MEMORANDUM

TO: Lisa Green
Jonathan Kaplan
National Economic Council

FROM: Seth Harris
Steve Heyman
U.S. Department of Labor

DATE: September 21, 1999

SUBJECT: Potential Sites and Cities for a New Markets Tour II
U.S. Department of Labor Programs

As you requested, this memorandum summarizes the Department of Labor's proposals for the President's second New Markets tour. Each of these events could be scheduled in conjunction with a second tour this Fall, or could be treated as separate events.

NEWARK, NJ

Theme: Challenging America's Sports Teams to Invest in Local Communities (Youth Opportunities, Welfare-to-Work and Livability)

Site: Possibilities include new location (one of three possible) for the New Jersey Nets' new arena in Newark

Summary: Under the leadership of New Jersey Nets owner, Ray Chambers, the Nets are proposing to relocate from the Meadowlands to Newark, in a limited partnership arrangement through which a portion of the profits from the new arena will be placed in a public fund for the local community which would be used to fund local workforce development and affordable housing efforts. This non-profit foundation, the Amelior Foundation, is a role model for the rest of the athletic community. Of particular note is Chambers' efforts in the area of job training for young people in Newark.

Private Sector Participation: New Jersey Nets; New York Yankees; Los Angeles Dodgers; Prudential Insurance (exploring others)

Event: The President, Secretary Herman (and other Cabinet, as appropriate) join Nets owner Ray Chambers, players for the New Jersey Nets and other

New York area athletes and business leaders for an announcement of a major financial investment and partnership effort to revitalize inner-city Newark, creating jobs for local Welfare-to-Work clients and out-of-school youth and youthful offenders. During the President's visit to Watts in July, among the announcements he made was that the Los Angeles Dodgers' organization would hold a job fair. In addition, several past and present professional athletes (Magic Johnson and Keyshaun Johnson) announced their participation in the New Markets initiative as part of DOL's Youth Opportunity Movement. This announcement would expanding on these commitments by building on DOL's outreach efforts to major sports associations (i.e., the NFL, Major League Baseball and the NBA) that began prior to the first New Markets tour.

DENVER, CO

Theme: Jobs are the Best Solution to the Challenges of Out of School Youth (related to President's Initiative to Prevent Youth Violence)

Site: Manual High School
1700 E. 28th Street
Denver

Summary: On July 8, 1999, President Clinton launched the Youth Opportunity Movement as part of the first New Markets tour. This event would build on that announcement but would enable the President to focus on a major Western city that has a strong economy and a very diverse population. A visit to Colorado would also enable the President to tie New Markets to reducing youth violence.

Private Sector Participation: U.S. West; Denver Chamber of Commerce (potential)

Event: The President, Secretary Herman and business leaders visit Manual High School, taking a tour of the school's Technology Lab, where vocational students will demonstrate one of the many programs and tutorials available on computer work stations, such as a flight simulator program. Joined by Mayor Wellington Webb, local businessman Rollie Heath, additional businesses that pledge commitments and young people from the high school and other local out-of-school youth programs including a new Youth Opportunity program.

DETROIT, MI

Theme: Investing in America's Manufacturing Base -- Training New Workers for a New Century (Welfare-to-Work and Youth Opportunities)

Location: Arbor Career Center
1500 Southfield Freeway
Detroit

Summary: Detroit is enjoying an economic renaissance. Businesses are relocating back in downtown Detroit and major manufacturing is strong. A visit to Detroit would enable the President to announce major new private sector participation in the Youth Opportunities program that was awarded to Detroit earlier this year.

Secretary Herman is already scheduled to address the Detroit Economic Club on November 15, 1999 to discuss the Youth Opportunity Movement. Any of these announcements could be made either during a Presidential visit or during the Secretary's speech.

Private Sector Participation: Ford, Daimler-Chrysler, EDS, CVS, (all confirmed); General Motors (possible)

Event: The President, the Secretary, area CEOs from the big three automakers and UAW leaders tour this highly rated One Stop Career Center, announcing linkages between Michigan's Welfare-to-Work program and Detroit's new Youth Opportunity grant to major area employers. Announcements of participation by the Big Three, plus companies such as EDS, would be made.

MINNEAPOLIS, MN

Theme: Welfare-to-Work: Employing Non-Custodial Fathers and Native Americans

Site: TBD (NOTE: This event could be held anywhere based upon DPC and WtW Partnership recommendations)

Summary: The Welfare-to-Work Partnership launched by President Clinton and Eli Segal is one the best examples of the private sector committing to hire workers from under served workers. Building on the thousands of corporate commitments, the President, Secretary and business leaders could announce new levels of commitments to train and hire former welfare recipients.

Event: We understand that the Domestic Policy Council has submitted proposals from the WtW partnership. Given the large urban Native American population in the Twin Cities, the President and Secretary Herman would tour a welfare-to-Work program in the Twin Cities connected with the American Indian Partnership and announce new commitments for hiring and training of former welfare recipients by companies across the nation.

Private Sector Participation: Cerdian, Honeywell, 3M (possible)

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

DATE: September 21, 1999

TO: Gene Sperling, NEC
Jon Kaplan, NEC
Lisa Green, NEC

FROM: Betsy Kim, New Markets Director

SUBJECT: SBA Proposals for Second POTUS New Markets Tour

CC: Fred Hochberg
Kris Swedin
Mike Schattman
Michele Kreiss

I. DULUTH, MINNESOTA

A. Theme: Venture capital investments in technology campus to revitalize depressed economy.

B. Deliverable: **President to attend and announce grand opening of Soft Center Duluth, a $33 million innovative technology campus housed in a 200,000 square foot advanced technology facility.**

C. Background

Northeastern Minnesota is a rural region historically dependent on iron mining and timbering for its economic base. In the early 1980s, when the iron mining industry was permanently restructured and downsized, the region went from a 3% unemployment rate to pockets of 100% unemployment, and an overnight loss of 25% of its gross regional product.

After a few years of suffering from the devastating effects of this downturn, the citizens of the region, public and private, mobilized a remarkable revitalization effort. One strategy was to pursue a policy of diversification, partly through home-owned and home-grown businesses. Out of that strategy came Northeast Ventures, a community development venture capital fund. Northeast Ventures has invested about $10 million over the last ten years in a number of growth businesses, including Cirrus Industries, which manufactures the first new airplane in almost 50 years, and Van Technologies, an environmentally friendly industrial coatings company.

Northeast Ventures has formed a partnership with Soft Center through which Northeast Ventures will make venture capital investments in appropriate Information Technology companies that will be located in Soft Center.

Northeast Ventures is committed to the President's New Markets Initiative, and intends to form a New Markets Venture Capital Fund under the New Markets Venture Capital Companies (NMVC) program, if enacted.

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D. Soft Center Duluth

Soft Center Duluth, founded in 1998 and the first of its kind in the United States, is an innovative technology campus housed in a 200,000 square foot advanced technology facility, funded for $33 million through public and private investment. It harnesses educational institutions, government resources and private industry to benefit businesses that locate in the facility and northeastern Minnesota.

Its primary strategy is to develop a comprehensive technology village, based in Duluth, that integrates superior education, recruitment, infrastructure and resources with an international network to develop a world class software development and electronic commerce industry. This effort will serve as an increasingly powerful engine for economic development across northeastern Minnesota.

Soft Center Duluth has changed the nature of how these entities can work together by:

- Providing an innovative office campus environment for doing business on a global scale;
- Providing training and retraining, recruitment, state-of-the-art infrastructure, investment and funding packages, space planning and social services;
- Providing advanced facilities, extensive programming and engineering talent, and a large concentration of financial, including venture capital, and support services to help companies grow.

- On June 9, 1999, Soft Center Duluth received the prestigious 1999 Global Bangemann IT Challenge award in the Best New Structure worldwide category from the King of Sweden in a ceremony at Nobel Hall in Stockholm. It was the only U.S. nominee in the category, and was chosen from among 700 projects worldwide.

- **Construction is underway and grand opening can occur the first week of November, 1999.**

- Soft Center Duluth is a powerful new system based on a thirteen-year-old Swedish model where 100 businesses, employing 1,000 people, are co-located with 1,500 software students.

- Soft Center Duluth offers many benefits for growing established companies:
  * Provides a new option for locating and growing businesses, nationally and internationally
  * Is close to source of skilled labor, including programmers and engineers (seven universities and colleges, plus valuable recruitment data base)
  * Is in close proximity to a network of economic and business development resources
  * Has an automatic link to a global network of Soft Centers and Technology Campuses with access to global marketing, sales and distribution channels
  * Duluth is a high-demand location in terms of a lower cost of doing business and high quality of living

E. Soft Center Duluth was developed by local government, economic development and university leaders as a large-scale effort to revitalize the region's economic base, and is expected to generate hundred of new jobs.

II. BOSTON (Lawrence)

A. Event: Opening of first fully bilingual (English/Spanish) Business Information Center (BIC) in the country in Lawrence, MA. BICs provide small business owners with access to state-of-the-art computer hardware and software to help entrepreneurs plan or expand their business. BICs also provide on-site counseling by the Service Corps of Retired Executives, who lend their expertise and knowledge for those starting or growing a small business.

The Lawrence BIC will be run by a director and program manager who will both be bi-cultural and bilingual, and will feature such services as Windows 2000 in Spanish, SBA materials translated into Spanish, Spanish-speaking volunteers, etc.

B. Deliverable: TBD (possible announcement of bank commitments for a $1 million microloan pool focusing in low and moderate-income areas)

C. Lawrence is an old mill town that has recently experienced an influx of immigrants, largely of Hispanic origin. It is one of the poorest cities in northeast Massachusetts. 90% of the activities of the new Business Information Center will be New Markets type activities.

D. SBA has been working closely with Senator Kerry's office on this venture. The Business Information Center is a public-private effort, with support from Bank Boston, City of Lawrence, The United Methodist Church, Catholic Charities, Merrimack Valley Chamber of Commerce and various Hispanic organizations.

III. PHILADELPHIA

A. Event: Economic Development Tour focusing on public/private partnership to increase credit, capital and technical assistance to small businesses in inner city communities.

B. Deliverable: TBD

C. Proposed sites:

1. **Universal Companies** – project to revitalize the Greater South Philadelphia area through a "holistic" community development approach. Funding sources include federal grants and private investments.

    a. Their objectives over the next 5-7 years are:
    - Replace more than 600 vacant and dilapidated buildings with renovated/newly constructed homes
    - Create more than 1,000 new jobs through the development of new business and relocation of industry to the area
    - Increase skill level of community residents through vocational,

academic and life skills training

- Become a major participant in the construction trade while raising the skill level of minority workers and contractors
- Provide better education for the children in the community
- Identify and implement a social service needs strategy for the community

b. Universal has established a number of institutions to accomplish these goals, which will represent approximately $130 million in development and program activity over the next 5 years. These institutions include Universal Community Homes (real estate development), Universal Workforce Development Center (job training), Universal Business Support Center, Universal Institute Charter School (K-8 school focusing on math, science and technology), and Martin Luther King Opportunity & Resource Center (social service center).

c. This project is already well on its way, with 400 new homes built, recent opening of K-3 Charter School, and recent opening of the Universal Business Support Center. Universal is an SBA microlender and a participant in SBA's Prequalification Program.

d. The Chairman of Universal Companies is Kenneth Gamble, a former Motown recording star (some of his hits include "Wake Up Everybody," "Family Reunion," "Give the People What They Want" and "Love Train") and former Chief Executive of Philadelphia International Records. In March 1999, he was awarded a Grammy lifetime achievement award.

2. **Enterprise Center of West Philadelphia a/k/a the Ronald Brown Enterprise Center** (named after the late Secretary of Commerce Ronald Brown) – founded in 1989 with the support of the Wharton Small Business Development Center, the Enterprise Center has pioneered the first complete entrepreneurial program, recruiting youngsters and giving them the skills to become tomorrow's entrepreneurs. The Center provides the resources, expertise and commitment to transform a high school student with a great business idea into a Fortune 500 industry leader. They are headquartered in the first new television studio built in America and the original home of Dick Clark's "American Bandstand."

   Della Clark is President of the Enterprise Center. During her seven year tenure, she has grown the center from 6 to 30 businesses creating 371 jobs. The National Business Incubation Association recognized the Enterprise Center with the 1999 "Incubator of the Year" award.

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

PRESIDENTIAL VISIT FOR THE NEW MARKET TOUR

Northern Florida

Theme: Development of new crops and new markets for fresh vegetables; increasing incomes for black farmers in an area in which between 11% and 25% of the population live in poverty with per-capita incomes of less than $12,000.

