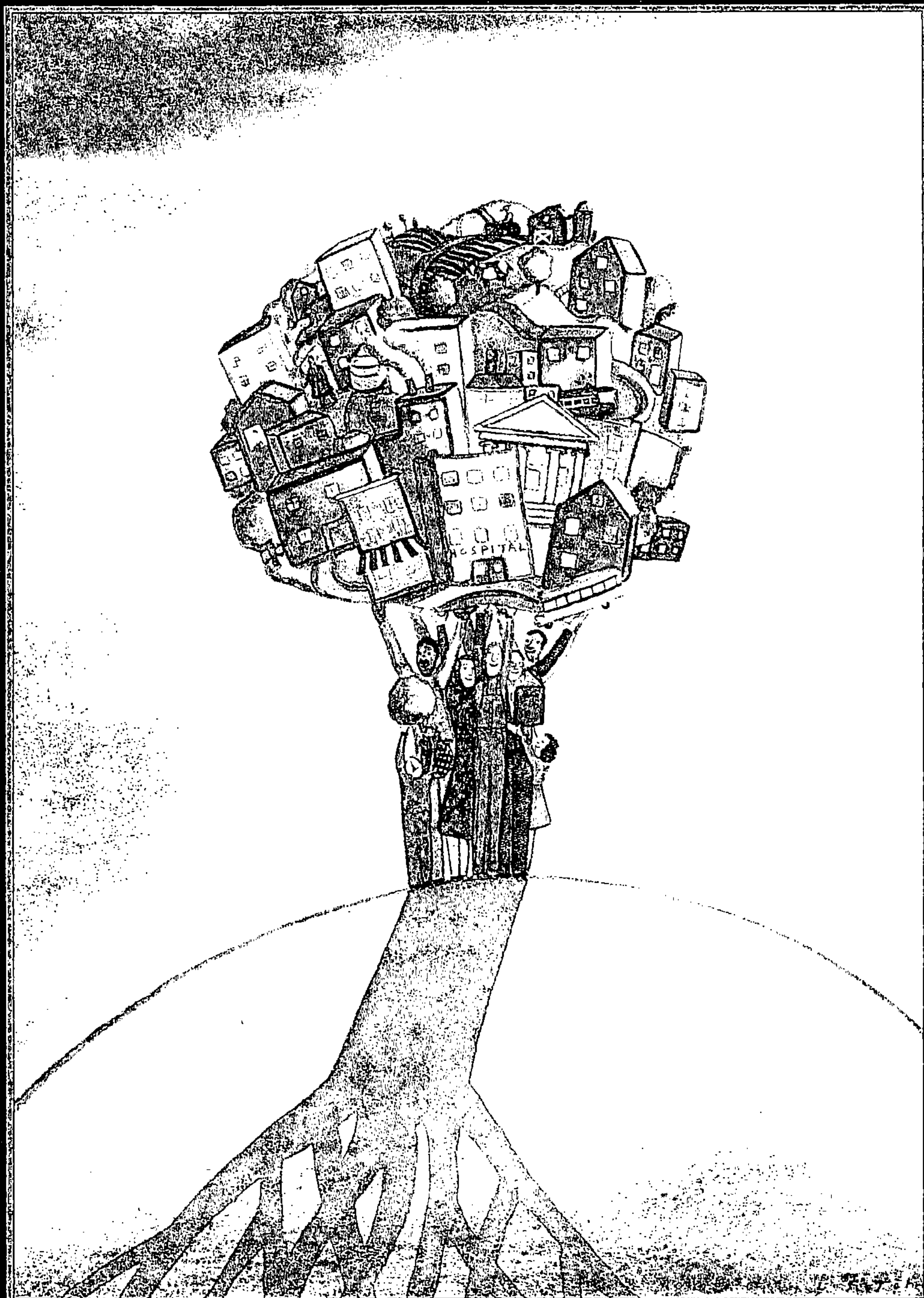
SUBJECT: Empowerment Zone/Enterprise Community Workshops

The following is a list of White House staff who will be attending the EZ/EC workshops:

