Rite Aid

REVITALIZATION/2

"In addition, most of the revenue from our stores remains in the local community in the form of salaries and wages, taxes and other services. Rite Aid stores and personnel also are active participants in community life, contributing time and resources to local merchants associations, business district beautification, neighborhood events and programs. In many cases, Rite Aid has provided new opportunities for local pharmacists unable to remain in business because of pressures brought on by reduced revenue from managed care," Grass continued.

Rite Aid also reinforces its commitment to urban communities through its Mother's Day Mammograms© program. The program educates women about breast cancer and helps uninsured women, through a referral service, receive free yearly mammograms. Since 1990, over 15,000 women have received free breast screenings.

"Our experience shows that stores in underserved urban areas are among our most successful ventures," Grass added.

Rite Aid Corporation, based in Camp Hill, PA is one of the nation's largest drugstore chains with approximately 4,000 stores in 30 states and the District of Columbia with annual revenues of $11.4 billion. General information about Rite Aid, including corporate background and press releases, is available through the company's website at http://www.RiteAid.com.

Recent highlights of Rite Aid's commitment to urban revitalization include:

New store at site of 1992 Los Angeles riots

In mid-January Rite Aid celebrated the grand opening of its first new Los Angeles store, highlighting its commitment to economic recovery in South Los Angeles. Community and business leaders joined Rite Aid CEO Martin Grass at the store located on the corner of Rodeo and LaBrea. Rite Aid was commended for its commitment to the community, and the importance of companies like Rite Aid investing in Los Angeles was emphasized. The corner was a site of devastation following the riots in 1992. Rite Aid's move into the community signals a major rebirth of business in the area.

In addition, Rite Aid is committed to investing $55 million over the next year in the city of LA alone, including new and remodeled stores throughout the inner city areas of South Central Los Angeles, East Los Angeles, the harbor district and the San Fernando Valley. The company is also slated to open two new stores in the City of Compton, representing an investment of $4.5 million in that city. Other urban regions of Southern California to be served by new or remodeled Rite Aid stores include, Long Beach, Santa Ana, Huntington Park, Baldwin Park and Gardena.

(more)

Commitment to employing San Francisco welfare recipients

Rite Aid is planning a partnership with San Francisco Works, a program that helps provide valuable employment opportunities for San Francisco residents. Led by the Chamber of Commerce, the Committee on Jobs and the United Way, San Francisco Works was chartered in 1997 to prepare 2,000 men and women to transition successfully from welfare to work through proven screening, training, placement and retention support programs. Within the next 90 days Rite Aid will open three new stores in San Francisco and will be hiring from the local communities.

Rite Aid redeveloping entire block in Tacoma Hilltop area

Rite Aid will soon break ground on a $4 million project that will help revitalize the Hilltop, a struggling neighborhood in Tacoma, Washington. Rite Aid has been commended by community leaders, for its pioneering efforts, which may serve as a catalyst for future economic developments. The 16,000 square foot store will employ Hilltop neighborhood residents.

Partnering with community construction and hiring groups in Philadelphia

In mid-1996 Rite Aid reaffirmed its commitment to urban retailing by partnering with a community development group to relocate a store in inner-city Philadelphia. The relationship with the Greater Germantown Housing Development Company (GGHDC) ensured local hiring of all subcontractors, architects, engineers, and other construction consultants. In addition, the GGHDC handled all phases of the construction process and assisted in the hiring process for in-store positions.

Also, in January of 1996 Rite Aid teamed with the Jefferson Manor Community Development Corporation and the Girard Avenue Business Association. A state-of-the-art Rite Aid pharmacy was opened in a depressed North Philadelphia neighborhood, where more than a quarter of the residents were unemployed and the nearest drugstore was blocks away. Most of the 18 store employees were hired from within the neighborhood. Community leaders commended Rite Aid saying the store serves as a building block to help revitalize their neighborhood.

Rite Aid partnering with New York City as a foundation for urban development

Recently, Rite Aid CEO Martin Grass committed to a project sponsored by New York Mayor Rudolph Giuliani called "The ANCHOR Program." Developed in conjunction with the New York City Partnership, the program is dedicated to the

(more)

development of commercial properties in economically challenged neighborhoods in which residential housing also is being developed. Last October, Mayor Giuliani announced Rite Aid's participation in the first "Partnership Plaza," 20,000 square-foot, $3.4 million commercial plaza in Bedford-Stuyvesant, Brooklyn. Rite Aid will anchor the plaza and create 15-20 new jobs in a neighborhood desperately in need of them. All of the hiring will be done on-site and Rite Aid will work collaboratively with the NYC Partnership's job training component to ensure that neighborhood residents have access to these jobs.

In addition to its 142 stores operating throughout New York City's neighborhoods, Rite Aid also announced its plans for a second store on 125th street in Manhattan, one of five stores developed in the greater Harlem community.

Rite Aid joins with City of Buffalo to reclaim blighted sites

Working together, Rite Aid and the City of Buffalo have already made significant progress in changing blighted areas into attractive, tax-paying neighborhood drugstore locations. Rite Aid is the only major retail drugstore firm solidly committed to building new stores in every area of Buffalo. In 1993, Buffalo Mayor Jimmy Griffin and Rite Aid undertook this ambitious program, which is continuing with the solid encouragement of Mayor Anthony Masiello. In the past five years, Rite Aid has constructed 11 drugstores in the city's blighted areas at a total project cost in excess of $15 million. Each store employs about 20 full-and-part-time people. Rite Aid plans to add five more stores in urban Buffalo over the next two years.

Commitment to upgrading retail services in Detroit

On June 11, 1998, Rite Aid CEO Martin Grass will host the grand opening of the first of ten new stores planned for Detroit. The store serves an urban, low-income neighborhood without easy access to a full-service drugstore. While other retailers are only just discovering the opportunities Detroit offers, Rite Aid leads the pack in its commitment to Detroit and its investment in the city. Rite Aid has earmarked approximately $25 million for the planned rollout of ten new stores in Detroit. Rite Aid has also committed more than $3.5 million for the renovation and remodeling of an additional five stores in Detroit this year.

Commitment to Cleveland's inner-city neighborhoods

Rite Aid is the leader in the industry in rediscovering inner-city Cleveland. With 19 stores currently operating within the city limits, Rite Aid is committed to building at least six new stores in the next couple of years. Rite Aid's Cleveland initiative started in mid-1996 with the opening of its first prototype store in the Five Points area of Collinwood. Each new store represents an investment upwards $2 million into the neighborhood.

(more)

REVITALIZATION/5

Grass honored for commitment to inner-city Baltimore

Rite Aid built its first Empowerment Zone, state-of-the-art prototype store in Baltimore in 1996. With the opening of that store Martin Grass announced plans to replace as many as 30 older units with new stores. The overall investment of new stores, relocations, and expansions is estimated at $33 million. In fact, Grass was honored by Baltimore's Inner City Community Development Corporation with a community development award for his commitment to creating a network of neighborhood pharmacies that offer customers competitively priced, quality health-care and convenience shopping services.

Rite Aid makes a multi-million dollar investment in Newark

Rite Aid announced in mid-1996 an investment of more than $10 million to develop six new pharmacies in Newark. Mayor Sharpe James commended Rite Aid at the Grand Opening of a Clinton Avenue store for creating over 100 new jobs for local Newark residents.

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Lisa - Bob prepared this Friday after his talk with the President

MEMORANDUM

To: President Clinton, Gary Gensler, Sylvia Mathews & Chuck Brain
From: U.S. Rep. Bob Wise, (WV-2)
Date: June 4, 1999
Re: New Markets Initiative & Rite Aid Corporation

I am writing to raise concerns about the commitment of some of the private sector participants that you chose to attend a roundtable aimed at encouraging investment in underserved inner-city and rural areas as part of your recently proposed New Markets Initiative.

On May 7, 1999, the Rite Aid Corporation announced plans to close its distribution center in Poca, West Virginia. This decision came as a complete surprise to the workers at this facility and will have a devastating impact on the economy of Putnam County by leaving more than 600 people jobless.

On May 11, 1999, Mr. Martin Grass, Chairman of Rite Aid, travelled to Atlanta, Georgia, with President Clinton, Vice President Gore and 16 other CEOs of major American corporations to discuss the New Markets Initiative and ways to mobilize new private investment in America's most economically underserved communities.

Such a contradiction is tough to swallow, and I believe could present a real credibility problem with the New Markets Initiative among the people of West Virginia or similar communities that are given promises one day and are abandoned the next.

This leaves me with two issues that I would like to raise with you:

1.) I would like to invite you to visit portions of my district as part of the New Markets Initiative. West Virginia is the only state that is entirely in Appalachia, and we have a number of local communities that could benefit directly from this program.

2.) I would like to request your support in helping us seek options that will allow Rite Aid to remain at their distribution center in Poca, West Virginia. A wide range of union, political and community leaders have taken an active role in this effort, and your backing would help greatly to achieve a goal that we all share.

Thank you for your attention to this important matter.

CHAUFFEURS, TEAMSTERS AND HELPERS
LOCAL UNION NO. 175

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RICHARD K. HALL
President

DAVID R. ATKINS
Secretary-Treasurer

Affiliated with the
International Brotherhood
of Teamsters, AFL-CIO
Teamsters Joint Council No. 8

May 18, 1999

The Honorable Robert E. Wise, Jr.
Representative in Congress
Elk Office Center
4710 Chimney Drive
Charleston, WV 25302

Dear Mr. Wise:

I am sure you are aware Rite Aid announced that it intends to close its Poca, West Virginia Distribution Center in June of 2000 resulting in the loss of over 600 good paying jobs. Obviously, this will have a devastating effect on the workers and their families. These are all local employees who reside in Putnam, Kanawha and the surrounding counties. These job losses will be a severe blow to the economy in those areas as well as the State of West Virginia. The ripple effect of these job losses will impact local businesses and suppliers which will result in even more job losses. The annual payroll at this facility is approximately 16 million dollars. Therefore, the closing will result in a significant loss of tax revenue for the affected counties and the State of West Virginia.

I am sure you will agree that it is in the best interest of all West Virginians that we band together and take immediate action in an attempt to convince this Company to reverse their decision and keep those good paying jobs in West Virginia. This is not about labor unions nor partisan politics but rather about keeping good paying jobs in West Virginia. Jobs that are necessary for workers to support their families, send their children to school and to enjoy a decent standard of living.

Therefore, on behalf of the more than 600 workers at Rite Aid, I am asking our elected officials to come together and to generate a plan to keep these jobs in our State.

In the past week there has been tremendous community support for these employees. As a first step, a rally is being held to support these workers and I would like to take this opportunity to invite you to attend. ***The rally will be held at the Poca High School gymnasium on Sunday, May 23rd, 1999, at 2:00 p.m.*** I hope to see you there. Thanking you in advance for your support and assistance in our attempt to keep these jobs in West Virginia.

Yours truly,

TEAMSTERS LOCAL UNION NO. 175

Ken Hall

Ken Hall, President

KH:sjs

BOB WISE
2D DISTRICT, WEST VIRGINIA

COMMITTEES:
COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE
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FAX: (304) 264-8815

May 7, 1999

Mr. Martin Grass
Chairman & CEO
Rite Aid
30 Hunter Lane
Camp Hill, Pennsylvania 17011

Dear Mr. Grass:

I am writing in regards to the May 7, 1999, announcement of your plans to close the Rite Aid distribution center located in Poca, West Virginia, by June 6, 2000.

The decision to close the Rite Aid facility in Poca comes as quite a surprise and will have a devastating impact on the economy of Putnam County by leaving more than 600 people jobless. The employees of the distribution center have performed admirably for Rite Aid over the past two decades. They have watched Rite Aid grow to become a national name over this period and we are all disappointed by this development.

I would appreciate the opportunity to discuss this matter with you. Given the workforce's good productivity, as well as the regional location of the distribution center, it is my hope that some options may be put forward which offer solutions to Rite Aid's restructuring that will satisfy all involved parties. I know I speak for all West Virginia officials in wanting to work with you.

Once again, thank you for your attention to this important matter. I look forward to discussing this with you. Please do not hesitate to contact me if I can be of any assistance.

Very truly yours,

Bob Wise

Bob Wise
U.S. Representative

BW:gs

MONTANI SEMPER LIBERI "Mountaineers are always free"

BOB WISE
2d DISTRICT, WEST VIRGINIA

COMMITTEES:
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& INF JCTURE
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June 4, 1999

Mr. Martin Grass
Chairman & CEO
Rite Aid
30 Hunter Lane
Camp Hill, Pennsylvania 17011

Dear Mr. Grass:

I was pleased to hear of your participation in President Clinton's New Markets Initiative on May 11, 1999, in Atlanta, Georgia. This program is seeking to promote a number of goals that I believe are worthwhile and attainable with the proper commitment from business and political leaders.