BACKGROUND:

The number of black farmers in this country has steadily declined, even more rapidly than the trend for all farmers. In 1919 there were one million black farmers who owned 15 million acres of land. By 1998 that number was down to fewer than 20,000 owning about two million acres. At the same time the farmer's share of the consumers food dollar had shrunk from 37 cents in 1980 to 23 cents in 1998. One reason is for the decline is consumers who increasingly want convenient, quick, ready to eat products. **Small scale farmers do not have the access to the processing and packaging equipment to give consumers exactly what they want. As a result income has been shifting away from farmers toward companies that process, package, and market food the way consumers wish to buy it.** The New North Florida Cooperative is successfully providing small scale farmers with processing and packaging equipment.

A group of 15 small scale producers with limited resources, limited land, limited marketing skills and opportunities formed the New North Florida Cooperative and put their own sweat equity to work to increase their incomes through innovative marketing of fresh greens to local schools. The Food Service Director and Registered Dietician for one school and a local employee of USDA's Natural Resource Conservation Service recognized the importance of fresh vegetables in the feeding programs of local schools and were instrumental in **the first delivery of 3,000 pounds of fresh produce to 15 schools that daily feed about 7,000 children, about 80% of whom receive free or reduced price meals through the national School Breakfast and school lunch programs. New North florida continues to work with Jackson County schools through Aramark Food service, a private management firm the district has retained.**

The children were quite enthused with the taste and texture of the fruits and vegetables, for some of the younger children it was the first experience with fresh produce. Subsequently, the schools noticed increases in participation in the school feeding programs. The Gasden County schools now contract for the delivery of strawberries, watermelons, turnip and collard greens, cabbage, blackberries and grapes. Other school districts are now purchasing from the Cooperative. While the cooperative cannot meet the demand for all produce, school districts are showing some preference for that provided by the Cooperative because of the freshness.

The success of the New North Florida Cooperative is highlighted by the story of one farmer who before joining the cooperative was farming 15 acres of land generating little or no net income. He has now reduced his production to 3 acres and had a net income of $5,000 for the first year of production. Every farmer participating in the cooperative has realized increases in net income of 25% to 60%.

FUNDING INFORMATION:

The only financial assistance received to-date is a loan from a local bank to buy a new cutting/chopping machine and a refrigerator storage system. This site would provide an excellent opportunity for the President to encourage additional investment in value added agricultural production, particularly among minority producers.

Technical Assistance has been provided by many sources including, Florida A&M University, an 1890 institution, USDA's Natural Resource Conservation Service, and Agricultural Marketing Service, the West Florida Resource Conservation and Development Council, and the Jackson County Development Council, the non-profit organization that is instrumental in the Jackson County Enterprise Community.

SITE VISIT SCENARIO:

The President would have the opportunity to meet with the farmers in fields, turnip and collard greens will be in production even in early November; meet and eat with children in the schools where the produce is delivered, and visit the processing and packaging shed where the vegetables are prepared for delivery. This is an excellent opportunity to show the importance of how a little investment can generate significant direct and ancillary benefits. It is also a good opportunity for Secretary Glickman to positively demonstrate USDA direct involvement with black farmers.

Location:

Northern Florida, just outside of Tallahassee.

Contact:

Dr. Bobby R. Phills
Dean and Director, Land Grant Programs
College of Engineering Sciences, Technology and Agriculture
217 Perry Paige Bldg.
850-561-2644

USDA

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

PRESIDENTIAL VISIT FOR THE NEW MARKETS TOUR

Fresno, California

Hmong/African American and Hispanic Farmers

Theme: New products/New Markets/Transition from public assistance to self-sufficiency–With University, Federal and County government, private sector, and foundation assistance a group of minority farmers developing the opportunity to market their own fresh vegetables, enhancing their livelihood, and becoming self-sufficient.

BACKGROUND:

California's Central Valley is one of the most agriculturally productive areas in the world, producing 250 crops worth more than $13 billion annually. More than 70% of the farmers producing crops on this land are ethnic-minority tenant farmers. A small portion of the African American farmers own their land.

Hmong:

Approximately 100,000 Hmong live in Fesno and Merced County and about 600 Hmong families farm more than 3,500 acres ranging from 0.5 to 20 acres of leased property. These farmers produce nearly 100 speciality crops including strawberries, green beans, cherry tomatoes, Japanese eggplant, bitter melon, bok choy, daikon, lemon grass and other varieties of Asian vegetables. All crops are labor intensive.

About 60 to 70% of the population still receive public assistance. The Hmong have traditionally viewed agriculture as a vehicle to economic self-sufficiency, and many of them have used agriculture to move from public assistance to self-sufficiency. Speaking little or no English has limited their ability to negotiate good prices for their products and they have typically marketed their produce individually with cash brokers which has not always been the best method. This has also been characteristic of the Hispanic farmers. **The Hmong have not only penetrated local markets, the Highlander Cooperative has recently begun exports to Canada.**

There is little information available on the increases in production and increased incomes, but it is evident to those providing assistance that both have increased significantly.

Work with African American farmers, many of whom own their land and with Hispanic farmers in the same area is not as advanced as with the Hmong. However, the African American producers have expanded market opportunities from local roadside stands to marketing at special events in Oakland, Sacramento, and Los Angeles. Developing new markets for these producers had significantly increased the value of these products. Work with the Hispanic producers in Fresno County is just being initiated and is modeled on other successful efforts in Tulare County. **Production and incomes have increased. Specific information relative to increase in value of the agricultural production and increases in income for individual participants is not available at the moment, but will be in advance of the trip.**

FUNDING INFORMATION USDA AND OTHER SOURCES

The following highlights the only financial and technical assistance provided the Hmong. Work with the African American and Hispanic farmers is in the initial stages, but based on previous experience with Hispanic farmers in other counties in California, these efforts will also be very successful.

The Center for Cooperatives at the University of California which receives cooperative development grants from USDA Rural Development assisted the Hmong in forming a cooperative to improve their marketing efforts. Rural Development has also provided 3 small Rural Business Enterprise Grants, ranging from $45,000 to $60,000 to assist in the feasibility studies, development of marketing strategies, and business plans; the USDA Farm Services Agency assisted by making operating loans; the USDA Natural Resource Conservation Service started a series of classes in financial management and farming practices such as the best use of fertilizers and pesticides; and the USDA Risk Management Agency provided grants to develop a series of evening classes on a wide range of subjects.

The Fresno County Economic Opportunities Commission- a micro-enterprise development programs financed 380 farmers and scores of small business owners.

Sarbian Farms entered into arrangement with the cooperative to pack and ship daikon under the Hmong American Community label which has increased the price to between $8 and $11 per 45 pound box from $4 to $6 per box. Sarbian Farms trained about 90 farmers in packaging and marketing their produce, and insuring quality control which leads to more consistent sales.

Pacific Gas and Electric donated $10,000 for computer software and $40,000 for project assistance. State Farm Insurance donated furniture and computers of a multi-cultural center and has provided funding to support the cooperative staff. Union Bank has provided $500,000 in loans at the prime rate to individual farmers. Oxford Committee on Family Relief (OXFAM) provided $25,000 to help get the farming project started and $43,000 in relief after the Easter 1999 freeze that damaged many crops.

SITE VISIT SCENARIO

The President would have the opportunity to visit the USDA National Center for Excellence and

Multi-Ethnic Small Farm and Community development through which much of the assistance to minority farmers is now provided. This is one of five such centers in the country.

Even though the trip will be in early November, the President could have the opportunity to visit with minority farmers in crop fields and packing facilities both of which would be a good site for a speech and press coverage providing an example of how the public and private sectors have worked together to assist individual previously receiving public assistance are making the transition to self-sufficiency through the production of products for growing new markets for produce consumed by Asian residents and the introduction of these products to other consumers.

Location:

Merced and Fresno County, California

Contact Information:

Dr. Sharon Nance, Rural Sociologists, NRCS, Fresno California 559-252-2192
Karen Spatz, Center for Cooperatives, University of California

USDA

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

PRESIDENTIAL VISIT FOR THE NEW MARKET TOUR

Longmont, Colorado, about 35 minutes from Denver International Airport. A showcase wheat farm nearby.

Theme: Value-added agricultural production. Farmers increasing the value of their production through investment in processing facilities that utilize their product which is particularly important in this period of historically low commodity prices.

BACKGROUND:

Mountain View Harvest is a cooperatively owned bakery purchased from an existing private owner by 225 cooperative members-producers. The bakery has annual sales of $15 million utilizing wheat grown by 225 cooperative member-producers and is currently examining options to expand operations. The $15 million in sales from the bakery increases the value of the wheat of the members. The bakery employs between 125 and 150, primarily Hispanic employees, with good wages. Primary supplier of Quizmo's submarine sandwich outlets. Each share holder is obligated to deliver 900 bushels of wheat annually. The bakery is one of their first value-added efforts and demand is exceeding production capacity. Consequently they are looking to expand the bakery operation and are also examining the feasibility of a livestock cooperative.

FUNDING INFORMATION: USDA AND OTHER SOURCES

The Rocky Mountain Cooperative Center assisted producers form the cooperative receives grant funds to assist in the development of cooperatives. The bakery was purchased through the sale of $5 million in stock by the member producers. The value of the stock has already increased from $12,00 to $15,000 per share.

SITE VISIT SCENARIO

The President could tour the bakery with member-owners and there is a possibility of visiting a showcase wheat farm nearby. The visit would also be a good opportunity to visit with the Hispanic employees of the bakery whom would not have had employment had the bakery not been purchased by the cooperative.

Location:

Longmont, Colorado North of Boulder about 35 minutes from Denver International Airport.
Contact Information: Dave Carter, President Rocky Mountain Farmers Union.

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

PRESIDENTIAL VISIT FOR THE NEW MARKET TOUR

Agricultural areas near Saginaw Michigan

Theme: Value-added agricultural production. Farmers increasing the value of their production through investment in processing facilities that utilize their product which is particularly important in this period of historically low commodity prices.

Background:

With assistance from Michigan State University and a grant from the Kellogg Foundation, soybean farmers in the Thumb area of Michigan established a cooperative. The initial stock offering was in 1998 at $1,250 per share which gives the producer the right and obligation to deliver 500 bushels of soybeans. By the time the initial offering closed 198 people from 10 Michigan counties had invested in the new cooperative. Prior to the formation of the cooperative and construction of the processing facility soybeans grown in this area were being hauled to northern Indiana, northern Ohio, and western Michigan for processing with the soybean meal then being hauled back for livestock feed.

The processing plant is expected to add 40 cents per bushel to the value of the soybeans produced by the member-producers. This is critically important because soybean prices have decreased from $8 per bushel two years ago to less than $5 per bushel today. The additional income benefits not only the producer but the entire community because the income stays in the area.

The $2.2 million plant recently placed into operation was financed in part by USDA's Alternative Agricultural Research and Commercialization Corporation. The plant has a 900,000 gallon capacity which will meet the needs of its 198 members and will provide a market for about 20,000 acres of soybeans. The plant produces high quality food oil, high energy oil meal and an biodegradable crankcase oil that is currently being used as motor oil by the U.S. Postal Service fleet in Michigan, as well as vehicles owned by Michigan State University, the Michigan Department of Agriculture, and the vehicles leased by the Michigan Rural Development Office.

FUNDING INFORMATION: USDA AND OTHER SOURCES

The initial study was financed by the Kellogg Foundation, USDA Rural Development financed the feasibility study with a Rural Business Enterprise Grant and technical assistance was also provided. USDA's Alternative Agricultural Research and Commercialization Corporation invested in the processing plant.

The balance of the funding was raised through the sale of stock in the cooperative. An interesting twist is in addition to the stock held by the member producers, preferred stock in the motor oil part of the project is also held by economic development corporations of Huron, Tuscola and Sanilac counties The counties share of the profits will be invested in a venture capital fund to help stimulate additional agricultural business development.

SITE VISIT SCENARIO:

The President would have the opportunity to visit with farmers who have taken the initiative to develop a means of increasing the value of the products they grow when commodity prices are significantly depressed. The visit would also provide an opportunity to highlight a bio-based business opportunity.

Location: Ubly, Michigan in the eastern part of the Michigan thumb. About 1 hour from the tri-city area.

Conntact: Jim LeCureux, Michigan State University

New Markets Tour
Presidential Outreach

PRESIDENTIAL VISIT TO SMITHVILLE LAKE, MISSOURI

Theme: Public/Private Partnership to improve water quality without regulation.

BACKGROUND

Environmental Distress:
Drinking water quality in this area has been found unsuitable for two quarters and does not meet standards for atrazine. If the problem persists, officials will be forced to shut down drinking water. 12,000 people would be left without drinking water.

Voluntary Support for Corngrowers
The Smithville Lake 319 and EQIP Water Quality Project (SLWQP) is a project designed to promote information, education, and awareness of nonpoint source (NPS) pollution in the 126,100-acre Smithville Lake Watershed located in Clay, Clinton, and DeKalb Counties in Western Missouri, just north of Kansas City. The SLWQP encourages the use of nutrient management, pest management, and other Best Management Practices (BMPs) in agricultural production systems. BMPs help reduce the risk of NPS pollution in priority watersheds and ensures a safe and healthy environment while sustaining agriculture production.