Mike Savage - HUD

Chicago, Illinois	February 3	Sheryll Cashin (NEC) Kumiki Gibson (OVP) Jose Cerda (DPC)
Seattle, Washington	February 7	Steve Warnath (DPC)
Charleston, W.VA.	February 8	Paul Weinstein (DPC)
Lumberton, N.C.	February 9	Kathi Way (DPC)
McAllen, Texas	February 11	Marion Berry (DPC)
Greenville, MS.	February 14	Carol Rasco (DPC)
Detroit, Michigan	February 16	Paul Dimond (NEC) Mike Schmidt (DPC) (VP, Kumiki ??)
Las Vegas, New Mexico	February 17	Sheryll Cashin (NEC) Donsia Strong (NEC)
New York, N.Y.	February 18	Paul Weinstein (DPC) Elaine Kamarck (OVP)
Atlanta, Georgia	February 23	Paul Dimond (NEC) Suzan Johnson Cook (DPC)
Los Angeles, CA.	February 25	Kumiki Gibson (OVP) Brian Burke (DPC)
Kansas City, MO.	February 28	Kathi Way (DPC)

EMPOWERMENT
ZONES
& ENTERPRISE
COMMUNITIES
APPLICATION
GUIDE



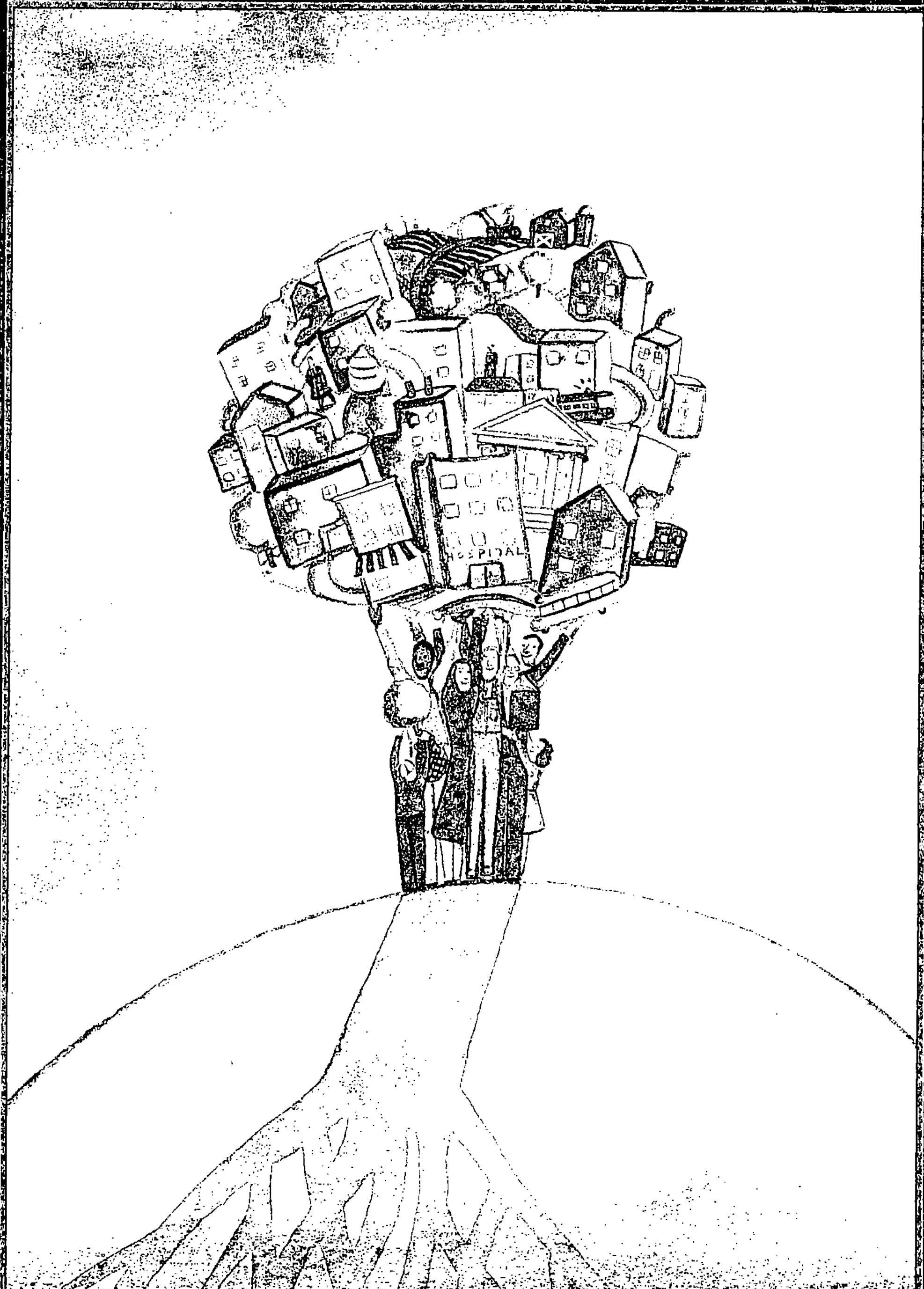
BUILDING COMMUNITIES: TOGETHER

THE PRESIDENT'S COMMUNITY ENTERPRISE BOARD

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

U.S. DEPARTMENT OF AGRICULTURE

APPLICATION FORMS



APPLICATION FORMS FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

BUILDING COMMUNITIES: TOGETHER

THE PRESIDENT'S COMMUNITY ENTERPRISE BOARD

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

U.S. DEPARTMENT OF AGRICULTURE

PRESIDENT CLINTON ANNOUNCES AVAILABILITY OF APPLICATIONS FOR EMPOWERMENT ZONE AND ENTERPRISE COMMUNITY PROGRAM

The State Dining Room
Monday, January 17, 1993
12:00 PM

President Clinton will announce the availability of applications for Empowerment Zone and Enterprise Community designation today in an address to business leaders from around the country in the State Dining Room. Detailed information about the Empowerment Zone and Enterprise Community Program is attached.

Also attending the empowerment zone announcement today will be the Vice President, Henry Cisneros, Secretary of the Department of Housing and Urban Development, Mike Espy, Secretary of the Department of Agriculture and Richard Riley, Secretary of Department of Education.

The President will be introduced by Arland Smith, a 21-year-old man from Newark, New Jersey, who is a single parent raising a 11-month-old son.

Also today, on the anniversary of the birthday of Martin Luther King, Jr., President Clinton will deliver a speech at Howard University and sign an executive order on fair housing.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES:
Program Overview

The Empowerment Zones (EZ) and Enterprise Community (EC) program is designed to empower people and communities all across the nation by inspiring Americans to work together to create jobs and opportunity. The Federal government will designate up to 9 EZs and 95 ECs that meet certain poverty and distress criteria and that prepare creative strategic plans for revitalization. (See Application Process Handout for more details).

Key Principles: Four key principles will guide the application and selection process:

- **Economic Opportunity**. Creating jobs within the community, attracting private investment, and expanding access for residents to jobs throughout the region is a first priority to enabling residents to become self-sufficient and communities to revitalize.