The National Economic Council developed the New Markets Initiative to encourage investment in underserved inner-city and rural areas of the United States. Included among the elements of this plan are a combination of tax credits and loan guarantees to promote investment in these untapped or depressed economies. As you know, a number of the local communities in West Virginia already provide similar incentives, but a federal program to back-up these efforts could help ensure the stability required to retain and promote investments to our region.

At the roundtable you attended, President Clinton announced his intention to take a bipartisan delegation of CEOs and Members of Congress on a nationwide tour of some of these economically underserved areas. The President has already announced his intention to bring this tour to Appalachia. As the only state existing entirely in this territory, I am going to strongly recommend including areas of West Virginia on the New Market Initiative tour.

I would like to take this opportunity to invite you to come to West Virginia, with or without the New Markets Initiative tour, to see firsthand the strong values and commitment of our workforce to their employers. West Virginia has great potential for the future, but many of our communities just require a little help to achieve success. By understanding the needs and character of our people, you may gain an even greater appreciation of the real value of bringing business to West Virginia and similar areas.

Once again, thank you for your attention to this important request. I look forward to hearing from you with your thoughts on this matter.

Very truly yours,

Bob Wise
U.S. Representative

BW:gs

'We've been on such a roll'

Rite Aid knocks wind out of Putnam

Workers, officials look for answers to decision to shut down warehouse

By Tara Tuckwiller
PUTNAM COUNTY REPORTER 5/8/94

Rite Aid's timing is "so ironic," Putnam County Commissioner Jim Caruthers said.

The morning after Rite Aid Corp. announced it will shut down its warehouse in Rock Branch within a year, leaving 600 people unemployed, the county got a letter from a New York bank.

The county owes the bank a $700 "administrative fee," the letter said, for financing part of the $7.8 million worth of government incentives the Rite Aid warehouse pulled down from the state and county since 1978.

Companies that get such financial aid usually take care of those fees anyway, Caruthers said. But on Friday, of all days, it was just a little too much to bear.

The Rite Aid warehouse is Putnam County's second-biggest employer, behind the school system. It's bigger than Toyota and Diamond Electric combined — the two new automotive plants in Putnam County that state officials point to when they talk about West Virginia's economic turnaround.

"We've been on such a roll down here," Caruthers said. "Then you get hit with something like this."

At the Rite Aid warehouse Friday, employees talked of nothing else. Some just talked of nothing, period.

"It's just like a ghost town," said shipping worker Mike Winters. "Nobody's saying nothing. Usually people will be getting on the intercom, wishing each other happy birthday. Not today."

Winters sat under a picnic shelter with fellow workers Mike Davis and Shane Evans on their break. They sipped Cokes and speculated about why Rite Aid is transferring operations to a new, bigger warehouse in Perryman, Md.

"They've only got two union warehouses left. This one, and Rome, New York," said Davis, one of the Rite Aid employees represented by Teamsters Local 175. "They're trying to get rid of the union."

"Last year, they said production was down," Winters added. "It's because morale's down. It's like this every three years, whenever the union contract comes up. It's going to affect your work when you have to wonder every three years if your job's going to be there."

A Rite Aid spokeswoman referred questions to a press release, which

Please see RITE AID, 13A

RITE AID

Continued from 1A

states that the corporation is switching to big warehouses because changes in the industry make small ones "uneconomic."

According to a 1997 article in the Baltimore Sun, state and county governments in Maryland provided $7.65 million in incentives to attract the Perryman warehouse.

Rite Aid has accepted at least $7.8 million worth of incentives from West Virginia and Putnam County. The Putnam County Commission has fronted Rite Aid $4.9 million in industrial revenue bonds — $1.9 million when the warehouse was first built in 1978, and another $3 million for an expansion in 1982.

The state development office loaned Rite Aid another $2.9 million — $2.4 million in 1978, and another $500,000 in 1988. The last loans were paid off last year, exactly 20 years after the warehouse opened.

It's a near replica of the situation Kanawha County faced two years ago, when a large Kroger warehouse used up the last of its government incentives, then quickly moved its operations out of state. Only it's worse — Kroger left 230 people jobless, not 600.

"This has more of an impact than Kroger," Caruthers said. "In Kanawha County, they've got a good industrial base. That's where we're hurting. We're growing, but it's people moving into houses."

Most of the Rite Aid workers are young women — "single mommies," as one worker put it — who will probably have a hard time finding another job that will pay them between $11.50 and $15.10 an hour. They're skilled in warehouse work, Caruthers said, but all the warehouses are leaving the area.

"We lost Kroger. We lost Heck's warehouse. We lost Stone & Thomas warehouse. We lost N&W warehouse," he said. "We've lost three warehouses, just within this 2-mile radius, within the last 10 or 12 years."

Plus, Putnam County government and schools are going to lose a big chunk of tax money. Last year, the Rite Aid warehouse paid about $295,000 in taxes on the building, equipment and inventory.

This year, Rite Aid's total tax was estimated at only $176,500 — a 40 percent drop. The reason, Putnam County Assessor Peachie Arthur said, is that the warehouse got rid of about $30 million worth of inventory.

"They were selling it off," Arthur said. The tax office had the figures by February, but nobody noticed the severe drop.

"I wasn't looking for it," Arthur said. "You don't, when you've got so many businesses. You're not looking for a decrease."

Officials at every level of government are scrambling to schedule meetings with Rite Aid officials, trying to salvage the jobs. Rep. Bob Wise sent a letter to the chairman of Rite Aid on Friday. Caruthers said he's trying to set up a meeting with state Sen. Oshel Craigo and the rest of Putnam County's state lawmakers.

Jan Dickinson of the state Development Office said her office has done the same thing.

"We had already been in contact with them several times," she said. Someone from the Development Office visited the warehouse in February, just routinely checking in with the company. The closing never came up, she said.

"We were totally surprised," she said. "We've contacted the company and said, 'What can we do to keep you here?'"

Ken Hall, president of Teamsters Local 175, said officials there met Friday to discuss their strategy. The Teamsters took Kroger to court when that warehouse was closed, saying the corporation shouldn't be allowed to skip out after government incentives run out. The union lost in circuit court, and the state Supreme Court refused to hear the case.

"Our state officials have to wake up," Hall said. "We can't continue to give handout money to these companies, and they leave after they've taken advantage of all the tax breaks and incentives.

"We're not going to just say, 'golly gee, that's too bad,' and start discussing severance packages. We're going to find out why they're destroying 600 good-paying jobs."

To contact staff writer Tara Tuckwiller, call 348-5189

Gazette photo by RACHEL GRIFFITH

Rite Aid employees (from right) Kelly Raynes, Barbara Kittle and Jane Thomas gathered with others outside the Rock Branch warehouse during their break Friday to discuss their pending layoffs.

Charleston Gazette

Associated Press

AM-WV-BRF--Rite Aid Closing,140

11:52:04, 22 May 1999

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ss1 Community rallies for Rite Aid workers set to lose jobs

CHARLESTON, W.Va. (AP) _ A petition drive to keep a Rite Aid Corp. warehouse in Putnam County has won the support from more than 20,000 area residents.

Teamsters Local 175, which represents 600 workers who would be left jobless with the announced shutdown of the warehouse, also organized a rally set for Sunday to show support for the employees.

``I don't think they expected the kind of support from the citizens here," Teamsters President Ken Hall said Friday.

Rite Aid announced earlier this month it would move its distribution operation to a recently built warehouse at Perryman, Md., in June 2000.

Hall said the company has asked to discuss severance pay. ``We're not prepared to talk about severance," he said. ``We want to talk about keeping these jobs here first."

A spokeswoman at Rite Aid in Harrisburg, Pa., declined to comment Saturday.

AP-ES-05-22-99 1153EDT

:SUBJECT: WV

STORY TOP

Rally source of hope

Charleston Daily Mail

5-22-99

Teamster hopes Rite Aid will keep warehouse here

By GEORGE HOHMANN
DAILY MAIL BUSINESS EDITOR

Teamsters Local 175 President Ken Hall thinks Sunday's rally for Rite Aid workers at Poca High School might help change the drugstore chain's decision to close its Putnam County distribution center.

"I don't think they expected the kind of support (workers have received) from the citizens here," Hall said Friday. "I've never seen people this upset. I get calls every day from people suggesting all kinds of remedies.

"In 11 days there are 21,000 signatures on petitions. That's a tremendous show of support. I think the company needs to recognize that. After all, that's their customers."

The Teamsters are organizing Sunday's 2 p.m. rally.

Rite Aid on May 6 announced it would move its distribution operation to a newer warehouse at Perryman, Md. The move would throw about 600 employees out of work at the distribution center in the Rock Branch Industrial Park when the scheduled transfer takes place in another year.

Hall said Rite Aid has proposed several dates for a meeting to discuss severance pay, but "we're not prepared to talk about severance. We want to talk about keeping these jobs here first."

The shift from Putnam County to Perryman, Md., "doesn't make any sense," Hall said.

Rite Aid has said it is moving the operation to Maryland because the Perryman warehouse is newer, close to Interstate 95 and very close to two major Rite Aid markets — Philadelphia and Baltimore.

"When they announced in 1997 they would build the Maryland warehouse, they immediately told their people in Harrisburg, Pa., that they would close Harrisburg and consolidate in Maryland," Hall said.

■ Turn to HOPE/11A

Hope

■ Continued From 1A

"I went through their annual reports and the information they have provided about their new distribution system, and there's no mention of closing their West Virginia facility.

"Frankly, it doesn't make a lot of sense," Hall said. "Our drivers meet drivers from Tuscaloosa, Ala. It will be difficult for them to service the area from Maryland.

"They talk about the lack of technology at the warehouse here, but their warehouses in Alabama and Pontiac, Mich., are basically the same size as here and have no advanced technology," he said.

Hall said the union met with the company the week before the announcement.

"I asked the corporation folks then, 'Do you think the warehouse in Maryland will have an impact on Poca?' They said, 'No, no impact,' "Hall said.

At that time, the company was just talking about moving the distribution services for a couple of stores, he said.

"They told us they only made the decision (to close the Putnam County center) two days before the announcement," Hall said. "It doesn't seem like a well thought-out plan."

Allison Costello, a spokeswoman at Rite Aid's corporate headquarters in Harrisburg, today declined to respond to Hall's comments.

Hall thinks the support of th community, state leaders an West Virginia's congression delegation offers "a chance t convince the company this i not the right decision."

"The company does not dispute that this work force i very productive," Hall sai "One week before the closin announcement, they had a awards ceremony and gav away TVs and bought the em ployees lunch, recognizing thei quality achievements."

Hall said the union has aske the company for informatio about the decision to close th Putnam County operation.

"Frankly, we want to kee these jobs here," Hall said "Nobody's complaining tha they're making money. Companies have to make money. Bu there has to be some consideration for the people wh have helped them be prof itable."

Hall said Rite Aid has 12 stores in West Virginia, provides prescriptions to government-related health agencies "they're making a substantia amount of money from the retail liquor business," and a subsidiary processes some prescription paperwork for the Public Employees Insurance Agency.

"They're making a lot of money in West Virginia," Hall said.

Writer George Hohmann can be reached at 348-4836.

RALLY

Continued from 1A

"I'm not the only one here depending on this job," she said. "There are people who have been here 15 or 20 years. There are husband-and-wife teams and single parents. They all have very good stories. We're a very productive work force."

Union and elected officials hope to meet with company officials to explain why closing the Poca warehouse makes no sense, said Ken Hall, president of Teamsters Local 175.

The decision to close appears to be an impulse, Hall said:

▲ Days before the announcement, while meeting with company officials on another matter, Hall asked if the new Maryland warehouse would have an effect on Poca. The answer was no.

▲ At the same meeting, union and company officials discussed hiring more workers in Poca and long-term issues concerning the warehouse.

▲ When the Maryland warehouse was first announced in 1996, the plan called for closing a warehouse in Pennsylvania, but not Poca.

▲ Standard & Poor's downgraded Rite Aid's stock value in April, said state Democratic Co-chairman Pat Maroney. "Given [Rite Aid's] long operating history, we view management's missteps as troubling," Standard & Poor's report says. Their report questions whether Rite Aid can efficiently manage its growth.

▲ On May 11, Rite Aid Chief Executive Officer Martin Grass traveled with President Clinton in an effort to encourage corporations to invest in rural and urban areas previously viewed as too risky. The closure announcement had come on May 7.

Congressman Bob Wise said he is sure Grass wants to do the right thing.

"Our message to Rite Aid is, 'You made a mistake. We're going to work with you to get through it, and you're going to be better off than you were before,'" Wise said.

He asked the workers to help union and elected officials represent them, to share ideas, stick together and not to give up if rumors start to circulate.

He talked himself almost hoarse at the rally. Reaching for a drink of water, he jokingly asked if anyone had a prescription for a sore throat.