The SLWQP is a cooperative effort of the Clinton County Soil and Water Conservation District, Natural Resources Conservation Service, and University of Missouri Outreach and Extension.

Additional participating organizations include: Environmental Protection Agency, Missouri Department of Natural Resources, Missouri Department of Conservation, Missouri Corn Growers Association, AgrEvo, American Cyanamid, BASF Corporation, Bayer Corporation, Novartis Crop Protection, City of Plattsburg, Zeneca, Dupont, Dow Agrisciences, Garst Seed Company, Monsanto, Rhone-Polenc, and the City of Smithville.

The project is in the 6th Congressional District, represented by the Honorable Pat Danner (D).

Smithville Lakes provides drinking water for approximately 12,000 people in the watershed and surrounding area, including the cities of Smithville, Plattsburg, Edgerton, Trimble, and four water districts. Kansas City occasionally pulls drinking water from the lake. The lake is also used extensively for recreational purposes, including camping, boating, fishing, swimming, etc. The Corps of Engineers' records indicate about 500,000 visitor days of use annually of the reservoir and facilities.

The object of this project is to reduce the concentration of nutrients, chemicals, and sediment leaving fields and entering Smithville Lake. This will be accomplished by providing direct technical assistance to producers in the project area to develop and implement nutrient-pesticide management plans that will reduce and/or control agricultural nutrients (N, P, and K) and chemicals (primarily Atrazine) from leaving agricultural land.

Basic concepts and practices, having been demonstrated to and accepted by 25 producers as an economically, environmentally sound production system, will be augmented through more advanced in-field training and demonstrations. This approach is designed to teach the technical skills needed to allow these growers, and an additional 30, to fully realize the benefits and ensure the implementation of the BMPs required to reduce the NPS pollution of the Smithville Lake reservoir.

Field days have been sponsored through a combined effort by county, state, and federal agencies, localbusinesses, university extension, and regional agribusinesses. The event serves as an opportunity for area growers to see and compare the cost and efficiency of new and alternative products, cropping methods, and BMPs vs. traditional practices. The program offers urban residents the chance to become familiar with the BMPs producers are implementing to maintain quality water supplies. The Corn Growers Association has also implemented 6 water quality monitoring sites.

While levels of fecal coliform, iron, and manganese have exceeded the maximum allowable standards at times, pesticide concentrations are the major concern. These excessive pesticide levels are a four-fold concern:

1. Contamination of public drinking water,
2. Contamination of recreational waters (public safety),
3. Contamination of waters utilized by wildlife, and
4. Adverse impacts on aquatic life.

Controlling soil erosion and surface runoff are two major problems to be addressed in the management of agricultural lands draining into this reservoir.

Potential Site Visit

Smithville Lake could be the site of a potential event, including a "Toast" by the President of Local farmers, residents, local officials, and business using cool water pumped from the aquifer. The key message is that by partnering between the private sector and government, drinking water has been improved without regulation or large expenditures of federal dollars.

Contact Person: Roger A. Hansen, State Conservationist
NRCS, Columbia, Missouri
(573) 876-0901

PRESIDENTIAL VISIT TO THE TENSAS RIVER BASIN, LOUISIANA

Theme: Helping farmers convert to alternative agriculture forestry products and stay competitive.

BACKGROUND

Vital Economic Distress Statistics

- Population decreased between 1980 and 1990 on average if 30% within the basin
- Unemployment rate averaged over 18% in the basin, which is twice the state average
- Decrease in per capita income purchasing power by 23%
- Fifty percent of population below poverty level
- 15% less high school graduates in the basin compared to state average

Unprecedented support of Resource Conservation and Support of Limited Resource Farmers

- Increased the bottomland hardwood habitat by 49,130 acres or 35% over a seven year period through the Wetland Reserve Program
- Increased riparian buffers in the basin by a total of 36, 6559 acres under the Conservation Reserve Program
- Increased the assistance to Limited Resource Farmers through the 2501 program (See Attachment)

Northeast Delta RC&D Hardwood Seedling Nursery

- Increase in demand for bottomland hardwood seedlings due to success of programs resulted in a shortage of available plant materials
- The Northeast Delta Resource Conservation and Development District Council helped local residents establish a hardwood seedling nursery to help small farmers including minorities to consider it as an alternative to conventional agriculture
- **More than 20 producers will switch to hardwood production. These farmers formerly raised soybeans, and cotton, and would have gone out of business, if not for switching to forestry**
- More than 200 participants in USDA programs, such as the wetlands reserve, will have

greater access to hardwood seedlings because of the nursery

- Nursery was developed to address the environmental, ecological and socioeconomic problems identified in the Tensas Basin Study (See Attachment)

PARTNERSHIPS

- USDA -Natural Resources Conservation Service
- Ducks Unlimited
- U.S. Environmental Protective Agency - Region 6
- Louisiana Department of Environmental Quality
- Louisiana Department of Agriculture and Forestry
- The Nature Conservancy
- Soil and Water Conservation Districts
- Local business
- Local Farmers
- The Richland Parish Sheriff Department

Northeast Delta RC&D Hardwood Seedling Nursery

Purpose of Nursery

The number was developed to address the environmental, ecological and socio-economic problems identified in the River Basin Study conduct by USDA-Natural Resources Conservation Service for the Tensas River Watershed. The 21 member Tensas Technical Steering Committee, the Tensas Limited Resource/Minority Landowners Advisory Committee and the local community expressed the need for this project.

Partners:

Northeast Delta RC&D owners and operates this non-profit nursery, it is truly the result of a cooperative effort. The following agencies, organization, and landowners have contributed technical and/or financial assistance:

USDA-NRCS, Ducks Unlimited, U.S.-Environmental Protection
Agency Region, U.S.-E.P.A. Gulf of Mexico, Louisiana Department
Of Environmental Quality, La. Department of Agriculture and
Forestry
The Nature Conservancy, Soil and Water Conservation Districts, local
Businesses, local farmers and the Richland Parish Sheriff Department

Project Goals:

1. Help meet the demand for high-quality, native, bottomland hardwood seedling for wetland restoration efforts.
2. Provide socially disadvantage landowners a method to generate income allowing them to retain ownership of the lands.
3. Provide job and income opportunities for the local community in an industry that utilizes the available resources in a sustainable method
4. Provide income and nontraditional environmental educational opportunities for local school systems
5. All Northeast Delta RC&D to become self-sustaining in our resources protection and enhancement efforts.

Measures of Success:

1. Produced over 600,000 native hardwood seedlings (1998-1999).
2. Began developing a mini-nursery on one local school ground.
3. Hosted tours for several school groups and landowners.
4. Assisting one beginning and one minority farmer develop a loan and production to start their own nurseries.
5. Provide three full-time job positions and numerous part-time positions.

Future Goals:

1. Expand seedlings production to over 1,000,000 seedlings annually (1999-2000).
2. Develop a hardwood seedlings cooperative to assist minority landowners develop their own nurseries. The cooperative will "loan-out" specialized nursery equipment, provide technical assistance, cooling facilities and marketing assistance.
3. Complete the development of the mini-nursery at a local school.
4. Develop a job training program for local prisoners.
5. Develop an acorn gathering cooperative to provide a local seed source and job opportunities.

Potential Site Visit

The President could help construct and post an "open for business" sign at the hardwood seedling nursery. The sign would be made of hardwood, providing a visual that would have seedlings and a finished product at the same site.

The key message is that we have identified new products for farmers to grow, which have a greater environmental benefit, greater consumer demand, and relieve pressure on our austere federal forestland resources.

POINT OF CONTACT

Donald W Gohmert
State Conservationist - Louisiana
(318) 473-7751

Presidential Visit to Nebraska

BACKGROUND:

Some rural Nebraskans are creating their own jobs and businesses with help from a University of Nebraska Cooperative Extension program. The Nebraska University Food Processing Center is an excellent example of the university, government and private sector teaming to add value to the state's abundant raw commodities. The Food Processing Center was the first of its kind at a U.S. university when it was created in the 1980s. It has become a model for other centers. The center provides technical, business and marketing expertise and support to entrepreneurs and established food processors alike. Cooperative Extension and Agriculture Research Division which both receive USDA money help fund the center. The center offers expertise and training and consultation to help food processors introduce or improve food products. There are numerous examples of new businesses started in Nebraska during the past decade after their owners received assistance from the center. It's a real success story and highlights how private sector, university and government partnerships can make an economic difference for the state. What has been done? An offshoot of the Center is EDGE (Enhancing, Developing and Growing Entrepreneurs) an umbrella organization for rural entrepreneurial training programs hosted by local communities, organizations and associations. Entrepreneurs teach EDGE training to Nebraskans who want to start a business or business owners who plan to expand or sell. Training targets participants' needs, from farmers to restaurateurs, consultants to manufacturers. Since the program began in 1993, EDGE participants have **created more than 450 full-time jobs in Nebraska. Of the 127 enrollees in the 1997-98 training year, 51 percent reported creating part-time jobs and 20 percent reported creating full-time jobs. That's the equivalent of 65 part-time jobs and 25 full-time jobs in small towns around Nebraska.**

Possible Sites to Visit

The Food Processing Center located on the campus at the University of Nebraska in Lincoln would be a particularly attractive site because there are pilot plants where products are made and tested, excellent laboratories and, of course, all this deals with food, which any consumer can relate to. **Nebraska is an agricultural powerhouse. The idea behind the center is to help enhance the value of agricultural commodities by encouraging more food processing within Nebraska. We could have various demonstrations as well as have on hand entrepreneurs that have been helped by the program.**

Event Scenarios

The President can visit with rural Nebraskans who are creating their own jobs and businesses with help from a University of Nebraska Cooperative Extension program. The President could also view pilot projects where new products are being made and tested as well as sample some of those products or services.

Background on the Nebraska Food Process Center

Senator Kerry is a strong supporter of the center and worked to secure funding. USDA and state funds totaling $250,000 are contributed through the Smith-Lever (Extension) and Hatch (Research) funds, as well as a USDA special grant of $35,000 and a Commerce Department grant of $140,000, with $500,000 in private funds. Participants credit the program with teaching them efficient and practical business techniques, such as getting a loan to buy and remodel a building, expanding product lines or pursuing other sources of raw materials. "My business plan gave me the confidence to ask my financial lender for adequate borrowed capital," one participant said.

Presidential Visit to Mankato, Minnesota

Economic Distress:
Farmers are facing financial hard times and Minnesota and surrounding states have the potential to lose many farmers without new markets for their crops.

BACKGROUND:

On August 12, 1999, President Clinton signed an executive order "to promote and develop biobased products and bioenergy." Phenix Biocomposites, Inc., a company in Mankato, MN, has built a $30 million manufacturing plant for its product made from soy and wheat straw. Forty percent of the company is owned by a farmers cooperative (Phenix Manufacturing Company Cooperative) with 1000 farmer members from Minnesota and Iowa. This facility will use approximately 80,000 tons of straw each year - straw that might have been plowed under with no financial return to the farmer. Farmers earn $40 per ton and can produce up to two tons per acre, thus bringing $40-$80 per ton of additional revenue.

The agricultural by-products used to create various composite materials also provide consumers an environmentally sound alternative to wood-based products. The excess straw and fiber material from agricultural crops will now become a commodity product for agricultural producers.

Phenix Biocomposites, Inc., has received $3.25 million in equity investment from USDA's Alternative Agricultural Research and Commercialization Center (AARCC) to continue its work in creating and producing renewable, recyclable and/or sustainable resources. AARCC is strongly supported by Senators Daschle, Harkin, Dorgan, Conrad, and Lugar to develop biobased products.

Phenix has received $17 million from individual private investors, commercial debt of $20 million from private lenders, $20 million from the farmers cooperative, and $2 million from the State.

Phenix also runs a plant in St. Peter, MN, 10 miles from Mankato. These two plants employ 100 people. The company foresees an additional expansion of 3 plants in the future and is looking at potential sites in Iowa, South Dakota, California, and Ohio. Nearly 400 people could be employed at these plants. These plants would be built near farming communities so the agricultural by-products could be easily delivered to the plants. Expected sales in 2000 are $16 million.

Sites to Visit

Visit Phenix Biocomposites, Inc., plant in Mankato, MN with state of the art equipment.
Contact: Lanny Jass (507) 344-5508 (Website http://www.phenixbiocomposites.com)

Event Scenarios

During the visit, farmers who own part of the processing plant can talk about how their investment is working for them and their sustainability. Plant employees can talk about the job opportunities and the owner can talk about the technology he has developed to provide an environmentally favorable product and how it is being accepted by consumers.

UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

September 20, 1999

MEMORANDUM FOR Lisa Green

FROM: Dawn Evans Cromer

SUBJECT: Commerce suggestions for possible events for November New Markets Tour

In response to your call for ideas and suggestions for the upcoming New Markets Tour, here are 2 projects that the Department has been working on through our regional office in New Jersey:

1. Event: Demonstration and Discussion with Community Captains at neighborhood recreation center, school, or library.

Making Healthy MUSIC (Multi-User Sessions in Community):

Newark Public Schools, in partnership with the New Community Corporation and the New Jersey Medical School of the University of Medicine and Dentistry-New Jersey, received two awards from TIIAP (in 1994 and 1995) to develop the Making Healthy MUSIC project in an inner-city neighborhood of Newark, New Jersey. The primary goal of the project is to improve the delivery of primary health care to community residents by empowering the community to begin to focus on and manage their own health issues. A secondary goal of the project is to redefine the relationship between the local school and the community in order to foster higher levels of student literacy.

Community residents use grant-provided computers in their homes or in the homes of their neighbors to access the MUSIC system, through which they can communicate directly with local health and social services providers and participate in discussions. Information resources, such as a weekly calendar on available health services, school bulletins, on-line news from the Newark Star Ledger, and the Newark Public Library, are also available through the MUSIC system.

The project team reviewed over 200 applications from community residents to serve as "community captains." Thirty community captains were given computers for use in the home, provided that they agreed to log on to the system regularly and to allow at least four individuals from outside their households to come into their homes to use the computers.

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Outcomes

Since the first batch of computers were installed in February, 1995, participants have used the system to participate in discussion groups involving issues such as parenting and AIDS. The AIDS discussion group is moderated by a woman who has lost three members of her family to the disease. Participants are also using the network to express themselves, writing poetry and creating computer-based art. After a tragic drive-by shooting of a 15 year-old girl, a young girl expressed her sorrow in a poem that she posted to the network within hours of the incident. Residents also use the network to communicate with the local elementary school, the area's major medical center, and the housing agency that manages the apartments in which all of the participants live. The school's principal uses the network to communicate regularly with parents -- he has included several of the network participants in school-based planning teams and uses the network to get parental input into the school's operations. The University of Medicine and Dentistry-New Jersey also has staff available to answer emailed questions from the participants and to participate in some of the health-related discussion groups, although they have had difficulty in keeping up with all the questions that are posed.

In addition to facilitating communication and providing greater access to community information, the project appears to be strengthening the community and stimulating residents to work together to solve the problems that their community faces. For example, after a second drive-by shooting in the fall of 1995, project participants organized and demanded a meeting with local police to discuss safety issues in the neighborhood. The residents have since instituted a neighborhood crime watch. The sense of community is also reflected in some of the projects that the participants organize over the network such as a talent show and a community garden.

The project has been documented in a photo essays that can be viewed on the World Wide Web. Created by Michael Massey, a graduate student at the MIT Media Lab, the essay is available at http://mmassey.www.media.mit.edu/people/mmassey/MUSICintro.html.

2. Event: Site Visit and Demonstration

Urban League of Essex County, New Jersey:

The Urban League of Essex County (Newark, NJ) is one of four National Urban League affiliates selected to participate in a 1997 TIIAP award. Under this project each affiliate has designed a Technology Education and Access Center (TEAC).

These affiliates represent four states in urban areas targeting low-income an disadvantaged adults and children. Programs offered by the centers include adult literacy, computer literacy, Internet training, web design, employment readiness, job searching, after school enrichment, and summer youth programs. All of the centers structured programs and set hours for public access/walk-in clients.

The TEAC in Newark has 30 Personal Computers connected to the Internet through an ISDN connection. Seven instructors provide classes covering topics from computer literacy to basic Internet skills. The average class size is around 30 students.

To date, more than 8,000 children and adults have benefited from the Urban League's program in four cities (Boston, Binghamton (NY), Baltimore and Newark). Additionally, more than $5M in other funds and resources have been leveraged because of the support of the TIIAP program. Bell Atlantic, AT&T, Ameritech, Microsoft, and Educational Testing Services are contributing to this project. The grant funded four sites as pilots for all Urban League chapters. Now, more than 65 local Urban Leagues have technology centers.

The final year of the grant is focused on measuring the outcomes of the project. Specifically, the evaluation effort will be looking for participant impacts in the areas of literacy, employment readiness, interpersonal skill development, and increased collaboration among the participating organizations.

Give me a call if you need additional information or have any questions (202) 482-5930.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE OFFICE OF THE SECRETARY
WASHINGTON, DC 20410-0001

TO: Lisa Green

FROM: Jacquie Lawing JML

DATE: September 21, 1999

RE: New Markets II Recommendations

Attached please find the following information regarding possible locations for the second New Markets tour:

- A complete description of a possible Newark trip.
- Information on seven other possible locations:

  -New Haven, CT
  -Gary, IN
  -Boston, MA
  -Benton Harbor, MI
  -Minneapolis, MN
  -Buffalo, NY
  -Rochester, NY

May I ask that you give special consideration to Benton Harbor, MI. This is a city with extremely innovative activities undertaken by a business consortium, through the leadership of the Whirlpool Corporation.

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SUGGESTED "NEW MARKET" EVENT
NEWARK, NJ

<u>Introduction</u>

The City of Newark would make an excellent site for a "New Market" event. The HUD publication, <u>Now is the Time: Places Left Behind in the New Economy</u>, identifies certain cities as being "doubly burdened", with high unemployment, persistently high poverty rates and long-run population loss. Newark, the state's largest city, is one of five "doubly burdened" cities in New Jersey. Like many inner cities, however, it has an untapped potential for economic growth. In a nationwide study, HUD identified forty eight cities with "New Market" eligible areas. The study compared purchasing power in those areas with retail sales. In all cases there was a gap (the amount that purchasing power of residents exceeded retail sales). Newark had the second highest gap--$658 million--in the country. Businesses that have tapped this potential have met with success. A Pathmark Supermarket that opened some years ago in Newark's Central Ward has among the highest sales on a square foot basis in the entire chain. The Hovnanian Company, one of New Jersey's largest home builders, developed a 1,200 unit mixed income townhouse community, also in the Central Ward. All of the houses were sold and are occupied. The complex is HUD approved and home buyers may obtain FHA mortgage insurance.

Spurred by the success of the New Jersey Performing Arts Center (NJPAC) and a booming economy, downtown Newark has been enjoying a resurgence.

- NJPAC, during its first full year of operation, drew 504,084 patrons, 25 percent more than had been expected. NJPAC is the recipient of a HUD $2.5 million Special Purpose Grant.

- The vacancy rate for downtown office buildings has declined and is practically nil for class A space. A number of older art deco style office buildings are being restored by their new owners.

- An investor group led by philanthropist Raymond Chambers purchased the New Jersey Nets basketball team and plans to move them to a new arena it proposes to build in downtown Newark.

- Minor league baseball has returned to Newark in a new stadium opened in July.

<u>Suggested Events</u>

We suggest that a "New Market" event be developed concerning the achievements of **New Community Corporation(NCC).** After the Newark riots of 1967 Msgr. William Linder founded a community development corporation to begin to rebuild Newark's devastated Central Ward. The original small organization of volunteers has grown into New Jersey's largest community development corporation and also ranks as one of the nation's largest CDC's. It has indeed built a new community. New Community Corporation now owns and operates over 3,000 units of affordable, low income housing for more than 7,000 individuals. Its Extended Care Facility is home to 180 frail elderly; Harmony House for homeless families has 102 units; and a protective shelter offers refuge to 40 abused women and their children.

Besides its housing, NCC employs over 1,700 individuals (94% minorities) and provides Newark residents with day care, education, social services, job training, community banking, employment services and health care. Its Neighborhood Shopping Center's Pathmark Supermarket has 50,000 customers weekly. This fall NCC will open the doors to its new 500 student charter school.

Virtually all of NCC's activities have received assistance from this Department. The Corporation has utilized the full array of HUD programs in carrying out its mission. This includes Section 8, CDBG, and Section 202. Its credit union is FHA approved. Specific dollar amounts are attached.

We specifically recommend that an event be developed concerning Community Hills, a 206 unit townhouse complex that NCC is developing on the former Hayes Homes (public housing) site. NCC received a $24.8 million HOPE I grant to demolish a portion of Hayes Homes and develop the town houses. In keeping with the NCC goal of building the local economy and creating jobs, Community Hills has already generated employment for local residents through the recently established NCC technologies, a modular housing manufacturing company that is making panels for phase I of Community Hills. Hence, the development of Community Hills will benefit the community in several ways;

- It provides a welfare to work opportunity with job training,
- Creates both permanent and construction jobs,
- Provides an affordable housing opportunity for moderate income first time home buyers. In this regard, NCC is making an effort to increase the number of foster care families in Newark by giving special consideration to families with foster children.

An exciting event can be developed around this activity. Depending on the timing it could be a groundbreaking, dedication, ribbon cutting, etc. NCC is experienced in "putting together" events and has been planning, for sometime, to have event for Community Hills.

There are also a number of other active nonprofits in Newark that have successfully used HUD programs (such as CDBG and HOME). They include, La Casa de Don Pedro, St. James CDC, and Corinthian CDC. An event could be developed to recognize the role of nonprofits in Newark's redevelopment.

We note that the Newark Housing Authority has submitted an application for a HOPE VI grant for the 1,260 unit Stella Wright Homes in the City's Central Ward.

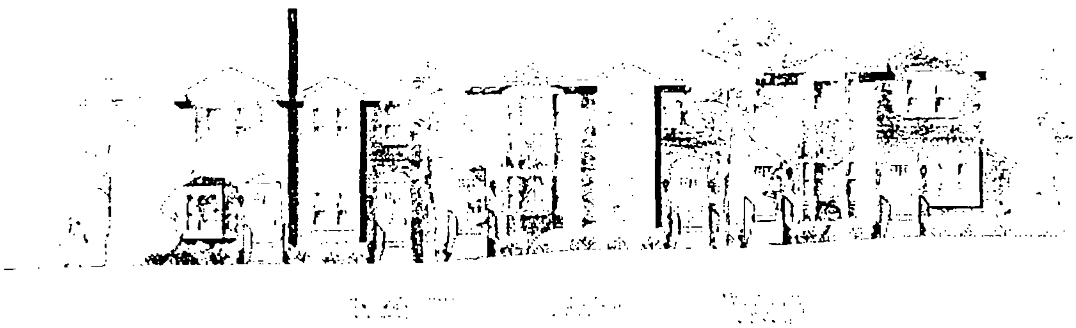
The City of Newark uses its CDBG funds primarily for social service activities such as transportation and nutrition and health services for the elderly, day care, after school programs for youth, and services for the homeless; public facilities, such as youth recreation centers; clearance and demolition of health and safety hazards code enforcement and lead hazard testing.

HOME funds are used primarily for the rehabilitation and construction of affordable housing. The City has also undertaken the construction of for-sale units to increase homeownership opportunities.

Attached is a Community Profile of Newark with more detailed information about the City. A video tape has been prepared celebrating NCC's 30^{th} anniversary that dramatically tells the organization's story. It can be provided upon request.

In closing, we strongly recommend NCC for a "New Market" event. Over the years the Corporation has built a new community in Newark's Central Ward. Starting from scratch they've developed affordable housing, commercial development, training facilities, daycare centers, health care facilities and other services for a strong, vibrant community. Along the way they've demonstrated that doing business in an urban neighborhood is good business. These accomplishments would not have been possible without the financial assistance provided by HUD. Our housing and community development programs have been critical for the success of NCC and the residents of Newark's Central Ward.

NCC Community Hills

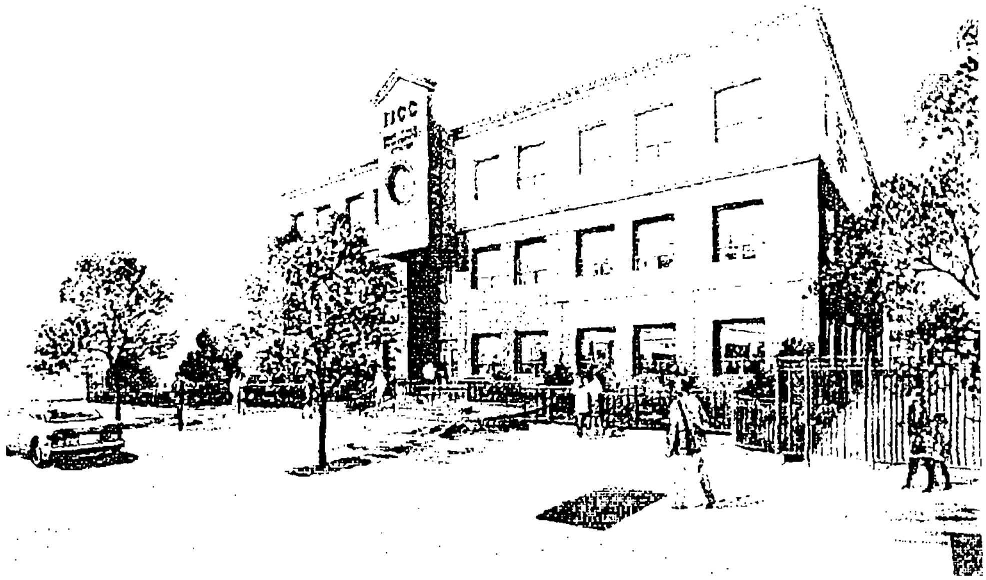


NCC Community Hills is 206 affordable townhouses for home-ownership and a child care/community center on the site of the former Hayes Homes where the 1967 summer disorders began. In keeping with NCC goal of building the local economy and creating jobs, NCC Community Hills has already generated employment for local residents through the recently established NCC Technologies, a modular housing manufacturing company that has already completed panels for phase I of NCC Community Hills. NCC Community Hills has another community mission: to increase the number of foster families in Newark special consideration will be given to families who are foster parents.