- **Sustainable Community Development**. Sustainable economic development can only be successful when part of a coordinated and comprehensive strategy that includes physical and human development, for example, safe streets, clean air and water, lifelong learning and a commitment to personal, family and civic responsibility.

- **Community-Based Partnerships**. A strategic plan for revitalization should start with broad participation of the entire community, including community residents, community groups, private and non-profit sectors, educational and religious institutions and local and state governments.

- **Strategic Vision for Change**. A vision for change is not a laundry list of concerns, shortcomings, and deficits. It is a vision that describes what the community will become -- e.g. a center for emerging technologies, a key export center for farm products. It is also a strategic map that builds on assets and coordinates a response to the needs of the community by integrating economic, physical, human, and other strategies.

Overcoming Federal Barriers: A primary goal of this initiative is to renew the commitment to cooperation among the federal, state and local governments. The Community Enterprise Board will work with all communities that have submitted a strategic plan for change -- even if they are not designated as an EZ or EC -- to overcome programmatic, regulatory, and statutory impediments and encourage more effective economic, human, physical environmental and community development strategies.

Tax Incentives: The legislation included approximately $2.5 billion in new tax incentives. ECs are eligible for new tax-exempt facility bonds for certain private business activities. Businesses located in EZs will also be afforded an employer wage credit of up to $3000 per year per employee for wages and training expenses for employees who are zone residents. And zone businesses will be afforded additional Section 179 expensing deductions of up to $20,000 (for an annual total of up to $37,500). In addition, although not limited to EZs or ECs, individual investors are eligible for a 50% exclusion of capital gains for investments in

certain small businesses. And, corporate and individual investors may now defer the gain on the sale of publicly traded securities by reinvesting the proceeds in a Specialized Small Business Investment Company (SSBIC) -- an SBA-licensed venture capital firm that provides equity investment and loans to socially and economically disadvantaged businesses.

Social Services Block Grants: The legislation included $1 billion in flexible social services block grant (SSBG) funds that can be used to promote economic self-sufficiency and reduce dependency. ECs will receive approximately $3 million in SSBG funds for approved activities identified in their strategic plans. In EZs, designated areas will receive up to $40 million for each rural zone and up to $100 million for each urban zone for approved activities identified in their strategic plans.