"Rite Aid!" someone called out.

"Rite Aid," he repeated. "I'm not going to take it unless it you that!"

The crowd stood and [ap]plauded this sentiment, altho[ugh] Wise, Hall and Jim Bowen, p[res]ident of the AFL-CIO, all sai[d it] is too early to talk boycott, [but] the possibility exists.

"If you want West Virginian[s to] continue spending money [in] these stores, then you be[tter] keep these workers' jobs in V[West] Virginia," Hall said during th[e] ½-hour rally.

"The day they lock that d[oor] is the day we need to put p[ick]et lines in front of every Rite [Aid] store in this state," said Putn[am] County Commissioner Jim C[ar]ruthers.

He also said the county [may] ask legislators to change s[tate] law to allow only West Virgi[nia-]based companies to have liq[uor] licenses.

Rite Aid has expanded [its] stores in recent years and b[uilt] new ones, some within block[s of] each other. The new stores b[oast] spacious liquor aisles.

Local officials also have t[heir] eyes on Rite Aid's contract [to] provide prescription drugs [to] about 200,000 people insured [by] the Public Employees Insura[nce] Agency.

"If you're with us, we're w[ith] you," Carruthers said. "Bu[t if] you're against us, we're aga[inst] you."

Wise urged residents to s[tick] to positive tactics.

When Rite Aid's new Ma[ry]land warehouse had trouble [fill]ing orders, drivers from the [...]year-old warehouse in P[oca] made extra runs to stock th[e] stores, said driver Gibbie Ca[rter].

They did the same thing w[hen] the Alabama warehouse co[uld] not keep up with demand.

At 55, Carter wonders wh[ere] he would find another job. [His] wife, who is sick with can[cer,] worries where he will work [and] how he will retire.

At the rally, Carter ran [into] Clem Bossie, a fellow driver [for] Roadway.

If the warehouse closes, [he'll] be out of work, too, he said. "[We] have four trucks going in th[ere] every week," Bossie said.

Democratic Co-chairmen [Pat] Maroney and Steve Wh[ite] planned to write to Presid[ent] Clinton today.

Hall read letters of sup[port] from the UMWA, the Com[mu]nication Workers and the In[ter]national Brotherhood of Ele[ctri]cal Workers, all of whom sup[port] the Teamsters effort.

"I think we can turn th[is] around," Carter said. W[ise,] Bowen and Hall agreed.

To contact staff writer D[...] Miller, call 348-5117.

R'te Aid workers rally for jobs

Charleston Gazette

Gazette photo by KENNY KEMP

anner Neal, son of Rite Aid warehouse employee Angela Neal, protests the company's decision to lose the Poca facility, putting his mother out of work. The Neals joined about 800 workers and fam-y members for a rally Sunday at Poca High School.

By Dawn Miller 5/24/99
STAFF WRITER

POCA — About 800 Rite Aid workers, friends and family members rallied at Poca High School on Sunday to figure out how to convince the company to keep its 20-year-old warehouse open.

About 600 workers will lose their jobs by the end of the year if Rite Aid continues with a plan announced two weeks ago to close the warehouse. The jobs pay $11.50 to $15.50 an hour.

Putnam County residents picked up signs for their yards, peddled Cokes to raise money for the effort and donned T-shirts saying, "Save West Virginia Jobs."

Beneath banners of the Poca Dots in the high school gym, employees told of working seven days a week for months to meet the demands of Rite Aid's expanding number of stores.

While the company says a new high-tech warehouse in Maryland will replace the Poca warehouse, workers say they still make extra runs to keep goods on the shelves because the Maryland warehouse cannot keep up with demand.

"Who do you think pulled them out?" said 11-year employee Donna Smith. "Poca did."

She worries what will happen if she loses her job and health benefits. She has three children, ages 9, 4 and 2. Two of them have asthma and one has a vision problem.

Please see **RALLY, 7A**

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Charleston Daily Mail

Our views

Rite Aid

Com

The company shouldn't write off 600 loyal, hard-working employees

RITE Aid officials are having difficulty discussing severance pay for the company's 600 employees at its warehouse in Rock Branch with President Ken Hall of Teamsters Local 175.

"We're not prepared to talk about severance," Hall told Daily Mail Business Editor George Hohmann. "We want to talk about keeping these jobs here first."

That's the kind of can-do attitude that's needed to save these jobs from being transferred to a new warehouse in Maryland.

This is a battle worth waging. State officials should work with the union to save these well-paying jobs.

West Virginia is important to the company. Rite Aid has 123 stores in the state and it has a subsidiary that processes some prescription paperwork for the Public Employees Insurance Agency.

"They're making a substantial amount of money from the retail liquor business," Hall said of the Rite Aid stores.

At a rally on Sunday, workers told of bailing out the company's new Maryland warehouse when it failed to keep up with demand.

The state of Maryland may have made the company an offer it couldn't refuse, but West Virginia has something better to offer — good, loyal workers and good, loyal customers. Both are needed to make any enterprise successful.

AT&T learned this lesson five years ago, when it announced it was closing its center in downtown Charleston as part of a nationwide cutback of 15,000 jobs. State officials asked Robert Allen, then chairman of its board, to review the layoff.

He did. He realized it was a mistake. He kept the center open, saving 400 jobs.

Rite Aid Chief Executive Officer Martin Grass should learn from AT&T and review this decision.

West Virginians are the best workers in America. That's an asset that should offset any temporary tax incentive.

REVITALIZATION/2

"In addition, most of the revenue from our stores remains in the local community in the form of salaries and wages, taxes and other services. Rite Aid stores and personnel also are active participants in community life, contributing time and resources to local merchants associations, business district beautification, neighborhood events and programs. In many cases, Rite Aid has provided new opportunities for local pharmacists unable to remain in business because of pressures brought on by reduced revenue from managed care," Grass continued.

Rite Aid also reinforces its commitment to urban communities through its Mother's Day Mammograms© program. The program educates women about breast cancer and helps uninsured women, through a referral service, receive free yearly mammograms. Since 1990, over 15,000 women have received free breast screenings.

"Our experience shows that stores in underserved urban areas are among our most successful ventures," Grass added.

Rite Aid Corporation, based in Camp Hill, PA is one of the nation's largest drugstore chains with approximately 4,000 stores in 30 states and the District of Columbia with annual revenues of $11.4 billion. General information about Rite Aid, including corporate background and press releases, is available through the company's website at http://www.RiteAid.com.

Recent highlights of Rite Aid's commitment to urban revitalization include:

New store at site of 1992 Los Angeles riots

In mid-January Rite Aid celebrated the grand opening of its first new Los Angeles store, highlighting its commitment to economic recovery in South Los Angeles. Community and business leaders joined Rite Aid CEO Martin Grass at the store located on the corner of Rodeo and LaBrea. Rite Aid was commended for its commitment to the community, and the importance of companies like Rite Aid investing in Los Angeles was emphasized. The corner was a site of devastation following the riots in 1992. Rite Aid's move into the community signals a major rebirth of business in the area.

In addition, Rite Aid is committed to investing $55 million over the next year in the city of LA alone, including new and remodeled stores throughout the inner city areas of South Central Los Angeles, East Los Angeles, the harbor district and the San Fernando Valley. The company is also slated to open two new stores in the City of Compton, representing an investment of $4.5 million in that city. Other urban regions of Southern California to be served by new or remodeled Rite Aid stores include, Long Beach, Santa Ana, Huntington Park, Baldwin Park and Gardena.

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REVITALIZATION/3

Commitment to employing San Francisco welfare recipients

Rite Aid is planning a partnership with San Francisco Works, a program that helps provide valuable employment opportunities for San Francisco residents. Led by the Chamber of Commerce, the Committee on Jobs and the United Way, San Francisco Works was chartered in 1997 to prepare 2,000 men and women to transition successfully from welfare to work through proven screening, training, placement and retention support programs. Within the next 90 days Rite Aid will open three new stores in San Francisco and will be hiring from the local communities.

Rite Aid redeveloping entire block in Tacoma Hilltop area

Rite Aid will soon break ground on a $4 million project that will help revitalize the Hilltop, a struggling neighborhood in Tacoma, Washington. Rite Aid has been commended by community leaders, for its pioneering efforts, which may serve as a catalyst for future economic developments. The 16,000 square foot store will employ Hilltop neighborhood residents.

Partnering with community construction and hiring groups in Philadelphia

In mid-1996 Rite Aid reaffirmed its commitment to urban retailing by partnering with a community development group to relocate a store in inner-city Philadelphia. The relationship with the Greater Germantown Housing Development Company (GGHDC) ensured local hiring of all subcontractors, architects, engineers, and other construction consultants. In addition, the GGHDC handled all phases of the construction process and assisted in the hiring process for in-store positions.

Also, in January of 1996 Rite Aid teamed with the Jefferson Manor Community Development Corporation and the Girard Avenue Business Association. A state-of-the-art Rite Aid pharmacy was opened in a depressed North Philadelphia neighborhood, where more than a quarter of the residents were unemployed and the nearest drugstore was blocks away. Most of the 18 store employees were hired from within the neighborhood. Community leaders commended Rite Aid saying the store serves as a building block to help revitalize their neighborhood.

Rite Aid partnering with New York City as a foundation for urban development

Recently, Rite Aid CEO Martin Grass committed to a project sponsored by New York Mayor Rudolph Giuliani called "The ANCHOR Program." Developed in conjunction with the New York City Partnership, the program is dedicated to the

(more)

PART I - NEW BUSINESS OPPORTUNITIES IN UNTAPPED MARKETS

The business community is at the forefront of economic revitalization efforts in many of our inner cities and rural areas. The Clinton/Gore Administration's Empowerment Zone/Enterprise Community (EZ/EC) Initiative provides businesses with the tools they need to grow and prosper over the ten-year life of the Initiative. Join the businesses already making a difference in these communities, and at the same time, increase your profitability by taking advantage of the many benefits of this innovative Initiative. This user's guide will answer some of the important questions that you have regarding the EZ/EC Initiative. It will also identify and explain the various incentives and help you decide that this program is right for your business.

In real estate business the three keys to success are "location, location, location." The advantages of doing business in the EZ/ECs are immediate access to untapped markets, proximity to strategic locations and new incentives that can give your business the edge in its search for new markets and increased profits. In addition, there is considerable purchasing power in these areas, yet these markets are presently underserved - particularly in the retail, financial services and the personal services sector.

Rite Aid Pharmacies - Stronger Profits in the Inner Cities
Martin Grass, Chairman and CEO of Rite Aid Pharmacies, noted that there are approximately 600 Rite Aid Pharmacies which are located in inner cities. Many of these stores show a better return on investment when compared to stores located elsewhere. He summarized his point by saying "Our message is that it's good business to do business in the inner cities." Some of the company's newer stores are located in the heart of Empowerment Zones in Harlem, Baltimore, and South Central Los Angeles.

The EZ/EC Initiative also offers businesses an opportunity to be more involved in local revitalization efforts and to be closer to the local community. Many businesses serve on local EZ/EC governing boards that are responsible for revitalization efforts. Businesses have established mentoring programs to help youth or have loaned executives to help improve the management of a local EZ/EC. Being involved in the EZ/EC Initiative means that businesses are part of an overall community effort to improve schools, reduce crime, modernize infrastructure, and in general, create a better living environment for the residents. By participating in the EZ/EC Initiative, the business community can take pride in knowing that in addition to providing valuable products or services, business is a vital contributor to achieving a brighter future for local communities.

As mentioned earlier, businesses that participate in the EZ/EC Initiative can access a host of new incentives, grants, and services that are specifically designed to promote investments in the EZ/ECs and increase business profitability. These include:

- **Tax Incentives**. The Federal Government established a series of tax incentives that are applicable to businesses operating in the EZ/ECs or for hiring EZ/EC residents over the 10-year life of the Initiative.
- **Access to Low-Cost Capital**. Businesses can also tap specifically-designed loan, grant, and/or equity programs that can be used to start or expand a business.
- **Tailored Workforce Development Programs**. Many EZ/ECs have established job training and job match programs that tailor training to employers' needs.
- **Supporting Working Families**. Many EZ/ECs provide childcare, transportation, and other services that enhance a residents' employability.
- **EZ/ECs as Untapped Markets**. Many EZ/ECs are located in areas that provide a competitive advantage to business which increases profits and provides a better return on investment.
- **Healthy Communities and Safe Neighborhoods**. One of the top concerns expressed by businesses working in distressed communities is crime. The Department of Justice, in partnership with local law enforcement agencies, residents, and business are working with many EZ/ECs to combat crime and create a safe environment for people to live and work.
- **Fostering Business Development**. The EZ/EC Initiative is fostering retail development in untapped inner city markets. The objective of this effort is to attract much needed retail services to EZ/EC areas.

What are Empowerment Zones and Enterprise Communities?