NCC Neighborhood Center

NCC Neighborhood Center is open to all Newarkers for sports, recreation, and cultural events.

NCC Workforce Development Center



New Community's newest facility, NCC Workforce Development Center, will serve 2,000 people annually with welfare to work and training programs in its classrooms and distance learning lab and multi-purpose hub. Also part of the Workforce Development initiatives (within NCC Department of Human Development) is the NCC Youth Automotive Training Center, which offers at-risk youth job training in for automotive careers.

New Community Corporation

Transitional Housing Supportive Service Funding

- Harmony House - 102 Units - Received $1,445,512 for supportive services and operating costs.

UDAG Program

- Pathmark Shopping Center $1,530,000
- St. Joseph Plaza $1,520,000

CDBG Funded Programs

- Babyland Day Care
- Hayes St. Recreation Center
- NCC Neighborhood & Center

Total: $1,459,321

FHA Mortgage Insured

- New Community Extended Care Facility Mortgage Amount $9,255,700

New Community Corp. / Newark Hsg. Auth. HOPE 1 & HOPE VI Funding

New Community Corporation received a $24.8 million grant to develop 206 townhouses on public housing site - Hayes Homes - Newark Housing Authority received $9,010,000 for Demolition under HOPE VI.

Special Purpose Funding

- Modular Home Factory $500,000

Section 202 - Elderly Housing

- 81 Units in Jersey City, Capital Advance $6,371,600, Section 8 Rental Assistance $377,100 (Annually)

HOME

- Since 1995 Received $300,000

ESG / HOPWA

- Since 1995 Received $480,000

Pending Funding

Under review by the Department for FY '99 Super NOFA Funding

- Harmony House Transitional Housing $545,728
    - Support Services for Homeless victims of Domestic Violence
    - Parenting for Harmony House Parents $382,533

HOME Funding Pending

- City allocated $30,000 for proposed Homeownership Site 12 Units

Section 8 Project Based Funding

Development Authority	# of Units	Budget/Contract	
New Community Associates	224	Budget:	$49,684,326
		Contract:	$2,158,822
New Community Commons	370	Budget:	$108,118,394
		Contract:	$4,084,302
New Community Douglas	134	Budget:	$35,070,100
		Contract:	$1,270,100
New Community Gardens	235	Budget:	$82,331,405
		Contract:	$3,098,654
New Community Homes	48	Budget:	$7,231,505
		Contract:	-0-
New Community Manor	324	Budget:	$130,273,689
		Contract:	$6,247,291
New Community Roseville	99	Budget:	$17,733,870
		Contract:	$955,692

New Community Development Loan Corporation and Federal Credit Union provide loans and saving programs to grow neighborhood businesses. The credit union offers FHA-insured mortgages, which expand opportunities for homeownership, and the statewide Housing Opportunity Fund assists in developing affordable housing all over New Jersey through a tax credit equity pool. The Credit Union is HUD approved.

Section 8 Funding only		All Other HUD Programs
Budget Total:	$ 430,443,289	$ 37,416,433
Contract Total:	$ 17,814,861	

Total Funding:	$ 448,258,150	

NEW HAVEN, CONN

Background/ Highlights

- New Haven was an Round I EC and was awarded Round II EZ designation in January of 1999.
- Vital Statistics
  Population:- 124,000
  Empowerment Zone Population: 49,913
  Approximate Zone Size: 5 square miles
  Poverty Rate: 33.7%
  Unemployment Rate: 12.9%
  Education: 38% of Zone residents, over age 25, lack a high school diploma
- Estimated Number of Jobs Created or Retained: 9,000
- Total Proposed Commitments: $700 million
  Public Sector: $300 million
  Private Sector: $400 million
- Key Business Partnerships: Over 10 businesses made commitments in the Strategic Plan. Some of the key business partners are:
  - -New Haven Savings Bank
  - -Arts Industry Coalition
  - -International Festival of Arts
  - -Matthews Ventures
  - -Science Park Development Corp.
  - -Olin
  - -New Haven Chamber of Commerce
  - -Long Wharf Galleria, Inc.
  - -Regional Cultural Plan for New Haven
- Other Key Partners:
  - Yale University
  - New Haven Board of Education
  - Community Foundation

Private Sector Investments

- The **Omni Hospital Training** collaborative has brought an additional 200+ jobs to the area with **over 80 residents employed at New Haven's new Omni Hotel.**
- A commitment of employers throughout the region to creating 2,000 livable wage jobs and career opportunities for Zone residents over two years.
- Yale University's investment of $10,750,000 in various initiatives for the community ranging from home ownership programs to community service for students.
- The Regional Workforce Development Board's investment, through its employment training funds, of $2,250,000 per year and commitment to anchoring the *Partnership for Jobs* program. *Partnership for Jobs* will use an employer-driven model to develop training programs that will connect neighborhood residents to specific employment opportunities in the neighborhoods and surrounding areas..
- A network of specialized quasi-public development corporations, created through collaborations with the private sector and local banks, will continue to offer a range of investment vehicles to meet the capital needs for business start-up and expansion. These corporations include the New Haven Community Investment Corporation, the

Technology Investment Fund, the New Haven Enterprise Development Corporation and the Connecticut Economic Development Fund.

- The production of 227 units of housing, by 13 neighborhood-based housing developers, for low and moderate income families in EZ neighborhoods. Many of these homes will be developed for owner occupants.

Government Investments

- Key federal programming efforts include funding opportunities for Brownfields reinvestment, community policing efforts, and transportation expansion.
- **Brownfields** The City of New Haven received approval for a $120,000 EPA grant. The sites identified for testing that will be covered by this grant include:
- 275 Winchester Avenue - The site of a the former Winchester Rifle plant is located in the Science Park. The one million square foot facility is situated on ten acres of land in the technology incubator park that is home to about 90 companies in addition to the USRAC. Several businesses who wish to remain in Science Park currently have expansion needs that cannot be filled. The space represented by the former Winchester building could allow those and other businesses to stay in Science Park.
- 150 Truman Street - Located about half a mile from Interstate 95, this 64,000 square foot derelict industrial building has been remediated and sold to a developer. Renovations have opened the building for retail and industrial use.
- On October 5, 1998 the City was awarded a $147,000 grant to clean up former industrial sites for new development as part of the EPA's Brownfields Pilot Cooperative Agreement Grant Program. The expertise and funding of this grant will be applied to the Science Park, B tract site and 8 additional sites in the EZ/Developable sites area.
- A HOPE VI grant awarded approximately 1994 is now under way; 365 units will come down.

Possible Events/Announcements:

- We are looking into possible announcements, but the OMNI Hotel, which employs 80 zone residents, would make an excellent site.

Of Concern:

The FBI is now investigating a livable cities initiative grant. Obviously, this is a potential source of embarrassment.

GARY, INDIANA

Background/Highlights

- Gary qualifies as "double burdened" in HUD's Now is the Time: Places Left Behind in the New Economy, meaning that it faces continued high unemployment relative to the Nation as a whole, plus either significant long-run population loss, or persistently high poverty rates, or both.
- Gary is part of a Round II Empowerment Zone that also includes the cities of Hammond and East Chicago.
- Approximately $287 million was spent in Gary in 1992, versus an available purchasing power of $522 million. In other words, $243 million left the inner-city for the suburbs or other retail markets, resulting in a huge untapped market.
- Gary has an unemployment rate of 7.1%, vs. 2.8% for Indiana as a whole.
- Gary is a vastly neglected market, with great potential. It has no national retailers, no supermarket, and no movie theater.

Government Investments

- A $88,000 CDBG project that rebuilt sidewalks and parking created a retail space that ACE Hardware moved into. ACE met outstanding success in Gary's underserved market, and the owner was quoted in the media as saying that the inner-city location outperformed his suburban store.
- 202 and other HUD housing support the business in the Empowerment Zone.
- It is estimated that the three cities in the EZ will add 1,000 jobs in each of the next three years.
- A HOPE VI grant of $19.8 million awarded in September will make housing available (for purchase, in many cases) for 256 families, demolish 163 deteriorated public housing units, and help 84 public housing residents find jobs.

Private Sector Investments

- ACE Hardware, as described above.
- US Steel has committed to drag the Calumet river, a $30 million investment, in addition to $22 million in waste-water improvements. They have also pledged to put $120 million into plant improvements in 1999.
- Ten banks have made a combined commitment of $50 million to private sector businesses in the Empowerment Zone.
- Many additional projects are in development. These include a major expansion of Gary Airport, with a major carrier anticipated to begin providing service to several cities; and a movie theater/retail complex is planned for 25th and Grant Street, to which a major department store has already committed.

Possible Announcements/Events

- Based on the success of the local franchise, ACE Hardware could be approached to commit to new franchises to other new markets.
- The city is putting the final touches on an application for a $3.3 million Section 108 loan that would enable development of a planned $30 million shopping center on 25th Street, at the heart of Gary's historically black neighborhood. The shopping center would include a movie theater, grocery store, and a car dealer.

Other Comments:

- The cities involved in this Empowerment Zone, Gary, East Chicago, and Hammond, are working to develop a comprehensive transportation HUB that would alleviate overcrowding at O'Hare Airport and its adjacent services. This HUB would include a deep sea port, a multi-modal freight railyard, and Gary Airport, which would be a freight airport. These facilities would be within minutes of major intestates, and they would relieve freight overcrowding at O'Hare, allowing that airport to focus on consumer flights.
- Gary's proximity to successful cities like Chicago further make the case for it as an untapped market.

Concerns

The prevalence of casino activity, mostly led by Donald Trump, needs to be considered in planning this visit.

BOSTON, MASSACHUSETTS
DUDLEY STREET NEIGHBORHOOD INITIATIVE (DNSI)

Background/Highlights:

- The Dudley Street Neighborhood Initiative (DSNI) is a community-based agency serving Boston's Roxbury/North Dorchester area, one of the poorest, most culturally diverse neighborhoods in the city.
- Dudley Square is a location on Dudley Street that has received specific attention during the Clinton Administration. Dudley Square is the location where we recommend the President visit.
- Activity in the Dudley Square neighborhood in the past six years has focused on economic development, in contrast to DSNI's focus on housing. Other CDCs have been the catalyst for this new economic development, including the principal CDC, *Nuestra Communidad.*
- Located less than two miles from downtown Boston, Roxbury/North Dorchester residents have a per capita income of $7,600, compared to nearly $16,000 for the City of Boston as a whole. The 1990 unemployment rate was near 16%, compared to Boston's 8%. Approximately 35% of the area's population falls below the poverty level, compared to 18% for Boston as a whole.
- The DSNI service area, including Dudley Square, lies in the center of Boston's Empowerment Zone.
- DSNI collaborates with Community Development Corporations (CDCs), banks, government agencies, businesses, foundations, non-profits, religious institutions, and over 2,700 residents.
- DSNI is the only community-based nonprofit in the country which has been granted eminent domain authority over abandoned land within its boundaries. It has assumed control of 30 acres of vacant land to date.
- **YouthBuild Boston** has been in Roxbury since 1990 and is located on Dudley Street, near but not in Dudley Square. The **YouthBuild** Center offers education, job training, and computer skills classes. The Center is one of the first Youthbuild projects in the country, whose successes have been replicated nationwide.

Government Investments:

- Dudley Square has received **$20 million** in economic development-related funds from HUD.
- These funds allowed the City to create a new Town Common in Dudley Square. In addition, $10 million of these economic development dollars were HUD Section 108 and EDI grants dedicated towards redeveloping four important projects in Dudley Square: Palladio Hall, Fairfield Center, Harrison Supply, and the Palmer Street Development. These projects are all underway, in various stages of development.
- On top of the $20 million provided by HUD, the federal government spent $10 million to open a new, and well received, Federal Post Office building in Dudley Square.