Private-Sector Investment: Designated EZs and ECs will have a range of tools available to maximize the flow of private capital and investment to their nominated areas. Fannie Mae, for example, has committed to work with EZs and ECs to generate substantial investments for housing and homeownership. Other new initiatives -- such as the President's Community Development Banking and Financial Institutions Bill, the SSBIC rollover provision, and new, proposed Community Reinvestment Act regulations that focus on actual lending and investment in low-income communities -- should also result in substantial new credit investment in underserved communities.

One Stop Capital Shops: The Small Business Administration (SBA) has committed to targeting some of its considerable lending and community development tools to small and minority businesses in distressed communities and underserved markets. Up to 12 One-Stop Capital Shops will be located in designated EZs or ECs, with at least three serving rural areas. The Capital Shops will also serve as national and regional capital distribution points for underserved markets, with each shop having the capacity to provide $300-400 million in private loans and equity investments over 5 years.

Additional Federal Programs: On September 9, 1993, the President issued a Presidential memorandum creating the Community Enterprise Board and directing 13 agency members of the Board to identify existing programs that further the goals of the EZ/EC initiative and make resources available from those programs for use by EZs and ECs in implementing their strategic plans. Included in the application materials is a menu of programs, including Community Policing and National Service, for which EZs and ECs may receive consideration and technical assistance.

National Challenge to the Private Sector in Each Region: With the EZ/EC application process, and the tools listed above, local communities and governments have a unique opportunity to build strategic alliances with the private sector in their region. Many of the tools, such as the SSBIC rollover, One Stop Capital Shops, and CRA Reform, offer positive incentives to the private sector to get involved. The EZ/EC initiative is a national challenge to all sectors to come together to realize a strategic vision for community revitalization.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES
Available Resources

In addition to the $3.5 billion in tax incentives and social service grants authorized in last year's Budget Reconciliation Act, Empowerment Zones and Enterprise Communities (EZ/EC) will have access to additional federal resources of up to $3 billion and billions of additional private investment. By going through the process of developing a strategic vision for change and the support of broad-based community partnerships, EZs/ECs will also put themselves in a position to be given consideration for additional federal investments that may total upwards of $3 billion, plus a substantially larger amount of private investment in business expansion, housing and community development. For a complete listing of these programs, see the HUD and USDA Federal resource guidebooks. Examples include:

- **One-Stop Capital Shops:** Up to 12 Small Business Administration (SBA) One-Stop Capital Shops will be located in designated EZs or ECs, with at least three serving rural areas. The Capital Shops will also serve as national and regional capital distribution points for underserved markets, with each shop having the capacity to provide $300-$400 million in private loans and equity investments over five years.

- **Community Development Corporation (CDC) Tax Credit:** EZs and ECs have the opportunity to nominate two local community development corporations to receive an exciting new tax benefit. Up to 20 non-profit CDCs (including eight in rural areas) will be designated by HUD. The program will provide up to $1 million in tax credits for up to $2 million in contributions to a CDC.

- **Fannie Mae:** Fannie Mae has committed to work with EZs and ECs to generate substantial **private** investment for housing and homeownership based on their $1 billion HouseOakland initiative.

- **Community Development Banks:** The President's Community Development Bank and Financial Institutions (CDBFI) legislation, which is pending in Congress, will provide $384 million in equity investments on a matching basis and technical assistance to a network of CDBFIs. This program will leverage approximately $2 billion in public and private investment into low- to moderate-income communities.

- **Community Policing:** The $22 billion crime bill pending in Congress will help put more police officers on the streets to work cooperatively with communities that make a long-term commitment to public safety.

- **HUD Grants:** HUD is proposing to provide up to $1 billion to be used by EZs or ECs. These funds can be used to provide badly needed, new or rehabilitated housing and for Economic Revitalization Grants to help subsidize loan guarantees under the Section 108 Loan Guarantee program and other projects to spur economic development.

- **USDA Grants:** USDA is proposing to provide $400 million to designated rural EZs and ECs over the next four years. The funding will be available for housing and community facilities, business development, and water and waste systems.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES:
The Application Process

Basic Requirements: Nine empowerment zones and 95 enterprise communities will be designated through a nationwide competition. In order to apply, communities must meet certain eligibility criteria regarding size, poverty, unemployment and general distress. They must be nominated by their states and local governments. And, they must submit strategic plans developed with the input of community residents that describe the community's vision for the future and explains how this vision can be implemented.

Designating Secretaries: Secretary Cisneros of the Department of Housing and Urban Development will designate up to 6 urban zones and 65 urban communities. Secretary Espy of the Department of Agriculture will designate up to 3 rural zones and 30 rural communities.

Key Evaluation Principles: The strategic plan will serve as the foundation for community applications, and will be judged on the basis of four key principles: economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change.