The Federal Empowerment Zones and Enterprise Communities (EZ/ECs) in urban areas were designated by the U.S Department of Housing and Urban Development (HUD) as a result of two competitions held in 1994 (Round I) and 1998 (Round II). EZ/ECs are geographically targeted census tracts within larger communities that receive special benefits that help to revitalize these areas. Together, residents, business, government, and other community stakeholders create a 10-year strategic plan to increase economic opportunity which will make these communities a better place to live and work.

The primary differences between EZs and ECs lie in the amount of federal funding granted to each community and the availability of certain tax incentives. EZs receive $100 million of grant funding over 10 years to support their revitalization strategies, while ECs have been awarded $3 million. This funding has been used to support business as they develop and grow in EZs and ECs. EZs also qualify for a wider range of tax incentives than ECs. This publication includes a brief description of the tax incentives available to EZs and ECs (see pages XXX) and the back cover contains a summary of the total Federal benefits available to each EZ/EC.

In total, there are now over 75 urban EZs and ECs in operation throughout the United States. The front cover of this publication contains the location of the EZ/EC nearest to you. To find the contact name at an EZ/EC, call Community Connections at 1-800-998-9999. An operator will assist you in locating the contact at each EZ/EC. Also, if you

would like to find out if your business or a resident is located in an EZ/EC, check out the EZ/EC Address Locator at www.hud.gov/ezec/locator or call Community Connections at 1-800-998-9999. To get a list of census tracts for each EZ/EC contact Community Connections.

Even if you are not located in an Empowerment Zone, you may still qualify for Zone benefits at developable sites which are applicable only to Round II Empowerment Zones. Developable sites are areas outside the boundaries of the Round II EZs that may be used for commercial and industrial development. The developable sites qualify to use the proceeds of the Round II tax exempt bonds and EZs can also use their funds to create economic opportunity at these sites for EZ residents.

The rest of this business guide focuses on tax incentives, access to low-cost capital and workforce development programs that are available to businesses participating in the EZ/EC Initiative.

SECTION 2: TAX INCENTIVES FOR BUSINESS

Businesses that participate in the EZ/EC Initiative can access a host of tax incentives that are specifically designed to promote investments in these census tracts. The EZ/EC tax incentives increase the profitability of businesses located in the EZ or that are hiring EZ/EC residents. Businesses ranging in size from multi-national corporations to small mom-and-pop operations have used these incentives to increase profitability.
The following chart outlines the various tax incentives that are available to businesses who invest in our inner cities and rural communities.

[insert chart here]

For additional information, please review ***Internal Revenue Service Publication 954: Tax Incentives for Empowerment Zones and Other Distressed Communities.*** Publication 954 can be found at ***www.irs.gov/publication 954 or by calling Community Connections at 1-800-998-9999***. Please consult your local tax professional for details on the tax incentives that are most beneficial to your business.

$3 Million in EZ/EC Bond Proceeds Help Small Business Expand

The San Diego EC closed a $3 million EZ/EC tax-exempt bond deal to finance land acquisition, building construction, and purchase of capital equipment for the expansion of Figi Graphics, Inc. which is a designer, manufacturer, and distributor of giftware and decorative accessories. The firm built an 85,700 square foot warehouse and office in the Gateway Center East Industrial Park in the Mount Hope Redevelopment Project area within the EC. The bond issue provides funds at an interest rate of approximately 3.5% below prime. To qualify for the loan, Figi Graphics, Inc., committed to hire at least 35%

Tax Incentives for EZ/ECs and Other Distressed Communities: Overview of IRS Publication [illegible]

Tax Incentive	[illegible]
Wage Credits	
Empowerment Zone Employment Credit: Provides businesses with up to a $3,000 annual incentive for hiring individuals who live and work in the Round I Empowerment Zones.	This credit is available only to Round I Empowerment Zones (see back of front cover for a listing of Round I and II EZs and ECs). The credit can be as much as $3,000 per qualified zone employee each year. The credit started in 1994 and will expire in 2004. The credit will become effective for Los Angeles, CA, and Cleveland, OH, and the District of Columbia in January 1, 2000.
Welfare to Work (WtW) Credit: The credit provides businesses that hire welfare recipients with a 2-year credit of up to $8,500.	Set to expire for individuals who begin work after June, 1999, but it is expected that Congress will extend this credit. This credit is applicable to all business that hire qualified welfare recipients. Employers cannot claim this credit and the Work Opportunity Tax credit for the same employee.
Work Opportunity Credit: Provides businesses with a credit of up to $2,400 for hiring qualified individuals from eight groups including high risk youth (i.e. EZ/EC youth ages 18-24), veterans, ex-felons, food stamp recipients, summer youth employees, supplemental security income recipients, vocational rehabilitation referrals or welfare recipients.	Set to expire for individuals who begin work after June, 1999, but it is expected that Congress will extend this credit. Employers cannot claim this credit and the Work Opportunity Tax credit for the same employee.
Deductions	
Increase Section 179 Deduction: Allows qualified EZ businesses to claim up to $20,000 over the current section 179 deduction for certain qualifying property in the year it is placed in service.	Section 179 Expensing can be used by businesses located in Round I and Round II Empowerment Zones, not those located in Enterprise Communities. This deduction can not be used in developable sites. The deduction can generally be claimed on certain depreciable property such as equipment and machinery.
Environmental Cleanup Cost Deduction (Brownfields Tax Incentive): Provides businesses with incentive to clean-up certain sites that are contaminated with hazardous substances. This incentive is not limited to business located in an EZ or EC.	This deduction is generally available for qualified environmental cleanup cost a business incurs after August 5, 1997 and before January 1, 2001. Qualified environmental clean-up costs can be deducted in the tax year you pay or incur the cost instead of being amortized over the life of the project.
Bonds	
Tax-Exempt Bond Financing: State and local governments can issue EZ/EC facility bonds (a type of tax-exempt facility bond) to raise funds for EZ/EC businesses. Tax exempt bonds generally have lower interest rates than conventional financing.	• Round I Empowerment Zones and Enterprise Communities have access to up to $3 million of bonding authority per community subject to the state cap. • Round II Empowerment Zones have access to up to $130 million of bonding authority per EZ. This bonding authority is not subject to the state cap and the proceeds can be used at developable sites.
Qualified Zone Academy Bonds: State and local governments can issue academy bonds to raise funds for the use of a "qualified zone academy".	Businesses must work with local public school districts to develop the qualified zone academy. The proceeds of these bonds can be used for activities such as teacher training,

Tax Incentive	What are the qualifications?
However, these bonds require a private business contribution. Certain banks, insurance companies and corporations actively engaged in the business of lending money can receive a tax credit as an incentive to hold the bonds.	rehabilitation of school property and repair of public schools within EZ/ECs.
Developable Sites	
Developable Sites: Developable sites are areas of up to 2,000 acres in close proximity to a Round II EZ that are identified as a business development site by the EZ. Businesses at these sites use the EZ incentives to create additional economic and employment opportunities for EZ residents.	Developable sites are eligible for all of the benefits and incentives available to Round II EZs except for the Section 179 expensing. Examples of developable sites include ports, transportation and railway hubs, dilapidated buildings, brownfields, and former military bases.
District of Columbia	
Special tax incentives apply to the District of Columbia.	For more details see IRS Publication 954 which can be obtained by calling Community Connections at 1-800-998-9999.

of its employees from the EC. For more information see IRS Publication 954 which can be obtained by calling Community Connections at 1-800-998-9999.

Brownfields Tax Incentive Helps Transform Former Steelworks Parking Lot into Tons of Tomatoes

Village Farms of Buffalo, New York now operates an 18-acre greenhouse on the former site of the Republic Steelworks parking lot. Agro Power Development (APD) used the Brownfields Tax Incentive to successfully remediate the 15 acre site prior to the construction of the greenhouse. The project employs 175 people with job preference going to Buffalo EC residents. The City and the Buffalo Enterprise Development Corporation contributed $500,000 of the total project cost of $15 million for site improvements and landscaping. For more information on the Brownfields Tax Incentive see IRS Publication 954 which can be obtained by calling 1-800-998-9999.

SECTION 3: ACCESS TO LOW COST CAPITAL

What are the available financing tools for businesses interested in an EZ or EC?

Next to the tax incentives, business financing tools are one of the most attractive features for businesses participating in the EZ/EC Initiative. Businesses that are already established or are looking to establish themselves in these areas can literally tap into a host of financing options. Whether your company is a Fortune 500 company, a medium-sized business, a small business, or a start-up, EZ/ECs can help meet your capital needs.

Obtaining Capital From Commercial Lenders: Commercial lenders play a key role in creating economic opportunity in EZ/ECs. Many commercial lenders have committed to increasing their lending activities in the EZs and ECs. Round I Empowerment Zones that were established in 1994 have been very successful in getting large commercial banks to finances various business deals in their Zones.

Detroit Banks Work Together to Provide Loans to EZ Businesses, Residents

Eight Detroit banks and two financial intermediaries have formed the Empowerment Zone Financial Institutions Consortium (EZFIC) to fund loans to Zone businesses and residents. The Consortium has proven to be a valuable source of capital for small and medium-sized businesses. Originally committed to provide a little over $1 billion over the ten-year life of the EZ/EC Initiative, this Consortium has performed beyond expectations. The Consortium has already provided over $950 million in loans and investments into the Detroit Empowerment Zone during the first four years of operation.

The Round II Empowerment Zones that were designated in 1999 received over $3 billion in similar commitments from commercial lenders. For instance, the Miami Empowerment Zone has received commitments from 18 banks to provide over $1 Billion in targeted lending in the Zone over the next 10 years.

Obtaining Capital From Other Lenders: Adding to the base of traditional commercial lenders, many EZ/ECs offer additional financing tools. Usually leveraged from funds provided by federal or local governments, these alternative financing tools enable EZ/EC businesses to attract low-cost capital.

The Los Angeles Community Development Bank (LACDB):
The Empowerment Zone and Enterprise Community Initiative helped to establish the Los Angeles Community Development Bank, the largest community development bank in the United States. Capitalized with $430 million in federal funds, the LACDB makes loans to businesses and other local entities who are unable to get credit from commercial lenders. Since its creation, the Bank has made 125 loans totaling $73 million. The LACDB offers Zone businesses a wide-variety of loans ranging from micro loans, for as little as $2,500, to large real estate loans valued at up to $10 million.

Los Angeles is not alone in establishing financial tools that help businesses operating in Empowerment Zones. Other EZ/ECs such as Atlanta, Baltimore, Kansas City, Boston, Oakland, Houston, New York, Philadelphia/Camden, and Cleveland have also "stepped-up to the plate," using a portion of their flexible federal grants, to create specialized lending programs that help local business. In order to qualify for these loans, businesses need to commit to hiring Zone residents.

EXAMPLE OF LOAN FUNDS IN THE EMPOWERMENT ZONES

Zone Location	EZ Funding	Description
Atlanta	$4.5 million	Offers multiple loan packages - ranging from $500 to $500,000.
Baltimore	$7.15 million	Offers multiple loan packages - maximum loan is $500,000.
Cleveland	$87 million	Offers multiple loan packages - ranging from $1,000 to $2 million.
New York	$31.5 million	Offer multiple loan packages - ranging from $400 to $200,000.
Philadelphia/	$31.1 million	Loans range from $400 to $1 million.
Camden	$3.5 million	Loans range from $500 to $1 million

Other Loans and Grants

The Federal government has a wide variety of programs that businesses can use to meet their credit and capital needs. The Department of Housing and Urban Development (HUD) has a grant program (Economic Development Initiative) and a loan guarantee program (Section 108) that work in tandem to provide businesses with millions of dollars that can be used for a wide variety of economic development projects.

Federal Program Helps Finance a Shopping Center in Akron EC

HUD is providing $3 million in EDI/Section 108 funds to help finance the development of the Middlebury Grocery and Shopping Center, a 62,000 square-feet retail complex. The funds are being used to cover a portion of the construction and land acquisition costs and will leverage an additional $6.5 million from other financial sources. This project will not only create jobs for EC residents but will provide a valuable retail service to the community.

To find out more about HUD's EDI/Section 108 program, please contact the HUD office nearest your or visit our website at www.hud.gov/progdesc/edi.html

The Small Business Administration (SBA) also serves as a vital link to businesses located in EZ/ECs. Through SBA's One Stop Capital Shops (OSCS) small businesses in several EZs can go to one location and gain easy access to the plethora of financial services offered by the SBA. Small businesses can access information on the internet, write a business plan, compete for a federal contract, apply for a city permit, seek business training or counseling, obtain technical assistance for loan applications, and apply for SBA-guaranteed loans. For more information about the financial products offered by the SBA contact your local SBA office or visit their website at www.sba.gov/onestop/

Atlanta, GA One-Stop Capital Shop

The Atlanta One Stop Capital Shop (AOSCS) is a collaborative effort between the Atlanta Empowerment Zone Corporation and the U.S. Small Business Administration (SBA) that leverages public and private, federal, state, and local resources. The purpose of AOSCS is to provide centralized, comprehensive financial and technical assistance to emerging and expanding businesses. The AOSCS has awarded 52 technical assistance grants to Zone businesses for services such as store layout and design, legal services, business administration, finance , marketing, etc. The AOSCS has made 105 loans within the Atlanta EZ, resulting in $28,514,000 in new investment through the SBA alone.