- Another major public investment of the City and State, with federal DOT assistance, is expected for new transit service, designed to restore the historic connection from Dudley Square along Washington Street into Downtown. To be known as the new *Silver Line*, it will include a surface, high-capacity, rapid bus service operating in dedicated transit lanes on city streets.
- **YouthBuild Boston** has been supported financially by HUD since 1994. (We will get exact funding numbers on Wed.).
- HUD has also made **\$42.7 million** in non-economic-development-related investments in the Dudley Street area. They include:
    - ◊ New Construction: \$14.163 Million (Housing and Public Infrastructure)
    - ◊ Rehabilitation: \$2.463 Million
    - ◊ Supportive Housing: \$1.233 Million
    - ◊ Open Space: \$.840 Million
    - ◊ Predevelopment: \$.734 Million
    - ◊ Neighborhood Partners: \$.025 Million
    - ◊ Public Housing-HOPE VI: \$40.000 Million

Private Sector Investments:

- It is estimated that nearly **50 new small businesses** have been started, expanded, or newly located in Dudley Square in just the last four years. *(We are researching additional private sector investments that we can provide for you Wed.)*
- Private Sector investments in the economic development of the Dudley Square area total **\$24 million.**
- Not included in this list of private investments are several smaller projects in Dudley Square:
    - ◊ The Urban League, with nearly \$800,000 in private assistance, purchased and renovated a building for their new office.
    - ◊ BankBoston recently invested over \$1.5 million to renovate a successful branch bank in the Dudley Square area.
    - ◊ \$3 million in private funds were used to assist several other businesses to locate in the DSNI area by the Nuestra Communidad CDC.
- **YouthBuild** recently moved into its Dudley Street Center with the assistance of a joint capital campaign with BankBoston. The computer center's machines were donated by the private sector. Also, Home Depot has provided in-kind materials, cash, and job placements for many **YouthBuild** graduates.
- Private entities have also invested \$73.6 million in housing-related activities, such as:
    - ◊ New Construction: \$10.4 Million
    - ◊ Rehabilitation: \$2.2 Million
    - ◊ Supportive Housing: \$3.9 Million
    - ◊ Public Housing: \$57 Million

Possible Announcements/Events:

- POTENTIAL SITE: Events at the unique Town Common site (completed about three years ago) could be held to mark the important or latest achievements in Dudley Square.
- The **YouthBuild** program could also be an exciting focus for an event. A variety of private sector supporters would be willing to come to an event. Graduates would be available to offer testimony about how the training and education has led to entrepreneurial ventures, permanent employment, and college.
- Ribbon cuttings could occur at significant and successful HUD/CPD Section 108 and EDI projects (especially Palladio Hall). These would be excellent forums for business roundtables, attended by local business owners who have been helped by HUD funds.
- A decrepit building in the Dudley Square area was renovated by the State for office space. The State chose this location due to the Federally-fueled rebirth of the area. This was a significant "vote of confidence" on the State's part for this revitalized area. The 1,100 new workers the building brings to the area will provide customers to feed the economic growth of local businesses and restaurants. An event could include these individuals.

BENTON HARBOR, MICHIGAN

Background/Highlights

Benton Harbor is the most distressed central city in Michigan. Nearly 60% of families live below the poverty level, with a 1990 median family income of $8,866. Tension between the races has received national attention, as "white flight" has occurred across the river into the wealthier City of St. Joseph and elsewhere in the county. In 1990, over 93% of the City of Benton Harbor's 3,049 (approx.) families were of African American origin, 83% were single-head-of-family households. The number of employed workers declined 3.8 per cent from 1990 to 1997, while employment in the State of Michigan increased 8.5% during the same period.

Government/Foundation Investments

- In 1998, HUD and the Cornerstone Alliance (see below) helped to convene an intergovernmental Financial Summit. From this effort, a BEDI grant and $1.5 million Section 108 (though see Concerns, below) loan were approved by HUD, and the State of Michigan designated this area a tax-free Renaissance Zone.

- The local HUD and US Attorney's Office are formally partnering to tackle problems such as teen pregnancy, recreation and security. Due to these joint efforts a new, area-wide recreation association has been established and a proposal is pending with the State of Michigan, HUD, the Justice Department and local care providers to fund an intensive, three year nurse visitation program providing services to 300 teen mothers. The projected value of this new program is in excess of $2.7 million, the majority coming from the State of Michigan with matching foundation, Justice and HUD funding.

Private Sector Investments

- Ten years ago, David Whitwam, the Chairman of Whirlpool, engaged other local businesses in a challenge: that it would match, up to $1 million per year, their investment in the Cornerstone Alliance, which was created to stimulate economic activity. Though Cornerstone is a non-profit, it describes itself as an "investor-driven economic development organization," and makes grants and loans to support local job creation and training; housing development; business development; education; and many other activities. Today, there are 123 businesses that contribute to Cornerstone each year, and its budget is approximately $2 million per year.

- The Tech Center: Cornerstone, Whirlpool, the State of Michigan and other funders have invested $6 million to help a local community college create a training facility for high-wage, high-skill manufacturing jobs, for which there is a shortage of workers. (Job titles include CNC operators, electricians, and mold makers.) The 44,000 square foot site is on a former brownfield. It is anticipated that, not only will unskilled potential workers be trained for their first jobs, but surrounding businesses will send their existing workers in for retraining and skills upgrading.

- Job training: over the past three years, Cornerstone and the Kellogg Foundation have operated a work readiness training program, investing $600,000 and serving 440 trainees. As of this writing, 335 are still working, with a $3.5 million annual payroll.

- The first new industrial facility initiated as a result of the Financial Summit was opened in July, 1999. The new employer, Atlantic Automotive Components, added over 130 new jobs to Benton Harbor. Atlantic Automotive was so pleased with the job readiness program described above that it hires workers, pays for them to go through the program, and then puts them on the job. In its first two years of operations, Atlantic had 43% employee turnover and operated in the red. Three years later, after partnering with Cornerstone, employee turnover is 5% and the corporation is profitable.

Possible Announcements / Opportunities for Further Private Sector Involvement

- The State of Michigan has offered $500,000 to gut/rehab dilapidated housing if Benton Harbor will contribute a matching $40,000; the city declined but Cornerstone is likely to step in with the funds, and would be delighted for a Presidential announcement. Notre Dame School of Architecture is now working on plans for the redevelopment, and it is expected that Cushman-Wakefield will do the construction.

- The first new single-family, market-rate housing in 30 years – 32 units – are now under construction (five are complete). The area is near both the Atlantic Automotive site and the workforce development site, so that people can walk to work or class. However, there is not yet a significant retail commitment to the area, yielding the opportunity to challenge retailers to consider the neighborhood. (A Rite-Aid opened in the area two years ago, and a successful food micro-entrepreneur is located nearby, too, so there is not a *complete* absence of retail.)

- According to the Cornerstone Alliance, the local homebuilders association is eager to begin similar types of construction elsewhere in Benton Harbor. An opportunity for an announcement of a commitment on their part is something that we can explore.

Concerns

The Section 108 loan has not yet been finalized because of a number of technical concerns on HUD's part related to the project. More information is available.

MINNEAPOLIS, MINNESOTA

Background/Highlights

- Despite its perception as a "good" city, Minneapolis has one of the highest concentrations of poverty of any metropolitan area.
- Minneapolis has the largest income disparity in the country between whites and minorities.
- The Empowerment Zone is ethnically diverse; the population is 32% African-American, 12% Native American, 10% Asian/Pacific Islander, 4% Latino.
- The unemployment rate in the Zone is above 14%. For Minneapolis as a whole, it is 2.8%.
- Although Minneapolis is known for its low unemployment rate, the resulting tightness in the housing market makes finding affordable housing difficult. In 1990, the housing vacancy rate was 6.7%; now it is 1.5%.

Government Investment

- Newly-designated Empowerment Zone.
- HUD participation in the Sears Tower Redevelopment includes a $2 million EDI grant, and a significant 108 loan (though the amount has not yet been finalized).

Private Sector Investment

- Sears Tower Redevelopment/Great Lakes Commercial Center. The site, built in three phases (1928, 1965, 1979) comprises five square blocks and 1,900,000 square feet, and originally housed retail, warehouses, and an auto center. From 1989 to 1995, Sears gradually ceased operations there. The proposed $127 million redevelopment will create a mixed-use complex where more than 5,000 employees will work in light industrial space, a cinema complex, a retail/entertainment commercial complex, and traditional office and training space. The center has completed the hazardous waste removal phase, and will be open for occupancy in August, 2001.

- Phillips Eco-Enterprise Center is a project of the Green Institute, an entrepreneurial environmental organization based in the Phillips neighborhood in the EZ. A 64,000 square foot office building and light industrial facility built on a former brownfield, it is one of the most energy-efficient and environmentally sound facilities of its kind in the nation. Tenants include energy, environmental and recycling businesses; the project is expected to be fully leased by January, 2000. Funding came from the Neighborhood Redevelopment Project (city funding), the Enterprise Community, the Northwest Area Foundation, the Minnesota Legislature, and Bremer Bank ($3.15 million mortgage). The center is expected to bring an estimated 150 jobs to the neighborhood, half of which will go to individuals living below the poverty line.

- The Mercado. Near the Sears Tower redevelopment three disused buildings were renovated and combined into a single retail complex focusing on Hispanic businesses. The first floor, comprising various food and retail outlets, is leased by the Cooperativa Mercado, a cooperative of 32 vendors. It will function partially as a business incubator, helping the business owners to gain experience by working together. Half of the $2.1 million project was funded with SBA and foundation funds; the other half with bank loans, $538,000 of which had with below-market terms.

BUFFALO, NEW YORK

Background/Highlights

- Buffalo qualifies as "double burdened" in HUD's Now is the Time: Places Left Behind in the New Economy, meaning that it faces continued high unemployment relative to the Nation as a whole, plus either significant long-run population loss, or persistently high poverty rates, or both. The City of Buffalo has lost 43.4% of its population in the last four decades. During that same period, the population outside the city more than doubled. Buffalo's population is approximately 310,548 as of 1996 as compared to 328,175 in 1990.

- Erie County, in which the City of Buffalo is located, has an unemployment rate of approximately 4.7% vs. 4.9% for New York State as a whole. The unemployment rate for just the City of Buffalo is estimated to be substantially higher. Upstate job growth is 0.8 % vs. a statewide growth rate of 4%.

Government Investments

- The City transformed a mile-long abandoned rail corridor with a new parkway directly accessible to regional and interstate highway systems. This $7m investment in the City's infrastructure included $1m ECZ and $1m HUD funds.
- A $1.3 m loan funds the construction of a business incubator adjacent to the Parkway to house up to 10 minority-owned light industrial, commercial warehousing or distribution companies and create 200 permanent jobs. This is in addition to $1m in funding from the US Economic Development Agency.
- This parkway is in the ECZ.

Private Sector Investments

- This new parkway is anchored by the American Axle & Manufacturing facility (former General Motors Saginaw Gear plant), and the former GM-Harrison plant. The purchase of the former GM-Saginaw plant by the newly created American Axle & Manufacturing company has resulted in a private investment of over $100 m, creating the largest manufacturing employer in the City of Buffalo. Purchase of the plant resulted in the location of seven new businesses and the creation of over 300 jobs at this facility.
- The construction of the parkway resulted in the construction of American Axle's paint shop headquarters for a capital outlay of $3m and the creation of 125 high-salary, UAW jobs.
- In addition, the City has seen growth of TCI, Colad and Graphic Controls.
- The small business incubator is expected to house five companies and create 75 jobs. Adjacent to the business center, Rural Metro Ambulance will build its new headquarters resulting in 90 new jobs over three years, with an capital outlay of over $2m.
- A local construction firm, that was preparing to move out of the City, chose to invest approx. $1m to remain in Buffalo and expand their operations.

Possible Announcement/Event

- With 90% of the incubator complete, the leases for two tenants are about to be signed. The President could preside at the lease signing, symbolically declaring the project "Open for business."
- Also, ribbon cutting of the facility may be arranged.
- A tour of the American Axle facilities and the economic growth it has sparked would provide strong visuals.
- Groundbreaking for the new site of the Adelphia Cable Communications headquarters building.

Other Comments:

- Other economic development activities include 1) Buffalo's Medical Corridor which is the region's center for medical enterprises and related businesses. It has already resulted in a $9.7M 108 loan for a 100-room Medical Inn - Pillars Hotel, and a $240 m renovation project at Roswell Park 2) Village Farms a former brownfield site is now a thriving hydroponics plant employing approximately 170 full and part-time workers. An adjacent site owned by LTV Steel will provide an additional 100-350 acres for a multi-year redevelopment project designed to retain and create 5,000 to 8,000 jobs. The City is researching the availability of funds for testing and remediation of this site, as well as, funds for redevelopment.
- City is currently finalizing plans for the Inner Harbor Project which is designed to encourage private-public growth of water recreational activities, cultural amenities and tourism. This development will include building new facilities and the potential location of corporate national headquarters. The City's vision is to develop the center for family recreation and entertainment and enhance downtown Buffalo's position as the regional entertainment center for Western NY. An estimated investment of $27m in public funds would produce an overall private investment of more than $120m.