Application Forms: Unlike most other federal programs, the empowerment zone and enterprise community application requires very few forms to be filled out. Rather, it encourages communities to identify their own problems and solutions, and to tell the federal government how its resources can be used most effectively to revitalize distressed communities. Communities will be expected to submit strategic plans of their own design, that demonstrate creativity and innovation and outline specific steps on the road to revitalization.

Application Guidance: The application materials released today outline eligibility criteria and the benefits of designation, describe the four key principles and the key selection criteria, outline elements that should be included in community's strategic plans, and explain the application process. In addition, planning guidebooks for both urban and rural areas, issued by the Departments of HUD and Agriculture respectively, provide more detailed guidance on how to prepare strategic plans that encompass the range of concerns communities may wish to address. A separate guide on federal programs offers an extensive listing of federal resources available to help designated zones and communities implement their plans, as well as recommendations from numerous federal departments and agencies on different aspects of strategic planning.

Application Workshops: Throughout February, HUD and USDA will offer a series of 12 workshops across the nation to provide technical assistance for communities that wish to apply. The workshops will offer explanations of eligibility criteria, demonstrations of innovative and creative strategic planning, and discussions with numerous federal officials regarding how their programs can help in the development and implementation of strategic plans.

Application Deadline: Applications must be received by 4:00 p.m. on June 30, 1994.

COMMENTS FROM AROUND THE COUNTRY ABOUT THE EMPOWERMENT ZONE APPLICATION PROCESS

Excerpts from "Betting on the Future of St. Louis," by E. Lance McCarthy, St. Louis Post-Dispatch, June 15, 1994

"Despite the low odds of winning, the planning process will have positive results. For St. Louis, a city that responds to projects instead of developing a strategic long-range plan, the benefits are enormous."

"The comprehensive process of the St. Louis plan reveals how many great programs exist and how many dedicated residents serve the city. The plan has included an executive committee, led by the mayor, focusing on business development and human capital, social services, public safety and community development and community outreach, in which citizens participate."

"The process demanded the commitment of more than 300 people. These participants are motivated by the belief that the metropolitan region can realize its full economic and social potential when the most disadvantaged are given the opportunity to change - through their own actions - the impoverished conditions of their lives."

"Some thought these conditions would be solved immediately when the city's first African-American mayor, Freeman Bosley, Jr., took office a year ago. But there was no plan. The empowerment zone offer the opportunity to create that plan."

"Throughout the process, the community has voiced its needs, goals and solutions. Those solutions include job development, leadership training, recreation for youth, housing rehab, revolving loan programs and one-stop shops to deliver social and economic services."

"... the Empower St. Louis Initiative is a teachable moment that will mark St. Louis as a winner, that will include the disenfranchised and that will unite a network of citizens who care about the future of our city. We must structure a plan for economic growth, led by technology and manufacturing, with community input and equity."

Excerpts from "Project Empowers Spirit of City Unity," by Vivian Toy, The Detroit News, June 12, 1994

"A preliminary draft of Detroit's application for a federal empowerment zone focuses on family and the workforce and promises unprecedented cooperation among Detroit businesses and community organizations."

"The process has spurred a continuing effort to raise millions of dollars in commitments for area businesses from investment in some of the city's poorest neighborhoods."

"'It's a rare day when you have the Big Three auto giants sitting down at the same table with neighborhood leaders to talk about turning things around in Detroit,' said Arthur Carter, a Detroit public schools administrator and a co-chair of the education and training task force. 'It's been an invaluable learning experience for everyone.'"

"Still, coordinating council members say unlikely alliances formed. One coordinating council member said it took intensive arm twisting to get corporate support for some lofty ideas."

"Said G. Patrick Thompson [task force member], 'The business and financial community have been willing to listen to us, and that's a major departure. They really wrote us off for 20 years.'"

"The coordinating council met two or three times a week to collate task-force suggestions. They often emerged bleary-eyed after five or six hours of haggling and sometime heated arguments over priorities and commitment."

"'We don't always agree, but the one thing we do is stay at the table until we do agree,' said Gloria Robinson, city planning director and council co-chair."

"A universal goal throughout has been bringing services to people, and into communities. 'It had to be a bottom-up approach, where we developed program around people and their needs,' said Marvin Petty, a coordinating council member."

"Even if Detroit is passed over. council members say, the process moved Detroit closer to renewal."

"The process is going to go forward whether we get the federal dollars or not," [John] Slater said. For once, we just all got together and dreamed, and now that we know what needs to be done, we're going to make sure it happens."