SECTION 4: WORKFORCE DEVELOPMENT - JOB TRAINING, TRANSPORTATION, AND CHILDCARE

How can EZs and ECs help businesses find employees that meet their needs?

In today's competitive economy businesses need a well-trained and reliable workforce. EZ/ECs can help businesses meet that challenge by tailoring job training and other services to meet the specific needs of employers. Businesses in many EZ/ECs can access a host of tailor-made job programs specifically designed to identify and train residents to become productive members of the local labor market.

The NIA Center - Putting All the Pieces Under One Roof

The NIA Center in the Louisville, Kentucky EC is providing business with a full range of services. Because of the services offered at the NIA Center, local businesses can now:

- identify and hire EC residents to fill vacancies via the Center's Career Resource Office;
- gain access to low-cost capital via the Louisville Community Development Bank;
- hire specially-trained residents through the Skills Academy; and
- meet the transportation needs of residents.

The NIA Center is not merely a collection of entities providing services. It has put together a cohesive strategy that is expanding economic opportunity for local businesses and EC residents.

[FRONT OF BACK COVER]

EZs and ECs

Type of Designation	Type of Incentive	$100 million grant	$3 million grant	HUD grant	EZ Wage Credit	WOTC Wage Credit	Welfare to Work Credit	Section 179 Expensing	Brownfields Expensing	Tax-Exempt Bond	QZABs
Round I Empowerment Zones											
Atlanta, GA		X			X	X	X	X	X	X	X
Baltimore, MD		X			X	X	X	X	X	X	X
Chicago, IL		X			X	X	X	X	X	X	X
Cleveland, OH *		X		X	X	X	X	X	X	X	X
Detroit, MI		X			X	X	X	X	X	X	X
Los Angeles, CA*		X		X	X	X	X	X	X	X	X
New York, NY		X			X	X	X	X	X	X	X
Philadelphia, PA/Camden, NJ		X			X	X	X	X	X	X	X
District of Columbia *		X			X	X	X	X	X	X	X
Round II Empowerment Zones											
Santa Ana, CA			X			X	X	X	X	X	X
New Haven, CT (also EC)			X			X	X	X	X	X	X
Miami-Dade County, FL (also EC)			X			X	X	X	X	X	X
Gary/ East Chicago, IN			X			X	X	X	X	X	X
Boston, MA (also EEC)			X			X	X	X	X	X	X
Minneapolis, MN (also EC)			X			X	X	X	X	X	X
St. Louis, MO/ East St. Louis, IL (also EC)			X			X	X	X	X	X	X
Cumberland County/ Bridgeton/ Vineland, NJ			X			X	X	X	X	X	X
Cincinnati, OH			X			X	X	X	X	X	X
Columbus, OH (also EC)			X			X	X	X	X	X	X
Columbia/ Sumter, SC			X			X	X	X	X	X	X
Knoxville, TN			X			X	X	X	X	X	X
El Paso, TX (also EC)			X			X	X	X	X	X	X
Norfolk/Portsmouth, VA			X			X	X	X	X	X	X
Huntington, WV/ Ironton, OH (also EC)			X			X	X	X	X	X	X
Enhanced Enterprise Communities											
Houston, TX				X		X	X		X	X	X
Kansas City, Kansas/Missouri				X		X	X		X	X	X
Oakland, CA				X		X	X		X	X	X
Urban Enterprise Communities											
Akron, OH			X			X	X		X	X	X
Albany, GA			X			X	X		X	X	X
Albany/Schenectady/Troy, NY			X			X	X		X	X	X
Albuquerque, NM			X			X	X		X	X	X
Birmingham, AL			X			X	X		X	X	X
Bridgeport, CT			X			X	X		X	X	X
Buffalo, NY			X			X	X		X	X	X

[BACK COVER]

EZs and ECs

Type of Designation	Type of Incentive	$100 million grant	$3 million grant	HUD grant	EZ Wage Credit*	WOTC Wage Credit**	WtW Wage Credit**	Section 179 Expensing	Brownfield Deductible	EZ Facility Bond	QZABS
Burlington, VT			X			X	X		X	X	X
Charleston, SC			X			X	X		X	X	X
Charlotte, NC			X			X	X		X	X	X
Clark County/Las Vegas, NV			X			X	X		X	X	X
Dallas, TX			X			X	X		X	X	X
Denver, CO			X			X	X		X	X	X
Des Moines, IA			X			X	X		X	X	X
Flint, MI			X			X	X		X	X	X
Harrisburg, PA			X			X	X		X	X	X
Indianapolis, IN			X			X	X		X	X	X
Jackson, MS			X			X	X		X	X	X
Los Angeles/Huntington Park, CA			X			X	X		X	X	X
Louisville, KY			X			X	X		X	X	X
Lowell, KY			X			X	X		X	X	X
Manchester, NH			X			X	X		X	X	X
Memphis, TN			X			X	X		X	X	X
Milwaukee, WI			X			X	X		X	X	X
Muskegon, MI			X			X	X		X	X	X
Nashville, TN			X			X	X		X	X	X
Newark, NJ			X			X	X		X	X	X
Newburgh/Kingston, NY			X			X	X		X	X	X
Norfolk, VA			X			X	X		X	X	X
Ogden, OH			X			X	X		X	X	X
Oklahoma, OK			X			X	X		X	X	X
Omaha, NE			X			X	X		X	X	X
Ouachita Parish, LA			X			X	X		X	X	X
Phoenix, AZ			X			X	X		X	X	X
Pittsburgh, PA			X			X	X		X	X	X
Portland, OR			X			X	X		X	X	X
Providence, RI			X			X	X		X	X	X
Pulaski County/ Little Rock, AK			X			X	X		X	X	X
Rochester, NY			X			X	X		X	X	X
San Antonio, TX			X			X	X		X	X	X
San Diego, CA			X			X	X		X	X	X
San Francisco, CA			X			X	X		X	X	X
Seattle, WA			X			X	X		X	X	X
Springfield, IL			X			X	X		X	X	X
Springfield, MA			X			X	X		X	X	X
St. Paul, MN			X			X	X		X	X	X
Tampa, FL			X			X	X		X	X	X
Waco, TX			X			X	X		X	X	X
Wilmington, DE			X			X	X		X	X	X

* The EZ Employment Credit will be effective in these communities January 1, 2000

** These credits can not both be claimed for the same employee in the same tax year.

PART I - NEW BUSINESS OPPORTUNITIES IN UNTAPPED MARKETS

The business community is at the forefront of economic revitalization efforts in many of our inner cities and rural areas. The Clinton/Gore Administration's Empowerment Zone/Enterprise Community (EZ/EC) Initiative provides businesses with the tools they need to grow and prosper over the ten-year life of the Initiative. Join the businesses already making a difference in these communities, and at the same time, increase your profitability by taking advantage of the many benefits of this innovative Initiative. This user's guide will answer some of the important questions that you have regarding the EZ/EC Initiative. It will also identify and explain the various incentives and help you decide that this program is right for your business.

In real estate business the three keys to success are "location, location, location." The advantages of doing business in the EZ/ECs are immediate access to untapped markets, proximity to strategic locations and new incentives that can give your business the edge in its search for new markets and increased profits. In addition, there is considerable purchasing power in these areas, yet these markets are presently underserved - particularly in the retail, financial services and the personal services sector.

> **Rite Aid Pharmacies - Stronger Profits in the Inner Cities**
> Martin Grass, Chairman and CEO of Rite Aid Pharmacies, noted that there are approximately 600 Rite Aid Pharmacies which are located in inner cities. Many of these stores show a better return on investment when compared to stores located elsewhere. He summarized his point by saying "Our message is that it's good business to do business in the inner cities." Some of the company's newer stores are located in the heart of Empowerment Zones in Harlem, Baltimore, and South Central Los Angeles.

The EZ/EC Initiative also offers businesses an opportunity to be more involved in local revitalization efforts and to be closer to the local community. Many businesses serve on local EZ/EC governing boards that are responsible for revitalization efforts. Businesses have established mentoring programs to help youth or have loaned executives to help improve the management of a local EZ/EC. Being involved in the EZ/EC Initiative means that businesses are part of an overall community effort to improve schools, reduce crime, modernize infrastructure, and in general, create a better living environment for the residents. By participating in the EZ/EC Initiative, the business community can take pride in knowing that in addition to providing valuable products or services, business is a vital contributor to achieving a brighter future for local communities.

As mentioned earlier, businesses that participate in the EZ/EC Initiative can access a host of new incentives, grants, and services that are specifically designed to promote investments in the EZ/ECs and increase business profitability. These include:

- **Tax Incentives.** The Federal Government established a series of tax incentives that are applicable to businesses operating in the EZ/ECs or for hiring EZ/EC residents over the 10-year life of the Initiative.
- **Access to Low-Cost Capital.** Businesses can also tap specifically-designed loan, grant, and/or equity programs that can be used to start or expand a business.
- **Tailored Workforce Development Programs.** Many EZ/ECs have established job training and job match programs that tailor training to employers' needs.
- **Supporting Working Families.** Many EZ/ECs provide childcare, transportation, and other services that enhance a residents' employability.
- **EZ/ECs as Untapped Markets.** Many EZ/ECs are located in areas that provide a competitive advantage to business which increases profits and provides a better return on investment.
- **Healthy Communities and Safe Neighborhoods.** One of the top concerns expressed by businesses working in distressed communities is crime. The Department of Justice, in partnership with local law enforcement agencies, residents, and business are working with many EZ/ECs to combat crime and create a safe environment for people to live and work.
- **Fostering Business Development.** The EZ/EC Initiative is fostering retail development in untapped inner city markets. The objective of this effort is to attract much needed retail services to EZ/EC areas.

What are Empowerment Zones and Enterprise Communities?

The Federal Empowerment Zones and Enterprise Communities (EZ/ECs) in urban areas were designated by the U.S Department of Housing and Urban Development (HUD) as a result of two competitions held in 1994 (Round I) and 1998 (Round II). EZ/ECs are geographically targeted census tracts within larger communities that receive special benefits that help to revitalize these areas. Together, residents, business, government, and other community stakeholders create a 10-year strategic plan to increase economic opportunity which will make these communities a better place to live and work.

The primary differences between EZs and ECs lie in the amount of federal funding granted to each community and the availability of certain tax incentives. EZs receive $100 million of grant funding over 10 years to support their revitalization strategies, while ECs have been awarded $3 million. This funding has been used to support business as they develop and grow in EZs and ECs. EZs also qualify for a wider range of tax incentives than ECs. This publication includes a brief description of the tax incentives available to EZs and ECs (see pages XXX) and the back cover contains a summary of the total Federal benefits available to each EZ/EC.

In total, there are now over 75 urban EZs and ECs in operation throughout the United States. The front cover of this publication contains the location of the EZ/EC nearest to you. To find the contact name at an EZ/EC, call Community Connections at 1-800-998-9999. An operator will assist you in locating the contact at each EZ/EC. Also, if you

would like to find out if your business or a resident is located in an EZ/EC, check out the EZ/EC Address Locator at www.hud.gov/ezec/locator or call Community Connections at 1-800-998-9999. To get a list of census tracts for each EZ/EC contact Community Connections.

Even if you are not located in an Empowerment Zone, you may still qualify for Zone benefits at developable sites which are applicable only to Round II Empowerment Zones. Developable sites are areas outside the boundaries of the Round II EZs that may be used for commercial and industrial development. The developable sites qualify to use the proceeds of the Round II tax exempt bonds and EZs can also use their funds to create economic opportunity at these sites for EZ residents.

The rest of this business guide focuses on tax incentives, access to low-cost capital and workforce development programs that are available to businesses participating in the EZ/EC Initiative.

SECTION 2: TAX INCENTIVES FOR BUSINESS

Businesses that participate in the EZ/EC Initiative can access a host of tax incentives that are specifically designed to promote investments in these census tracts. The EZ/EC tax incentives increase the profitability of businesses located in the EZ or that are hiring EZ/EC residents. Businesses ranging in size from multi-national corporations to small mom-and-pop operations have used these incentives to increase profitability.
The following chart outlines the various tax incentives that are available to businesses who invest in our inner cities and rural communities.

[insert chart here]

For additional information, please review ***Internal Revenue Service Publication 954: Tax Incentives for Empowerment Zones and Other Distressed Communities.*** Publication 954 can be found at ***www.irs.gov/publication 954 or by calling Community Connections at 1-800-998-9999.*** Please consult your local tax professional for details on the tax incentives that are most beneficial to your business.