ROCHESTER, NY

Upper Falls Shopping Center

Background/ Highlights

- Rochester's population has been declining, both in absolute terms and in proportion to its suburban neighbors. In 1960, the population was 318,611 which represented 55% of all of Monroe County. By 1990, the City's population declined by 28% to 231,636, while Monroe County overall grew 22%. The City now represents only 33% of the County's population. The population loss was not an evenly distributed migration: those remaining in the City in 1990 represented persons below the poverty level of 22.6%.
- Estimated median household income in 1990 was $22,785, or 56% of the County median of $40,931.
- Rochester lost 21,000 manufacturing jobs from 1970 - 1990. Partially offset by gains in the service sector, the City still had a net job loss of 13,200 during that period.
- The City's per capita income in 1990 was but 80.3% of what it was in 1980.

Government Investments

- Part of the City's ECZ strategic plan identified the need for a neighborhood grocery store. The City developed a successful collaboration and partnership building initiative which culminated in major economic development and job creation endeavor known as the Upper Falls Shopping Center.
- This is an $11.3 million project: $3m Federal ECZ, $980,000 CDBG, $2.3m Rochester Econ. Dev. Corp, $2.2M Urban Renewal Trust Fund.
- The City also engaged residents through the development of employment and training opportunities for neighborhood residents, including welfare-to-work related services.

Private Sector Investments

- Private sector investments totaled $2.8m. The Shopping Center's anchor is a 25,000 sq. ft. B-Kwik Market that is operated by Tops Markets, Inc. Tops completely renovated a former vacant supermarket site. Tops also provides job training and a hiring preference to neighborhood residents.
- Along with the grocery store, the Center includes 6,000 sq. ft. Monroe County WIC office (Women, Infants and Children nutritional supplemental assistance program), retail space, and a McDonald's fast food restaurant. The Center also includes a new City of Rochester police substation.
- Job creation has totaled over 120 full and part-time jobs.

Possible Announcements/Events

- The Upper Falls Shopping Center would make an excellent venue for the New Market event.
- This renovation is part of an overall economic investment plan that includes $23.1 m to build or expand five grocery stores in the City of Rochester and create 350 new

jobs. Several other sites are undergoing renovation or construction. One or more of the sites may be ready for opening.

- The City has been developing an asset disposition plan for approval by the Office of Housing to manage and market HUD's single family properties in the City. The existing contract, HUD Owner-Occupant Program (HOOP), is being prepared for extension now by the Office of Housing. Perhaps this extension or approval of their new proposal would be an excellent and welcomed announcement for the City.
- The City, through the Rochester Housing Authority, currently has an application for mixed financing awaiting approval in the Office of Public Housing for Anthony Square. This is the former site of a demolished assisted housing development. The approval of the use of PIH development funds for new townhouses would also be a potential announcement.

Other Comments:

- HUD awarded the City of Rochester eight Best Practice Awards for 1998. The largest number to be received by any City in 1998. In addition, it was one of only ten cities to be designated an "All-America City" in June 1998 by the National Civic League.
- The City's current plans call for the development of Brooks Landing which is a major economic development project along the Erie Canal which will provide restaurants, retail shops, boat docks, and a City park which would stimulate other commercial development in neighborhood near the University of Rochester.
- The City's Local Waterfront Revitalization Program outlines the future use of Lake Ontario for a future project to include a fast ferry service that would link Rochester with Toronto, Canada.
- The City also has another extremely successful economic development project in the High Falls District which is a themed, family-oriented entertainment area. City investment in a downtown area of former manufacturing sites are now successful businesses, restaurants, theaters and retail shops. Funding and job information were not immediately available, but could be developed tomorrow.

MEMORANDUM

To: Gene Sperling

From: Michael Barr
Jodi Sakol
Don Graves
Melissa Schroder

Re: Potential Sites for Presidential New Markets Trip

Date: September 17, 1999

New York, New Jersey And Connecticut Site Visits:

Company: Microentrepreneurs, American Woman's Economic Development Corp, and Large NYC Financial Institutions

Contact: Suzanne Tufts, AWED (212) 692-9100

Announcement:
Graduation for 200 low-income women in New York City who have received microenterprise/small business training that was coordinated by AWED and financed by major financial institutions. These institutions include: GE Capital, Chase, Citibank, Merrill Lynch, DIME, Goldman-Sachs and Bloomberg. Each financially support the training at the $25,000-$50,000 level. Graduates include those moving from welfare-to-work by opening their own small businesses, and those expanding their microenterprises.

Background:
That training is conducted by successful small business owners and officers at local financial institutions. Those institutions financially support the training and assist the entrepreneurs in securing financing to start and expand their businesses.

Attendees include the graduates and CEOs or high-level female executives from all of the supporting banks. The ceremony could be held in a low-income neighborhood from which the entrepreneurs are drawn. With the pilot class of AWED's Business Incubator program graduating, AWED may be able to secure funding for business expansion from these banks to match that already committed by large NY foundations.

Company: Chase Manhattan
Rochester, NY

Contact: Ruth Salzman 212-622-4252

Announcement:
Showcase Chase's CIED program (Credit Institute for Economic Development) that provides financial training for CDFIs and those seeking to organize a CDFI. Chase funds the class through scholarships, and it's taught by the AKG Group, a minority-owned firm that Chase trained to provide these classes. Over 300 classes have been held since 1994 in New York, Bridgeport, Miami, Dallas.

Highlight Chase's three Business Resource Centers that provide free consulting to small businesses, and a company that started and grew with both lending and consulting help. The BRC provides one-on-one advice, referrals, and help with applying for business loans. Since inception in 1994, the Center has advised over 5,000 small businesses and lent $38 million, with losses comparable to the rest of Chase's portfolio.

Feature: an African American owned firm that re-manufactures toner, helped by lending and technical advice from Chase. According to Chase, the company has an ambitious plan for continued growth, and thus far, has met that plan. They recently became suppliers to Kodak. (need to verify)

A new joint venture financed by NY Community Investment Company, a consortium of Chase, Citi, Fleet/Nat West and others, with a minority entrepreneur and Arther Trecher's Fish & Chips to purchase two existing locations, one at Manhattan Mall (34 St. across from Macy's) and a commitment to provide further funding for a franchise in a Harlem Empowerment Zone. Funding has come from the NY Community Investment Company, a local lending clearinghouse which is funded through investments by Chase, Citi, Fleet/Nat West and others. The company pools the money from these lenders and invests in the community, primarily in minority, women owned and small businesses.

Company: Prudential Insurance Foundation, Ray Chambers Foundation

Location: Newark, NJ

Contact: Tom O'Hara, VP Gov't Affairs, will have more info sent from Newark on the current project.

Background:

Prudential Insurance Fdn. with the Ray Chambers Fdn has purchased 8-10 blocks of downtown Newark. They are developing a redevelopment plan for shops and activities to attract people downtown, especially students since there are universities nearby. Newark is also considering building a new sports arena possibly to replace the one at Meadowlands. Perhaps New Markets is just the type of initiative that would help push the decision in favor of downtown.

Last year, Pru helped underwrite the arts center. POTUS attended its grand opening at an event for Torricelli. In 1996, he also visited the first supermarket built since the riots. Larry Summers participated, too, and stayed on to visit the arts center which was then under construction.

Company: Sterling Optical
NYC Empowerment Zone, Harlem

Contact(s):

Background:
Sterling Optical is located in Harlem and is working with national CDCs to open new outlets in inner-city Houston, Chicago and LA. Harlem site opened with the assistance of nationally recognized Abyssinian Development Corporation, that had won the Social Compact Award in 1999.

Company: Lucent Technology

Contact(s):

Background:
Developed channel diversity program to compete more effectively
in the marketplace. In 1998, Lucent purchased $976 million in goods and services from minority and women-owned businesses. Lucent also uses the National Minority Supplier Development Council & NCCED to extend its strategy.

Company: Pfizer

Contact(s):

Background:
In partnership with New London Development Corporation, Pfizer

established its worldwide research and development headquarters in the Groton, Connecticut Enterprise Zone. This recent partnership and relocation will result in 500 new jobs for the Enterprise Community and a state financed biotech research center.

Company: Connecticut Workforce Partnership with Connecticut Business and Industry Association, Hartford Public High School's Technology Academy and A.I. Prince Vocation-Technical High School and the national Association of Manufacturers.

Location: Hartford, CT

Contact(s):

Background:
Employer driven community based project to employ welfare recipients and inner-city youth.

Company: Metropolitan Life Insurance
NYC

Contact(s):

Background:
NY based insurance company invest a portion of assets in local affordable housing, land preservation, arts and health services via loans, guarantees and equity investments. To date, Met Life has committed (invested): $7.5 million to Common Ground Community Housing Finance Development Corporation to restore/rebuild 600 unit Times Square Hotel; $5 million loan to create 400 efficiency apartments at the Prince George Hotel (renovation completion scheduled for October); $2 million in construction financing to convert six vacant five-story buildings in Harlem to apartments for low-moderate income families.

Pacific Northwest Region

Company: Chamber of Commerce of Greater San Diego and area community colleges

Location: San Diego, CA

Enterprise Community

Contact(s):

Background:
Business and community partnerships focused on workforce development through San Diego. Chamber members provide 1,000 entry level adult jobs and 300 youth internships.

Company: Washington Mutual

Location: Seattle, WA

Contact(s):

Background:
Exploring a program to increase market share in inner-city markets by providing public assistance recipients with automatic deposit accounts.

Company: Union Bank of California

Location: Oregon, Washington, California

Contact(s):

Background:
Will purchase 25 percent of goods and services from minorities by 2005.

Detroit Site Visits:

Company: Bridgewater Interiors, LLC, a joint venture b/w Johnson Controls, Inc. and minority business group
Detroit Empowerment Zone, Michigan

Contact: Reginald Layton – (734) 254-5441

Announcement:
First production run from new factory, a joint venture in EZ to create major

minority-owned auto supplier.
This type of corporate joint venture is increasingly common in auto business, and creates minority-owned companies of significant size -- very significant as a business investment strategy. Bridgewater has built new building in EZ (grand opening June 10) and will create 180 new jobs.

Chicago Site Visits:

Company: SB Partners
South Side Chicago

Contact: Dave Shryock, 773-371-7060 or 616-393-0560

Announcement:
Announce investments of $15.5 million in a new venture fund specifically targeted to inner city investing: $6 MM from Bank of America, $4 MM from State Farm, $3.5 MM from Shorebank and POSSIBLE: $2 MM from Prudential Insurance, and investment by City of Chicago pension fund.

Background:
Major corporations, including Shorebank, becoming limited partners in a fund that will do New Markets investing. Shorebank, the country's premier community development bank with assets over $700 million, has a 25-year history of urban community lending.

Company: Alliance Relocation Services and Allied Van Lines
Chicago Empowerment Zone, Illinois

Contact: Herb Stokes [Alliance] (312) 491-9970

Announcement:
Kick-off ceremony to announce new training partnership with Alliance (through its Alliance Training Educational Development Corporation) and corporate clients FedEx, UPS, Coca-Cola, McDonald's, McGraw-Hill and DePaul University.
ATED sponsors the Chicago Relocation Careers Coalition.

Background:
Allied Van Lines groomed an in-house executive to establish a new company and attract new inner-city customers. Allied saw the need to expand ownership and employment opportunities in an industry where minorities not well-represented. This is a win-win

business investment strategy that helps both Allied and Alliance Size:
Alliance: = $10MM sales, 11 employees.

Dallas Site Visits:

Company: LPI Technologies
Dallas, TX

Contact: Tom Lazo 972/239-4467

Announcement:
Visit LPI, a tech/telecom company located in a Dallas enterprise zone that has been mentored by GTE and Octell. He could announce that since the company opened its doors in June of 1998, they've done $25 million in sales, in part because of these mentoring relationships.

To get LPI started, Octell helped setup LPI's plant, provided technical assistance such as engineering help and guidance to create an assembly line, financial help which allowed them to get better terms on their loans. GTE also provided financial help, networking help and the credibility needed to bid contracts and provided technical assistance in manufacturing.

LPI is well respected in the community and is known for hiring people from the neighborhood starting at a minimum of $9 an hour.

Company: Cinemark

Contact: Randy Hester 214/265-1505

Announcement:
Groundbreaking to kickoff the construction of a new 16-screen theatre in the Southwest Center Mall in Dallas. The theatre will also contain the urban area office for Young Life, a non-profit ministry to teens. Its purpose is to reach out to adolescents with the Christian message and to teach high morals, values and respect for self and others. The theatre will employ more than 150 young people. The theatre is located in Southwest Center Mall which has undergone over $20 million worth of improvements since July of 1998.