"'An effective, comprehensive well-managed . . . system is the mainstay of a thriving economy,' [Al Martin, director of the Detroit Department of Transportation] said."

Excerpts from "City Among Hundreds in Competition for Six $100 Million Federal Grants," by Tim O'Brien, St. Louis Post-Dispatch, May 26, 1994

"The Kinloch Community Involvement Committee will get help with the applications from several government and community agencies, including the St. Louis County Economic Council, The Urban League of Metropolitan St. Louis, and the Preventative Partnership Program - a program to prevent alcohol and other drug abuse."

"St. Louis County Economic Council official Claude Louishomme said the city needs to organize a campaign to bring business bask into the community."

"'The key to this grant application is the opportunity presented to Kinloch to form a holistic plan to address its major program areas,' said Louishomme.

Excerpts from "Planning Effort A Model for the City," by Thomas J. Lenz, Chicago Tribune, May 23, 1994

"The just-concluded process for determining the configuration of Chicago's proposal for the federal empowerment zone program is proof that neighborhood-based planning is alive an well in the Windy City."

"As a member of the coordinating council appointed by Mayor Daley to oversee the process, I approached the task with some ambivalence. While the stakes were high ($100 million in new HUD funds plus millions more from existing federal programs), Chicago had never before attempted participatory planning on this scale."

"Could the numerous and, at times, fractitious community groups produce quality plans in the short time frame set by the federal government? Could the city design and adhere to a bottom-up process in keeping with the empowerment zone program's goal?"

"The answer to both questions, I am happy to say, has been an unqualified 'yes.' With less than two months lead time, literally hundreds of community organizations came up with dozens of blueprints for neighborhood renewal. The 33 plans submitted to the coordinating council were remarkable in two ways."

"First, they displayed a profound commitment to neighborhood -level collaboration. On numerous occasions, formerly antagonistic groups put their differences aside to build a common vision and plan for their community."

"Second, the plans were brimming with good 'doable' ideas on linking Chicago's disadvantaged residents with jobs, housing and services. For example, a number of proposals suggested using the CTA's Green Line reconstruction as a catalyst for generating retail, industrial and housing development adjacent to the new stations."

"This surplus of promising ideas and partnerships made the inevitable winnowing process extremely difficult. It also illustrates that the media's constant focus on Chicago's very real neighborhood problems masks significant physical and human assets in these same communities. Linking these neighborhood leaders with resources necessary to act on their plans must be a priority in the future."

"Finally, the mayor and his staff, particularly Planning and Development Department head Valerie Jarrett, are to be credited with creating a model locally driven planning process. As a veteran of several citizen advisory groups over the years, I had expected to plan a largely reactive role. Instead, the city took the empowerment zone program's goals to heart and vested the neighborhood groups and the coordinating council with the authority necessary to develop the plan."

"In many respects, however, Chicago is already a winner. The empowerment zone process is a strong statement that meaningful city government-neighborhood planning can work in Chicago."

Excerpts from "Cities Compete for Cash in 'Olympics'-like Fever/Billions in Federal 'Empowerment' Grants, Tax Breaks at Stake," by Maria Puente, USA Today, May 23, 1994

"The Clinton administration also is putting a high value on the 'bottom-up' approach, in which neighborhoods and grass-roots organizations have a major say in picking zones and deciding what to do with them."

"St. Louis, Mo., for instance, plans to hold more than 50 public meetings before submitting its plan."

"'As a result, cities are developing an entirely new approach to redevelopment, a more holistic approach that's going to benefit even those cities that don't win. We'll never go back to the old way," [Louisville Mayor Jerry] Abramson says.

"'The [Clinton] approach has much more positive potential because the key is the combinations of dollars and flexibility,' says Jim Gibson, senior associate at the liberal Urban Institute think tank in Washington. 'The government is responding to local strategies rather than (ordering) program configuration.'"

Excerpts from "Cities Unite To Boost Chances for Grants," by Mary Helen Berg, Los Angeles Time, May 22, 1994

"Southeast cities have united on two fronts to form an economic development coalition to attack social problems in the area. Leaders in eight cities have voted during the past month to form a nonprofit community development corporation that they hope will help give the region clout, making the area more eligible and more attractive to public and private funding groups. In addition, six cities have creaed a consortium to apply for joint designation as a federal Enterprise Community..."

"The projects 'create some joint vision on the region in terms of identifying needs and solving the area's problems,' said George Cole, a Bell councilman and founding member of the development
corporation."