$3 Million in EZ/EC Bond Proceeds Help Small Business Expand

The San Diego EC closed a $3 million EZ/EC tax-exempt bond deal to finance land acquisition, building construction, and purchase of capital equipment for the expansion of Figi Graphics, Inc. which is a designer, manufacturer, and distributor of giftware and decorative accessories. The firm built an 85,700 square foot warehouse and office in the Gateway Center East Industrial Park in the Mount Hope Redevelopment Project area within the EC. The bond issue provides funds at an interest rate of approximately 3.5% below prime. To qualify for the loan, Figi Graphics, Inc., committed to hire at least 35%

Tax Incentives for EZ/ECs and Other Distressed Communities (Overview of IRS Publication 954)

Tax Incentive	What are the qualifications?
Wage Credits	
Empowerment Zone Employment Credit: Provides businesses with up to a $3,000 annual incentive for hiring individuals who live and work in the Round I Empowerment Zones.	This credit is available only to Round I Empowerment Zones (see back of front cover for a listing of Round I and II EZs and ECs). The credit can be as much as $3,000 per qualified zone employee each year. The credit started in 1994 and will expire in 2004. The credit will become effective for Los Angeles, CA, and Cleveland, OH, and the District of Columbia in January 1, 2000.
Welfare to Work (WtW) Credit: The credit provides businesses that hire welfare recipients with a 2-year credit of up to $8,500.	Set to expire for individuals who begin work after June, 1999, but it is expected that Congress will extend this credit. This credit is applicable to all business that hire qualified welfare recipients. Employers cannot claim this credit and the Work Opportunity Tax credit for the same employee.
Work Opportunity Credit: Provides businesses with a credit of up to $2,400 for hiring qualified individuals from eight groups including high risk youth (i.e. EZ/EC youth ages 18-24), veterans, ex-felons, food stamp recipients, summer youth employees, supplemental security income recipients, vocational rehabilitation referrals or welfare recipients.	Set to expire for individuals who begin work after June, 1999, but it is expected that Congress will extend this credit. Employers cannot claim this credit and the Work Opportunity Tax credit for the same employee.
Deductions	
Increase Section 179 Deduction: Allows qualified EZ businesses to claim up to $20,000 over the current section 179 deduction for certain qualifying property in the year it is placed in service.	Section 179 Expensing can be used by businesses located in Round I and Round II Empowerment Zones, not those located in Enterprise Communities. This deduction can not be used in developable sites. The deduction can generally be claimed on certain depreciable property such as equipment and machinery.
Environmental Cleanup Cost Deduction (Brownfields Tax Incentive): Provides businesses with incentive to clean-up certain sites that are contaminated with hazardous substances. This incentive is not limited to business located in an EZ or EC.	This deduction is generally available for qualified environmental cleanup cost a business incurs after August 5, 1997 and before January 1, 2001. Qualified environmental clean-up costs can be deducted in the tax year you pay or incur the cost instead of being amortized over the life of the project.
Bonds	
Tax-Exempt Bond Financing: State and local governments can issue EZ/EC facility bonds (a type of tax-exempt facility bond) to raise funds for EZ/EC businesses. Tax exempt bonds generally have lower interest rates than conventional financing.	• Round I Empowerment Zones and Enterprise Communities have access to up to $3 million of bonding authority per community subject to the state cap. • Round II Empowerment Zones have access to up to $130 million of bonding authority per EZ. This bonding authority is not subject to the state cap and the proceeds can be used at developable sites.
Qualified Zone Academy Bonds: State and local governments can issue academy bonds to raise funds for the use of a "qualified zone academy".	Businesses must work with local public school districts to develop the qualified zone academy. The proceeds of these bonds can be used for activities such as teacher training,

Tax Incentive	What are the qualifications?
However, these bonds require a private business contribution. Certain banks, insurance companies and corporations actively engaged in the business of lending money can receive a tax credit as an incentive to hold the bonds.	rehabilitation of school property and repair of public schools within EZ/ECs.
Developable Sites	
Developable Sites: Developable sites are areas of up to 2,000 acres in close proximity to a Round II EZ that are identified as a business development site by the EZ. Businesses at these sites use the EZ incentives to create additional economic and employment opportunities for EZ residents.	Developable sites are eligible for all of the benefits and incentives available to Round II EZs except for the Section 179 expensing. Examples of developable sites include ports, transportation and railway hubs, dilapidated buildings, brownfields, and former military bases.
District of Columbia	
Special tax incentives apply to the District of Columbia.	For more details see IRS Publication 954 which can be obtained by calling Community Connections at 1-800-998-9999.

of its employees from the EC. For more information see IRS Publication 954 which can be obtained by calling Community Connections at 1-800-998-9999.

Brownfields Tax Incentive Helps Transform Former Steelworks Parking Lot into Tons of Tomatoes

Village Farms of Buffalo, New York now operates an 18-acre greenhouse on the former site of the Republic Steelworks parking lot. Agro Power Development (APD) used the Brownfields Tax Incentive to successfully remediate the 15 acre site prior to the construction of the greenhouse. The project employs 175 people with job preference going to Buffalo EC residents. The City and the Buffalo Enterprise Development Corporation contributed $500,000 of the total project cost of $15 million for site improvements and landscaping. For more information on the Brownfields Tax Incentive see IRS Publication 954 which can be obtained by calling 1-800-998-9999.

SECTION 3: ACCESS TO LOW COST CAPITAL

What are the available financing tools for businesses interested in an EZ or EC?

Next to the tax incentives, business financing tools are one of the most attractive features for businesses participating in the EZ/EC Initiative. Businesses that are already established or are looking to establish themselves in these areas can literally tap into a host of financing options. Whether your company is a Fortune 500 company, a medium-sized business, a small business, or a start-up, EZ/ECs can help meet your capital needs.

Obtaining Capital From Commercial Lenders: Commercial lenders play a key role in creating economic opportunity in EZ/ECs. Many commercial lenders have committed to increasing their lending activities in the EZs and ECs. Round I Empowerment Zones that were established in 1994 have been very successful in getting large commercial banks to finances various business deals in their Zones.

Detroit Banks Work Together to Provide Loans to EZ Businesses, Residents

Eight Detroit banks and two financial intermediaries have formed the Empowerment Zone Financial Institutions Consortium (EZFIC) to fund loans to Zone businesses and residents. The Consortium has proven to be a valuable source of capital for small and medium-sized businesses. Originally committed to provide a little over $1 billion over the ten-year life of the EZ/EC Initiative, this Consortium has performed beyond expectations. The Consortium has already provided over $950 million in loans and investments into the Detroit Empowerment Zone during the first four years of operation.

The Round II Empowerment Zones that were designated in 1999 received over $3 billion in similar commitments from commercial lenders. For instance, the Miami Empowerment Zone has received commitments from 18 banks to provide over $1 Billion in targeted lending in the Zone over the next 10 years.

Obtaining Capital From Other Lenders: Adding to the base of traditional commercial lenders, many EZ/ECs offer additional financing tools. Usually leveraged from funds provided by federal or local governments, these alternative financing tools enable EZ/EC businesses to attract low-cost capital.

The Los Angeles Community Development Bank (LACDB):
The Empowerment Zone and Enterprise Community Initiative helped to establish the Los Angeles Community Development Bank, the largest community development bank in the United States. Capitalized with $430 million in federal funds, the LACDB makes loans to businesses and other local entities who are unable to get credit from commercial lenders. Since its creation, the Bank has made 125 loans totaling $73 million. The LACDB offers Zone businesses a wide-variety of loans ranging from micro loans, for as little as $2,500, to large real estate loans valued at up to $10 million.

Los Angeles is <u>not</u> alone in establishing financial tools that help businesses operating in Empowerment Zones. Other EZ/ECs such as Atlanta, Baltimore, Kansas City, Boston, Oakland, Houston, New York, Philadelphia/Camden, and Cleveland have also "stepped-up to the plate," using a portion of their flexible federal grants, to create specialized lending programs that help local business. In order to qualify for these loans, businesses need to commit to hiring Zone residents.

EXAMPLE OF LOAN FUNDS IN THE EMPOWERMENT ZONES

Zone Location	EZ Funding	Description
Atlanta	$4.5 million	Offers multiple loan packages - ranging from $500 to $500,000.
Baltimore	$7.15 million	Offers multiple loan packages - maximum loan is $500,000.
Cleveland	$87 million	Offers multiple loan packages - ranging from $1,000 to $2 million.
New York	$31.5 million	Offer multiple loan packages - ranging from $400 to $200,000.
Philadelphia/	$31.1 million	Loans range from $400 to $1 million.
Camden	$3.5 million	Loans range from $500 to $1 million

Other Loans and Grants

The Federal government has a wide variety of programs that businesses can use to meet their credit and capital needs. The Department of Housing and Urban Development (HUD) has a grant program (Economic Development Initiative) and a loan guarantee program (Section 108) that work in tandem to provide businesses with millions of dollars that can be used for a wide variety of economic development projects.

> **Federal Program Helps Finance a Shopping Center in Akron EC**
>
> HUD is providing $3 million in EDI/Section 108 funds to help finance the development of the Middlebury Grocery and Shopping Center, a 62,000 square-feet retail complex. The funds are being used to cover a portion of the construction and land acquisition costs and will leverage an additional $6.5 million from other financial sources. This project will not only create jobs for EC residents but will provide a valuable retail service to the community.
>
> ***To find out more about HUD's EDI/Section 108 program, please contact the HUD office nearest your or visit our website at www.hud.gov/progdesc/edi.html***

The Small Business Administration (SBA) also serves as a vital link to businesses located in EZ/ECs. Through SBA's One Stop Capital Shops (OSCS) small businesses in several EZs can go to one location and gain easy access to the plethora of financial services offered by the SBA. Small businesses can access information on the internet, write a business plan, compete for a federal contract, apply for a city permit, seek business training or counseling, obtain technical assistance for loan applications, and apply for SBA-guaranteed loans. For more information about the financial products offered by the SBA contact your local SBA office or visit their website at www.sba.gov/onestop/

> **Atlanta, GA One-Stop Capital Shop**
> The Atlanta One Stop Capital Shop (AOSCS) is a collaborative effort between the Atlanta Empowerment Zone Corporation and the U.S. Small Business Administration (SBA) that leverages public and private, federal, state, and local resources. The purpose of AOSCS is to provide centralized, comprehensive financial and technical assistance to emerging and expanding businesses. The AOSCS has awarded 52 technical assistance grants to Zone businesses for services such as store layout and design, legal services, business administration, finance , marketing, etc. The AOSCS has made 105 loans within the Atlanta EZ, resulting in $28,514,000 in new investment through the SBA alone.

SECTION 4: WORKFORCE DEVELOPMENT - JOB TRAINING, TRANSPORTATION, AND CHILDCARE

How can EZs and ECs help businesses find employees that meet their needs?

In today's competitive economy businesses need a well-trained and reliable workforce. EZ/ECs can help businesses meet that challenge by tailoring job training and other services to meet the specific needs of employers. Businesses in many EZ/ECs can access a host of tailor-made job programs specifically designed to identify and train residents to become productive members of the local labor market.

The NIA Center - Putting All the Pieces Under One Roof

The NIA Center in the Louisville, Kentucky EC is providing business with a full range of services. Because of the services offered at the NIA Center, local businesses can now:

- identify and hire EC residents to fill vacancies via the Center's Career Resource Office;
- gain access to low-cost capital via the Louisville Community Development Bank;
- hire specially-trained residents through the Skills Academy; and
- meet the transportation needs of residents.

The NIA Center is not merely a collection of entities providing services. It has put together a cohesive strategy that is expanding economic opportunity for local businesses and EC residents.