Native American Site Visits:

Company: Unisys and Choctaw Manufacturing and Development Corp
Hugo, OK (Choctaw Nation)

Contact: Lou Richardson (800) 528-9504

Announcement:
The Choctaw Corporation (an SBA 8(a) corp) has won – through a competitive bidding process – the prime (and sole) subcontract from Unisys on a $40-$50 million Department of Agriculture contract. The contract will create 150 new jobs over the next 3 years. Under that contract, Choctaw will gain competency in information technology development by partnering with Unisys.

Announce a partnership with the Bethel Alaskan Native Corporation – through the USDA's BRAVO (Business Revitalization and Venture Opportunities) program – to locate a meat repackaging plant in Choctaw country in Southeast OK. This would represent the first business partnership between an Alaskan tribe and one from the lower 48 states.

Background:
Choctaw Manufacturing and Development is the OK Choctaw tribe's 1st corporation, officially established in 12/98. It is the successor to the Choctaw Nation Finishing Company, a weapons system container manufacturer, and a protégé to mentor Raytheon TI Systems in the DOD Mentor-Protégé program. Although established and run by the tribe, the Choctaw Manufacturing and Development Corporation supports a Southeast OK community that is approximately 40% white, 30% African-American and 30% Native American (Choctaw). The OK Choctaw are one of the more inventive and self-determined tribes in the US - one of five with a constitutional form of government, the first ever to build its own hospital and the first to break ground for its own community college. The Corporation provides college scholarship support to approximately 1,300 Choctaw students annually.

Washington, DC area Site Visits:

Company: Athletic, USA
Washington, DC

Contact: Rod Wheeler and Brian McAbee / 301-429-8700

Announcement:

Expansion into Atlanta of 4-store Washington-based inner-city chain of athletic shoe stores.

Background:
Currently have four stores, three in Maryland and one in DC, carrying Nike, Reebok, etc., plus complete line of clothing representing African American Colleges and Universities. Company has close partnership with National Congress of Community Economic Development. The POTUS mentioned the company's "Guns for Boots" project in his weekly radio address.

Company: Science Applications International Corporation (SAIC)

Contact: George Otchere 703/556-7203

Announcement:
Announce that SAIC is working with Netcom, a spin-off from Network Solutions, to which they have provided funding and technical assistance, to relocate headquarter office in a Hubzone in the DC area. (Waiting for confirmation.)

Boston Site Visits:

Company: Shore.net
Lynn, MA (outside of Boston city limits)

Contact(s):

Background:
Young, aggressive internet service provider realized cost savings by locating to a low-income, prior manufacturing community located outside of Boston to utilize workforce. Shore.net will (has) hired 51 percent of its employees from the low-income area.

Company: Athlete's Foot
Boston Empowerment Zone

Contact(s): International Director of Franchise Sales

Background:
Successful franchise located in Roxbury (Empowerment Zone) and the company is pursuing inner-city expansion strategy and is working with local community development corporations to achieve expansion.

Company: Holyoke Chamber of Commerce

Contact(s):

Background:
Partnering with Holyoke Community College to create workforce training program to integrate low-skilled and unemployed people into workforce. Curricula is targeted to adults. English as second language is core component of program given the large Hispanic population, 30 percent and the high poverty rate 25.7 percent.

Company: United Parcel Service
Atlanta, GA

Contact(s):

Background:
Operates a package sorting facility for local welfare-to-work training hires. Operates welfare-to-work program in 40 cities across the country. Hired over 20,000 welfare recipients over past 25 years. Offers part-time employees health insurance, retirement packages and paid vacations.

Ideas for New Markets Tour from the DPC

1. **Urban Indian Site – Minneapolis, Minnesota.** On the last New Markets Tour, the President visited the Pine Ridge Reservation. However, a large percentage of Native Americans live in urban areas, and often these Native Americans get overlooked. The President could visit a city with a high population of Native Americans such as Minneapolis. The Minneapolis/St. Paul metropolitan area has one of the largest urban Indian populations. We could have a welfare-to-work focus in Minneapolis as there are a number of urban Indian welfare-to-work activities there. The American Indian Partnership, a coalition of over 30 organizations and agencies in Hennepin County (including the six largest Native non-profits) have joined together to facilitate welfare-to-work from a cultural standpoint.

Possible Announcements:

- We could get a commitment from local businesses to hire 50 or 100 interns from the local tribal college. This would fit with the New Markets idea of getting investment from private business and would generate community-based support for the area's tribal college.
- Three major companies, Honeywell, 3-M, and General Mills, have their headquarters there, and we may be able to work with them and the Welfare-to-Work Partnership to get commitments to hire people off welfare, including Native Americans.
- We could announce the expansion of BusinessLinc to Indian Country.
- HUD suggests that there are possibilities for announcements in Minneapolis as there is a Sears Tower redevelopment going on.
- We could work with the Department of Defense to get Lockheed Martin, one of the big defense contractors, to sign a Memorandum of Understanding to increase small business involvement, including Native American firms and other small disadvantaged businesses, in DoD contracting. We could set a dollar goal of getting X million of dollars in defense contracting to small businesses. In Minneapolis, we could highlight an existing Mentor-Protégé relationship between TLC Precision Wafer and Lockheed over the last five years. As the result of the mentoring, TLC grew from a four-person company that generally conducted small research projects for DoD to a forty-person company that now provides sophisticated components to major aerospace defense contractors. TLC is located in an empowerment zone in downtown Minneapolis.

2. **Urban Indian Site – Seattle, Washington.** The Seattle area also has a large population of urban Indians, and could also be a site to emphasize other groups. Seattle offers a wide variety of employment, vocational training, and educational opportunities. Many businesses are based there such as Microsoft and Boeing. In addition, Seattle is the unofficial home of e-commerce, and many high-tech firms are also located there such as Nintendo, Advanced Digital Information Corp., and Timberline Software.

Possible Announcements:

- We could get a commitment from local businesses and unions to hire 50 or 100 interns from the local tribal college. This would fit with the New Markets idea of getting investment from private business and would generate community-based support for the area's tribal college.
- We could work with the Department of Defense to get Boeing, one of the big defense contractors, to sign a Memorandum of Understanding to increase small business involvement, including Native American firms and other small disadvantaged businesses, in DoD contracting. We could set a dollar goal of getting X million of dollars in defense contracting to small businesses.
- The Tulalip tribe is developing an industrial park in the Seattle area which may have Wal-Mart as a tenant. The tribe is also exploring the potential of developing land for housing that would be marketed to non-Indians.
- The Labor Department suggests visiting the Safe Futures Youth Center, along with law enforcement and business leaders. This Center is part of a wide-ranging effort by Seattle to crack down on runaway gang activity by getting young people out of gangs and into meaningful jobs.
- Another possible announcement would be to have some companies commit to creating distance learning courses to be used at the tribal and community colleges to train persons to work in the high-tech industy.
- We could announce the expansion of BusinessLinc to Indian Country.
- We could also highlight partnerships with businesses to promote part-time, after school, and summer job opportunities for youth, including Native American youth. It may be possible to encourage corporate partners to promote youth educational savings accounts by matching funds saved by employees. There are a number of potential partners with corporate headquarters in Washington State that could be approached about this type of initiative including Costco, Starbucks, and Nordstrom.
- People's Lodge Project – The United Tribes of All Indians Foundation suggests a People's Lodge Project which would be a repository of history and Indian heritage available to all generations, Indian and non-Indian alike, who are interested in gaining knowledge about the North American Indian traditions and way of life. This project would enhance the Native American presence in a major port city such as Seattle that not only benefits the urban Indian community, but the state as well, by providing a substantial tourist focal point.
- Seattle is one of the Welfare to Work Partnership's target cities and we could work with them to get additional business commitments – possibly focused on Native Americans, or certainly for the welfare to work population at large.

3. **Urban Indian/Rural Event - Albuquerque, New Mexico.** The focus of this site could be on rural America generally, with an emphasis on rural Native Americans as well. Part of the problem for Indians on reservations is that there are no jobs on the reservations. The theme of this site could be promoting job opportunities in rural America. With new technologies, employees no longer need to live where their employers are located. For instance, Bank of America is thinking of developing a call center in Rio Rancho, NM, just outside of Albuquerque. The

Welfare to Work Partnership also indicates they are working with several other major telecommunications companies who are interested in expanding into the Albuquerque area.

4. **Newark, New Jersey.** The theme of this site could be creating jobs in distressed communities, and preparing low income individuals for those jobs.

Possible Announcements:

- The Mills Corporation (founder of Potomac Mills) hopes to connect several of their large-scale mall developments with existing sports centers. Specifically, Mills plans to work with the Rockefeller Foundation, the City of Newark, community organizations and training/employment intermediaries to develop and implement a recruitment, hiring, and retention program for its development near the Meadowlands.
- The Department of Labor also suggests an announcement with New Jersey Nets owner Ray Chambers, players for the Nets, and other New York area athletes and business leaders for an announcement of a major financial investment and partnership effort to revitalize inner-city Newark, creating jobs for welfare-to-work clients, out-of-school youth, and youthful offenders. We could challenge other sports teams to make similar commitments to underserved communities.
- New Community Corporation, the largest CDC in the nation, plans to unveil the Youth Automotive Training Center, an innovative partnership with Ford Motor Company. Ford's commitment to NCC will reach $1 million in financing alone. Youth participating in this program will be certified to work in Ford auto repair shops, including their new Quick Lane auto shops (like Jiffy Lube). The current need for automotive technicians currently stands at 60,000. This will become a prototype for community-based organizations and local auto dealers around the nation. Results from the initial stages of the NCC training program are impressive. (We can also explore whether Ford itself could announce additional commitments to locate a certain number of Quick Lane shops in underserved communities.)

5. **Possibly San Antonio or other cities.** With the Welfare to Work Partnership, we could announce the expansion of Citigroup's successful welfare to work effort, the Wildcat job training program. Citigroup would announce the expansion of their partnership with Wildcat and the launch of new training programs around the country in cities like San Antonio. Wildcat is an intermediary organization with a successful track record of placing welfare welfare recipients in good jobs in the financial industry. One of their graduates who is employed at Salomon Smith Barney in New York introduced the President at a Welfare to Work event in May 1998.

6. **Atlanta, Chicago, or Detroit.** Working with the Welfare to Work Partnership, we could announce that the TJX Companies (T.J. Maxx and Marshalls) is opening a new line of stores in inner cities where large businesses have left and where the community is seeking a major store to anchor a development project. This new line, the A.J. Wright stores, will be established in numerous inner cities in the

Northeast. TJX is on the board of the Welfare to Work Partnership and has already hired over 10,000 former welfare recipients. They work closely with community-based groups such as Goodwill, and participated in the Chicago Welfare to Work event with the President in August.

<u>**New Markets Ideas**</u>

Trading Places: A couple of weeks ago, Rev. Jackson hosted an exchange between students from a resource-poor inner city school and students at a resource-rich public school. The contrast was very enlightening. During the 1992 campaign, the President gave two speeches back-to-back in Michigan – one to a primary African American audience in the city and one to primarily white suburban audience in the suburbs. Both these events had a powerful message and received significant coverage. Consider doing this kind of event for the new markets – you could do the school exchange with the Rev. (pick any major city); you could do a commericial exchange between inner city/suburban businesses.

New Marketeers: Hold an event exclusively with young entrepreneurs (ages 20-35) and the President with a new market nexus (possible criteria: either they have businesses in new markets, serve new markets, or they come from new market areas. Hold an event with young entrepreneurs and the establishment CEOs.

Symbolic Places: President has done a number of events at places which carry a lot of symbolism (e.g., National Archives for the Affirmative Action speech). Consider doing a site that speaks strongly to a market. For example, go to the "origin" of a market, where a significant product or market was "invented" (e.g., light bulb, telephone, computer) or is maintained (e.g., hold an event Silicon Valley that focuses on the digital divide, take new business to the NASDAQ or NYSE).

Successful Companies in Unusual Areas: Consider a successful company in a place in what might be considered a new market area. (These places could provide quality visuals.)

Gateway in South Dakota
BMW in South Carolina
Mercedes in Alabama
Lexis-Nexis in Ohio (Dayton)

Focus on Exports: Focus on a "new market" firm that exports even if, or maybe especially if, it is a small business. This message will help highlight the power of free trade to help those at home - - an important message that needs a voice and one that will counter the thought that 'the reason we do not have jobs is because NAFTA and GATT exported them.'

Capitol Hill: Kick off or complete the New Market tour on Capitol Hill or business nearby Capitol Hill to emphasize the legislation and Washington's role. A Capitol Hill event might easier to arrange at the start/end of the tour because of the bi-partisan membership that will be on the tour would be compelled to help host.

Nebraska: The Cornhusker state is the only state in the union that the President has not visited as President. Hold the ag-based event in Nebraska.

Iowa: Also, please keep in mind the Iowa e-mail that I sent you regarding Gov. Vilsak and Sen. Harkin requests.