Excerpts from "The Cities Are Lining Up To Get Empowerment Zones," by Neal Pierce, Philadelphia Inquirer, May 16, 1994 (Also in Houston Chronicle)

"The real story, however, is about a different politics: the Clintonites' strategy to get cities and counties to tap the will to revitalize even their poorest communities, and to evoke new city and regional alliances to support those neighborhoods."

"It is not the Jack Kemp vision of enterprise zones - throw out a bunch of tax incentives and see how many businesses then want to set up shop in graffiti-smeared, crime-plagued areas. Nor is it Lady Bountiful liberalism - show how you can spend Washington's money."

"Instead, Washington is challenging applicant communities to show buy-in from a broad range of partners - grass-roots community groups, local governments, health and social service agencies, environmental organizations, churches, businesses, universities."

"Some places seem truly to grasp the spirit and potential of the new deal the feds are offering. Consider the example of America's most ravished great city, in the nation's most segregated region - Detroit. With the bait of empowerment zone designation, and anxious to bolster freshmen Mayor Dennis Archer, the big institutions of the Detroit region have produced a startling set of initiatives."

"A consortium of lead universities - Wayne State, Michigan State and the University of Michigan - have agreed to focus resources of multiple departments, including their schools of business development, urban studies and architecture, on Detroit's zone, and to keep up the effort whether Detroit "wins" in the competition or not."

Leading Detroit foundations, including Kresge and Hudson-Webber, have put together a $10 million fund to provide operating assistance to community-based organizations."

"Detroit Renaissance - the chief executives of the region's 50 largest businesses, inlcuding GM, Chrysler and Ford - are launching a community development bank somewhat akin to Chicago's fames South Shore Bank, aiming for almost $50 million in capitalization."

"None of Washington's reinvented, user-friendly ways of running the zone competition means picking the winners won't be contentious. The process could also encounter huge snags when the federal departments begin waiving regulations that hamper local governments in the zones."

"But for now, the competition reminds us that every metropolitan area has all the resources it needs to revive its depressed neighborhoods - if it will only mobilize them. Just a dozen or two cities emulating Detroit's verve in building new coalitions to combat poverty and inner-city depression would justify the whole effort."

Excerpts from "Plan Would Revitalize Areas Along Blue Hill Ave.," by Adrian Walker, The Boston Globe, May 9, 1994

"The steering committee writing the plan included community activists, business activists, and local and state elected officials. [Linda] Haar [the coordinator of the project] said she believes one of the strengths of the city's proposal is the broad coalition working to formulate it. Several other cities competing for the funds are expected to rely heavily on outside consultants to formulate their proposals."

"'If it's the community plan, the community is invested,' Haar said. 'If a consultant give you a plan, how do you sustain it? How does the city sustain it? I think we're way ahead of the game in that regard.'"

"'I think right now we have a good comprehensive outline of how to approach the needs of the communities in the empowerment zone,' said Howard Lebowitz, the director of intergovernmental relations. 'What's needed now is to fill in the details."

"Haar said the empowerment zone differs from other urban renewal programs because it brings together a wider array of programs that affect economic development, job training, capital and social services."

"'Instead of programs that throw money at people, we're saying no none of those models, individually, can work,' Haar said. 'You really need to bring combined resources to bear.'"

Excerpts from "Phoenix Business Urged to Empower Zone," by John DeWitt, Arizona Business Gazette, April 21, 1994

"Phoenix businesses should jump into the planning process for empowerment zones, designed to create jobs, the effort's leaders say. The result, they say, could be receiving $100 million in federal funds in a 20-square-mile areas of central and south Phoenix and substantial tax breaks for businesses that locate in the zone."

"Alfredo Guttierrez who is chairman of the 42-member city Commission on the Empowerment Zone, says the zone does not have to be another big-government welfare program."

"'This idea this time is that the traditional program - Model Cities, CETA, etc. - that have been around since the War on Poverty started in '63 didn't work in terms of saving inner cities or creating new jobs and long-term economic development,' said Mr. Gutierrez, a former state senator who now runs the political consulting firm of Jamieson and Gutierrez."

"'The challenge is to create something that sustains itself and that generates permanent jobs,' he said."

Excerpts from "Dade Scrambles to Win Empowerment Zone," by Tony Pugh and Dexter Filkins, Miami Herald, March 13, 1994.

"Just when it seemed like everyone had given up on America's ghettos, the federal government is poised to launch one of its biggest assaults in recent memory. Metropolitan Miami may be a prime beneficiary."