[FRONT OF BACK COVER]

EZs and ECs

Type of Designation	Type of Incentive	$100 million grant	$3 million grant	HUD grant	EZ Wage Credit	WOTC Wage Credit	[illegible]	Section 179 Expensing	Brownfields Expensing	[illegible] Bond	QZABs
Round I Empowerment Zones											
Atlanta, GA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Baltimore, MD		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Chicago, IL		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cleveland, OH *		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Detroit, MI		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Los Angeles, CA*		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New York, NY		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Philadelphia, PA/Camden, NJ		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
District of Columbia *		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Round II Empowerment Zones											
Santa Ana, CA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Haven, CT (also EC)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Miami-Dade County, FL (also EC)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gary/ East Chicago, IN		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boston, MA (also EEC)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Minneapolis, MN (also EC)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
St. Louis, MO/ East St. Louis, IL (also EC)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cumberland County/ Bridgeton/ Vineland, NJ		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cincinnati, OH		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Columbus, OH (also EC)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Columbia/ Sumter, SC		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Knoxville, TN		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
El Paso, TX (also EC)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norfolk/Portsmouth, VA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Huntington, WV/ Ironton, OH (also EC)		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Enhanced Enterprise Communities											
Houston, TX		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kansas City, Kansas/Missouri		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oakland, CA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Urban Enterprise Communities											
Akron, OH		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Albany, GA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Albany/Schenectady/Troy, NY		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Albuquerque, NM		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Birmingham, AL		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bridgeport, CT		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Buffalo, NY		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[BACK COVER]

EZs and ECs

Type of Designation	Type of Incentive	$100 million grant	$3 million grant	HUD grant	EZ Wage credit*	WOTC Tax credit**	WtW Tax credit**	Section 179 Expensing	Brownfield Expensing	Tax Exempt Bond	QZABs
Burlington, VT			X			X	X		X	X	X
Charleston, SC			X			X	X		X	X	X
Charlotte, NC			X			X	X		X	X	X
Clark County/Las Vegas, NV			X			X	X		X	X	X
Dallas, TX			X			X	X		X	X	X
Denver, CO			X			X	X		X	X	X
Des Moines, IA			X			X	X		X	X	X
Flint, MI			X			X	X		X	X	X
Harrisburg, PA			X			X	X		X	X	X
Indianapolis, IN			X			X	X		X	X	X
Jackson, MS			X			X	X		X	X	X
Los Angeles/Huntington Park, CA			X			X	X		X	X	X
Louisville, KY			X			X	X		X	X	X
Lowell, KY			X			X	X		X	X	X
Manchester, NH			X			X	X		X	X	X
Memphis, TN			X			X	X		X	X	X
Milwaukee, WI			X			X	X		X	X	X
Muskegon, MI			X			X	X		X	X	X
Nashville, TN			X			X	X		X	X	X
Newark, NJ			X			X	X		X	X	X
Newburgh/Kingston, NY			X			X	X		X	X	X
Norfolk, VA			X			X	X		X	X	X
Ogden, OH			X			X	X		X	X	X
Oklahoma, OK			X			X	X		X	X	X
Omaha, NE			X			X	X		X	X	X
Ouachita Parish, LA			X			X	X		X	X	X
Phoenix, AZ			X			X	X		X	X	X
Pittsburgh, PA			X			X	X		X	X	X
Portland, OR			X			X	X		X	X	X
Providence, RI			X			X	X		X	X	X
Pulaski County/ Little Rock, AK			X			X	X		X	X	X
Rochester, NY			X			X	X		X	X	X
San Antonio, TX			X			X	X		X	X	X
San Diego, CA			X			X	X		X	X	X
San Francisco, CA			X			X	X		X	X	X
Seattle, WA			X			X	X		X	X	X
Springfield, IL			X			X	X		X	X	X
Springfield, MA			X			X	X		X	X	X
St. Paul, MN			X			X	X		X	X	X
Tampa, FL			X			X	X		X	X	X
Waco, TX			X			X	X		X	X	X
Wilmington, DE			X			X	X		X	X	X

* The EZ Employment Credit will be effective in these communities January 1, 2000

** These credits can not both be claimed for the same employee in the same tax year.

PART I - NEW BUSINESS OPPORTUNITIES IN UNTAPPED MARKETS

The business community is at the forefront of economic revitalization efforts in many of our inner cities and rural areas. The Clinton/Gore Administration's Empowerment Zone/Enterprise Community (EZ/EC) Initiative provides businesses with the tools they need to grow and prosper over the ten-year life of the Initiative. Join the businesses already making a difference in these communities, and at the same time, increase your profitability by taking advantage of the many benefits of this innovative Initiative. This user's guide will answer some of the important questions that you have regarding the EZ/EC Initiative. It will also identify and explain the various incentives and help you decide that this program is right for your business.

In real estate business the three keys to success are "location, location, location." The advantages of doing business in the EZ/ECs are <u>immediate access to untapped markets,</u> <u>proximity to strategic locations</u> and <u>new incentives</u> that can give your business the edge in its search for new markets and increased profits. In addition, there is considerable purchasing power in these areas, yet these markets are presently underserved - particularly in the retail, financial services and the personal services sector.

> **Rite Aid Pharmacies - Stronger Profits in the Inner Cities**
> Martin Grass, Chairman and CEO of Rite Aid Pharmacies, noted that there are approximately 600 Rite Aid Pharmacies which are located in inner cities. Many of these stores show a better return on investment when compared to stores located elsewhere. He summarized his point by saying "Our message is that it's good business to do business in the inner cities." Some of the company's newer stores are located in the heart of Empowerment Zones in Harlem, Baltimore, and South Central Los Angeles.

The EZ/EC Initiative also offers businesses an opportunity to be more involved in local revitalization efforts and to be closer to the local community. Many businesses serve on local EZ/EC governing boards that are responsible for revitalization efforts. Businesses have established mentoring programs to help youth or have loaned executives to help improve the management of a local EZ/EC. Being involved in the EZ/EC Initiative means that businesses are part of an overall community effort to improve schools, reduce crime, modernize infrastructure, and in general, create a better living environment for the residents. By participating in the EZ/EC Initiative, the business community can take pride in knowing that in addition to providing valuable products or services, business is a vital contributor to achieving a brighter future for local communities.

As mentioned earlier, businesses that participate in the EZ/EC Initiative can access a host of new incentives, grants, and services that are specifically designed to promote investments in the EZ/ECs and increase business profitability. These include:

- **Tax Incentives.** The Federal Government established a series of tax incentives that are applicable to businesses operating in the EZ/ECs or for hiring EZ/EC residents over the 10-year life of the Initiative.
- **Access to Low-Cost Capital.** Businesses can also tap specifically-designed loan, grant, and/or equity programs that can be used to start or expand a business.
- **Tailored Workforce Development Programs.** Many EZ/ECs have established job training and job match programs that tailor training to employers' needs.
- **Supporting Working Families.** Many EZ/ECs provide childcare, transportation, and other services that enhance a residents' employability.
- **EZ/ECs as Untapped Markets.** Many EZ/ECs are located in areas that provide a competitive advantage to business which increases profits and provides a better return on investment.
- **Healthy Communities and Safe Neighborhoods.** One of the top concerns expressed by businesses working in distressed communities is crime. The Department of Justice, in partnership with local law enforcement agencies, residents, and business are working with many EZ/ECs to combat crime and create a safe environment for people to live and work.
- **Fostering Business Development.** The EZ/EC Initiative is fostering retail development in untapped inner city markets. The objective of this effort is to attract much needed retail services to EZ/EC areas.

What are Empowerment Zones and Enterprise Communities?

The Federal Empowerment Zones and Enterprise Communities (EZ/ECs) in urban areas were designated by the U.S Department of Housing and Urban Development (HUD) as a result of two competitions held in 1994 (Round I) and 1998 (Round II). EZ/ECs are geographically targeted census tracts within larger communities that receive special benefits that help to revitalize these areas. Together, residents, business, government, and other community stakeholders create a 10-year strategic plan to increase economic opportunity which will make these communities a better place to live and work.

The primary differences between EZs and ECs lie in the amount of federal funding granted to each community and the availability of certain tax incentives. EZs receive $100 million of grant funding over 10 years to support their revitalization strategies, while ECs have been awarded $3 million. This funding has been used to support business as they develop and grow in EZs and ECs. EZs also qualify for a wider range of tax incentives than ECs. This publication includes a brief description of the tax incentives available to EZs and ECs (see pages XXX) and the back cover contains a summary of the total Federal benefits available to each EZ/EC.

In total, there are now over 75 urban EZs and ECs in operation throughout the United States. The front cover of this publication contains the location of the EZ/EC nearest to you. To find the contact name at an EZ/EC, call Community Connections at 1-800-998-9999. An operator will assist you in locating the contact at each EZ/EC. Also, if you

would like to find out if your business or a resident is located in an EZ/EC, check out the EZ/EC Address Locator at www.hud.gov/ezec/locator or call Community Connections at 1-800-998-9999. To get a list of census tracts for each EZ/EC contact Community Connections.

Even if you are not located in an Empowerment Zone, you may still qualify for Zone benefits at developable sites which are applicable only to Round II Empowerment Zones. Developable sites are areas outside the boundaries of the Round II EZs that may be used for commercial and industrial development. The developable sites qualify to use the proceeds of the Round II tax exempt bonds and EZs can also use their funds to create economic opportunity at these sites for EZ residents.

The rest of this business guide focuses on tax incentives, access to low-cost capital and workforce development programs that are available to businesses participating in the EZ/EC Initiative.

SECTION 2: TAX INCENTIVES FOR BUSINESS

Businesses that participate in the EZ/EC Initiative can access a host of tax incentives that are specifically designed to promote investments in these census tracts. The EZ/EC tax incentives increase the profitability of businesses located in the EZ or that are hiring EZ/EC residents. Businesses ranging in size from multi-national corporations to small mom-and-pop operations have used these incentives to increase profitability.
The following chart outlines the various tax incentives that are available to businesses who invest in our inner cities and rural communities.

[insert chart here]

For additional information, please review ***Internal Revenue Service Publication 954: Tax Incentives for Empowerment Zones and Other Distressed Communities.*** Publication 954 can be found at ***www.irs.gov/publication 954 or by calling Community Connections at 1-800-998-9999***. Please consult your local tax professional for details on the tax incentives that are most beneficial to your business.

$3 Million in EZ/EC Bond Proceeds Help Small Business Expand

The San Diego EC closed a $3 million EZ/EC tax-exempt bond deal to finance land acquisition, building construction, and purchase of capital equipment for the expansion of Figi Graphics, Inc. which is a designer, manufacturer, and distributor of giftware and decorative accessories. The firm built an 85,700 square foot warehouse and office in the Gateway Center East Industrial Park in the Mount Hope Redevelopment Project area within the EC. The bond issue provides funds at an interest rate of approximately 3.5% below prime. To qualify for the loan, Figi Graphics, Inc., committed to hire at least 35%

Tax Incentives for EZ/ECs and Other Distressed Communities: Overview of IRS Publication 954

Tax Incentive	Summary of Requirements/Qualifications
Wage Credits	
Empowerment Zone Employment Credit: Provides businesses with up to a $3,000 annual incentive for hiring individuals who live and work in the Round I Empowerment Zones.	This credit is available only to Round I Empowerment Zones (see back of front cover for a listing of Round I and II EZs and ECs). The credit can be as much as $3,000 per qualified zone employee each year. The credit started in 1994 and will expire in 2004. The credit will become effective for Los Angeles, CA, and Cleveland, OH, and the District of Columbia in January 1, 2000.
Welfare to Work (WtW) Credit: The credit provides businesses that hire welfare recipients with a 2-year credit of up to $8,500.	Set to expire for individuals who begin work after June, 1999, but it is expected that Congress will extend this credit. This credit is applicable to all business that hire qualified welfare recipients. Employers cannot claim this credit and the Work Opportunity Tax credit for the same employee.
Work Opportunity Credit: Provides businesses with a credit of up to $2,400 for hiring qualified individuals from eight groups including high risk youth (i.e. EZ/EC youth ages 18-24), veterans, ex-felons, food stamp recipients, summer youth employees, supplemental security income recipients, vocational rehabilitation referrals or welfare recipients.	Set to expire for individuals who begin work after June, 1999, but it is expected that Congress will extend this credit. Employers cannot claim this credit and the Work Opportunity Tax credit for the same employee.
Deductions	
Increase Section 179 Deduction: Allows qualified EZ businesses to claim up to $20,000 over the current section 179 deduction for certain qualifying property in the year it is placed in service.	Section 179 Expensing can be used by businesses located in Round I and Round II Empowerment Zones, not those located in Enterprise Communities. This deduction can not be used in developable sites. The deduction can generally be claimed on certain depreciable property such as equipment and machinery.
Environmental Cleanup Cost Deduction (Brownfields Tax Incentive): Provides businesses with incentive to clean-up certain sites that are contaminated with hazardous substances. This incentive is not limited to business located in an EZ or EC.	This deduction is generally available for qualified environmental cleanup cost a business incurs after August 5, 1997 and before January 1, 2001. Qualified environmental clean-up costs can be deducted in the tax year you pay or incur the cost instead of being amortized over the life of the project.
Bonds	
Tax-Exempt Bond Financing: State and local governments can issue EZ/EC facility bonds (a type of tax-exempt facility bond) to raise funds for EZ/EC businesses. Tax exempt bonds generally have lower interest rates than conventional financing.	• Round I Empowerment Zones and Enterprise Communities have access to up to $3 million of bonding authority per community subject to the state cap. • Round II Empowerment Zones have access to up to $130 million of bonding authority per EZ. This bonding authority is not subject to the state cap and the proceeds can be used at developable sites.
Qualified Zone Academy Bonds: State and local governments can issue academy bonds to raise funds for the use of a "qualified zone academy".	Businesses must work with local public school districts to develop the qualified zone academy. The proceeds of these bonds can be used for activities such as teacher training,

Tax Incentive	Who are the qualified [illegible]?
However, these bonds require a private business contribution. Certain banks, insurance companies and corporations actively engaged in the business of lending money can receive a tax credit as an incentive to hold the bonds.	rehabilitation of school property and repair of public schools within EZ/ECs.
Developable Sites	
Developable Sites: Developable sites are areas of up to 2,000 acres in close proximity to a Round II EZ that are identified as a business development site by the EZ. Businesses at these sites use the EZ incentives to create additional economic and employment opportunities for EZ residents.	Developable sites are eligible for all of the benefits and incentives available to Round II EZs except for the Section 179 expensing. Examples of developable sites include ports, transportation and railway hubs, dilapidated buildings, brownfields, and former military bases.
District of Columbia	
Special tax incentives apply to the District of Columbia.	For more details see IRS Publication 954 which can be obtained by calling Community Connections at 1-800-998-9999.

of its employees from the EC. For more information see IRS Publication 954 which can be obtained by calling Community Connections at 1-800-998-9999.