"The Clinton people tout their program as an ambitious departure from the failed anti-poverty programs of the past. Is it? 'If they really concentrate on one area, I think they could accomplish a lot,' said Nilsa Velazquez, who heads a childcare center in Wynwood. 'That money will make a big difference.'"

"Yet even as Metro-Dade scrambles to capture one of the prizes, there's a nagging sense that after so many dashed expectations, it might be best not to hope for too much."

"'I am for the Empowerment Zones, and I want Overtown to be included,' said Metro Commission Chairman Arthur Teele. 'But no government program has ever changed the physical conditions of the place. You are not going to see a lot of difference.'"

"Bud Kanitz, executive director of the National Neighborhood Coalition, an information clearinghouse on national policies and low-income neighborhoods, said Empowerment Zones are a break with the failures of the past."

"'It's a comprehensive approach that's far better than the proposals made by previous administrations,' Kanitz said."

"The focus on public and private investment working together differentiates Empowerment Zones from past attempts to attack inner-city poverty, some experts say."

"James Button [a professor of political science at the University of Florida] says the ideas of encouraging private investment with tax incentives -- coupled with the public money to train residents -- has not been tried extensively. 'The public-private venture is one worth trying,' Button said."

Excerpts from "Daley Urges Unity to Get $100 million for Poverty Fight," Chicago Tribune, February 17, 1994

"Mayor Richard Daley walked a political tightrope Wednesday in urging more than 200 community leaders to join together to draft a plan for an assault on inner-city poverty in Chicago."

"On the one hand, he was embracing a new-style, grassroots, cooperative approach for addressing urban ills. He was offering to 'work hand-in-hand' with neighborhood activists in preparing the anti-poverty plan for submission to federal officials by June 30."

"But on the other hand, he couldn't help himself at times from falling back into old-style City Hall ways and telling the assembled leaders what he wanted their plan to include."

"The application process itself is difficult. A city has to come up with a plan that will attack poverty in a coordinated way on a number of fronts and will continue once the federal funds run out. In addition, a city has to show that the plan has come from the community, rather than City Hall."

"It was that requirement in mind that Daley said Wednesday:
'Our application. . . has to live and breathe with the hope and dreams of the people it will help so that the people in Washington, D.C., reviewing it can feel our fervor and share our enthusiasm.'

'It is critically important that community groups, local business owners, church leaders and people drive the process. . . . All of you know much better than the bureaucracy in Washington, D.C., what will work in the communities.'"

SELECTED NEGATIVE COMMENTS

Excerpts from "Empowerment Zones; Fed Program Creates Skepticism, Confusion," by Karen Rothmyer, Newsday, May 10, 1994

""Unfortunately, [Angelo] Falcon says, 'the empowerment zone program forces poor areas to compete with each other rather than developing strategies that are useful for all.' This certainly has been the case in New York. With a cap on the proposed zone's population set at 200,000 - whereas a population of at least twice that lives in the areas - boundary lines are the fiercest point of contention."

Excerpts from "L.A. Communities Vie For $100 Million in Federal Funding," by Robert Lopez, Los Angeles Times, March 13, 1994

"A multimillion-dollar federal empowerment zone that would promote economic development in Los Angeles will likely be carved into several portions, and communities across the city are already jockeying for their piece."

"No matter how it [empowerment zone] is carved up, the 20-square-mile zone will still exclude an overwhelming majority of the eligible areas covering 80 square miles in Los Angeles. And as a May 15 deadline approaches for the City Council to prepare a draft report on which communities will benefit, the battles among competing interests have begun."

"'Hopefully, it won't get too ugly,' said Reynold Blight, director of state enterprise zone programs for the city's Community Development Department."

"'We're all fighting for this piece of pie, and I don't know if there is enough money to satisfy us all,' said Richard Marshall, a member of the Community Advisory Council to the 9th Council District in South-Central."

Excerpts from "A Federally Funded Empowerment Zone is Good News For L.A., But Its Limited Size Will Exclude Many Needy Areas," Los Angeles Times, November 7, 1993

"There is just one problem: The zone can only be 20 square miles with no more than 200,000 residents, assuring that many needy areas will be left out and forcing city officials to make difficult choices in determining which area will receive the federal assistance."

"'It becomes tough to pick such a small areas when there are so many needing help,' said Reynold Blight, director of enterprise zone programs for the Los Angeles Community Development Department, the city agency that will run the federal empowerment zone program."

"'It does create a situation where you have a bunch of people fighting over it. I know my group wants a piece for sure,' said Ezekiel Mobley, executive director of the Central City South Association of Commerce and Industry, a consortium of about 50 businesses near USC that incorporated in September in part to lobby for the zone benefits."