Brownfields Tax Incentive Helps Transform Former Steelworks Parking Lot into Tons of Tomatoes

Village Farms of Buffalo, New York now operates an 18-acre greenhouse on the former site of the Republic Steelworks parking lot. Agro Power Development (APD) used the Brownfields Tax Incentive to successfully remediate the 15 acre site prior to the construction of the greenhouse. The project employs 175 people with job preference going to Buffalo EC residents. The City and the Buffalo Enterprise Development Corporation contributed $500,000 of the total project cost of $15 million for site improvements and landscaping. For more information on the Brownfields Tax Incentive see IRS Publication 954 which can be obtained by calling 1-800-998-9999.

SECTION 3: ACCESS TO LOW COST CAPITAL

What are the available financing tools for businesses interested in an EZ or EC?

Next to the tax incentives, business financing tools are one of the most attractive features for businesses participating in the EZ/EC Initiative. Businesses that are already established or are looking to establish themselves in these areas can literally tap into a host of financing options. Whether your company is a Fortune 500 company, a medium-sized business, a small business, or a start-up, EZ/ECs can help meet your capital needs.

Obtaining Capital From Commercial Lenders: Commercial lenders play a key role in creating economic opportunity in EZ/ECs. Many commercial lenders have committed to increasing their lending activities in the EZs and ECs. Round I Empowerment Zones that were established in 1994 have been very successful in getting large commercial banks to finances various business deals in their Zones.

Detroit Banks Work Together to Provide Loans to EZ Businesses, Residents

Eight Detroit banks and two financial intermediaries have formed the Empowerment Zone Financial Institutions Consortium (EZFIC) to fund loans to Zone businesses and residents. The Consortium has proven to be a valuable source of capital for small and medium-sized businesses. Originally committed to provide a little over $1 billion over the ten-year life of the EZ/EC Initiative, this Consortium has performed beyond expectations. The Consortium has already provided over $950 million in loans and investments into the Detroit Empowerment Zone during the first four years of operation.

The Round II Empowerment Zones that were designated in 1999 received over $3 billion in similar commitments from commercial lenders. For instance, the Miami Empowerment Zone has received commitments from 18 banks to provide over $1 Billion in targeted lending in the Zone over the next 10 years.

Obtaining Capital From Other Lenders: Adding to the base of traditional commercial lenders, many EZ/ECs offer additional financing tools. Usually leveraged from funds provided by federal or local governments, these alternative financing tools enable EZ/EC businesses to attract low-cost capital.

The Los Angeles Community Development Bank (LACDB):
The Empowerment Zone and Enterprise Community Initiative helped to establish the Los Angeles Community Development Bank, the largest community development bank in the United States. Capitalized with $430 million in federal funds, the LACDB makes loans to businesses and other local entities who are unable to get credit from commercial lenders. Since its creation, the Bank has made 125 loans totaling $73 million. The LACDB offers Zone businesses a wide-variety of loans ranging from micro loans, for as little as $2,500, to large real estate loans valued at up to $10 million.

Los Angeles is not alone in establishing financial tools that help businesses operating in Empowerment Zones. Other EZ/ECs such as Atlanta, Baltimore, Kansas City, Boston, Oakland, Houston, New York, Philadelphia/Camden, and Cleveland have also "stepped-up to the plate," using a portion of their flexible federal grants, to create specialized lending programs that help local business. In order to qualify for these loans, businesses need to commit to hiring Zone residents.

EXAMPLE OF LOAN FUNDS IN THE EMPOWERMENT ZONES

Zone Location	EZ Funding	Description
Atlanta	$4.5 million	Offers multiple loan packages - ranging from $500 to $500,000.
Baltimore	$7.15 million	Offers multiple loan packages - maximum loan is $500,000.
Cleveland	$87 million	Offers multiple loan packages - ranging from $1,000 to $2 million.
New York	$31.5 million	Offer multiple loan packages - ranging from $400 to $200,000.
Philadelphia/	$31.1 million	Loans range from $400 to $1 million.
Camden	$3.5 million	Loans range from $500 to $1 million

Other Loans and Grants

The Federal government has a wide variety of programs that businesses can use to meet their credit and capital needs. The Department of Housing and Urban Development (HUD) has a grant program (Economic Development Initiative) and a loan guarantee program (Section 108) that work in tandem to provide businesses with millions of dollars that can be used for a wide variety of economic development projects.

Federal Program Helps Finance a Shopping Center in Akron EC

HUD is providing $3 million in EDI/Section 108 funds to help finance the development of the Middlebury Grocery and Shopping Center, a 62,000 square-feet retail complex. The funds are being used to cover a portion of the construction and land acquisition costs and will leverage an additional $6.5 million from other financial sources. This project will not only create jobs for EC residents but will provide a valuable retail service to the community.

To find out more about HUD's EDI/Section 108 program, please contact the HUD office nearest your or visit our website at www.hud.gov/progdesc/edi.html

The Small Business Administration (SBA) also serves as a vital link to businesses located in EZ/ECs. Through SBA's One Stop Capital Shops (OSCS) small businesses in several EZs can go to one location and gain easy access to the plethora of financial services offered by the SBA. Small businesses can access information on the internet, write a business plan, compete for a federal contract, apply for a city permit, seek business training or counseling, obtain technical assistance for loan applications, and apply for SBA-guaranteed loans. For more information about the financial products offered by the SBA contact your local SBA office or visit their website at www.sba.gov/onestop/

Atlanta, GA One-Stop Capital Shop

The Atlanta One Stop Capital Shop (AOSCS) is a collaborative effort between the Atlanta Empowerment Zone Corporation and the U.S. Small Business Administration (SBA) that leverages public and private, federal, state, and local resources. The purpose of AOSCS is to provide centralized, comprehensive financial and technical assistance to emerging and expanding businesses. The AOSCS has awarded 52 technical assistance grants to Zone businesses for services such as store layout and design, legal services, business administration, finance , marketing, etc. The AOSCS has made 105 loans within the Atlanta EZ, resulting in $28,514,000 in new investment through the SBA alone.

SECTION 4: WORKFORCE DEVELOPMENT - JOB TRAINING, TRANSPORTATION, AND CHILDCARE

How can EZs and ECs help businesses find employees that meet their needs?

In today's competitive economy businesses need a well-trained and reliable workforce. EZ/ECs can help businesses meet that challenge by tailoring job training and other services to meet the specific needs of employers. Businesses in many EZ/ECs can access a host of tailor-made job programs specifically designed to identify and train residents to become productive members of the local labor market.

The NIA Center - Putting All the Pieces Under One Roof

The NIA Center in the Louisville, Kentucky EC is providing business with a full range of services. Because of the services offered at the NIA Center, local businesses can now:

- identify and hire EC residents to fill vacancies via the Center's Career Resource Office;
- gain access to low-cost capital via the Louisville Community Development Bank;
- hire specially-trained residents through the Skills Academy; and
- meet the transportation needs of residents.

The NIA Center is not merely a collection of entities providing services. It has put together a cohesive strategy that is expanding economic opportunity for local businesses and EC residents.

[FRONT OF BACK COVER]

EZs and ECs

Type of Designation / Type of Incentive	[illegible]	[illegible]	HUD [illegible]	EZ Wage Credit [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Round I Empowerment Zones										
Atlanta, GA	X	X	X	X	X	X	X	X	X	X
Baltimore, MD	X	X	X	X	X	X	X	X	X	X
Chicago, IL	X	X	X	X	X	X	X	X	X	X
Cleveland, OH *	X	X	X	X	X	X	X	X	X	X
Detroit, MI	X	X	X	X	X	X	X	X	X	X
Los Angeles, CA*	X	X	X	X	X	X	X	X	X	X
New York, NY	X	X	X	X	X	X	X	X	X	X
Philadelphia, PA/Camden, NJ	X	X	X	X	X	X	X	X	X	X
District of Columbia *	X	X	X	X	X	X	X	X	X	X
Round II Empowerment Zones										
Santa Ana, CA	X	X	X	X	X	X	X	X	X	X
New Haven, CT (also EC)	X	X	X	X	X	X	X	X	X	X
Miami-Dade County, FL (also EC)	X	X	X	X	X	X	X	X	X	X
Gary/ East Chicago, IN	X	X	X	X	X	X	X	X	X	X
Boston, MA (also EEC)	X	X	X	X	X	X	X	X	X	X
Minneapolis, MN (also EC)	X	X	X	X	X	X	X	X	X	X
St. Louis, MO/ East St. Louis, IL (also EC)	X	X	X	X	X	X	X	X	X	X
Cumberland County/ Bridgeton/ Vineland, NJ	X	X	X	X	X	X	X	X	X	X
Cincinnati, OH	X	X	X	X	X	X	X	X	X	X
Columbus, OH (also EC)	X	X	X	X	X	X	X	X	X	X
Columbia/ Sumter, SC	X	X	X	X	X	X	X	X	X	X
Knoxville, TN	X	X	X	X	X	X	X	X	X	X
El Paso, TX (also EC)	X	X	X	X	X	X	X	X	X	X
Norfolk/Portsmouth, VA	X	X	X	X	X	X	X	X	X	X
Huntington, WV/ Ironton, OH (also EC)	X	X	X	X	X	X	X	X	X	X
Enhanced Enterprise Communities										
Houston, TX	X	X	X	X	X	X	X	X	X	X
Kansas City, Kansas/Missouri	X	X	X	X	X	X	X	X	X	X
Oakland, CA	X	X	X	X	X	X	X	X	X	X
Urban Enterprise Communities										
Akron, OH	X	X	X	X	X	X	X	X	X	X
Albany, GA	X	X	X	X	X	X	X	X	X	X
Albany/Schenectady/Troy, NY	X	X	X	X	X	X	X	X	X	X
Albuquerque, NM	X	X	X	X	X	X	X	X	X	X
Birmingham, AL	X	X	X	X	X	X	X	X	X	X
Bridgeport, CT	X	X	X	X	X	X	X	X	X	X
Buffalo, NY	X	X	X	X	X	X	X	X	X	X

[BACK COVER]

EZs and ECs

Type of Designation	Type of Incentive	$100 million grant	$3 million grant	[illegible] grant	EZ Wage Credit*	WOTC Wage Credit**	WtW Wage Credit**	Section 179 Expensing	Brownfield Expensing	Tax Exempt Bonds	QZABS
Burlington, VT			X			X	X		X	X	X
Charleston, SC			X			X	X		X	X	X
Charlotte, NC			X			X	X		X	X	X
Clark County/Las Vegas, NV			X			X	X		X	X	X
Dallas, TX			X			X	X		X	X	X
Denver, CO			X			X	X		X	X	X
Des Moines, IA			X			X	X		X	X	X
Flint, MI			X			X	X		X	X	X
Harrisburg, PA			X			X	X		X	X	X
Indianapolis, IN			X			X	X		X	X	X
Jackson, MS			X			X	X		X	X	X
Los Angeles/Huntington Park, CA			X			X	X		X	X	X
Louisville, KY			X			X	X		X	X	X
Lowell, KY			X			X	X		X	X	X
Manchester, NH			X			X	X		X	X	X
Memphis, TN			X			X	X		X	X	X
Milwaukee, WI			X			X	X		X	X	X
Muskegon, MI			X			X	X		X	X	X
Nashville, TN			X			X	X		X	X	X
Newark, NJ			X			X	X		X	X	X
Newburgh/Kingston, NY			X			X	X		X	X	X
Norfolk, VA			X			X	X		X	X	X
Ogden, OH			X			X	X		X	X	X
Oklahoma, OK			X			X	X		X	X	X
Omaha, NE			X			X	X		X	X	X
Ouachita Parish, LA			X			X	X		X	X	X
Phoenix, AZ			X			X	X		X	X	X
Pittsburgh, PA			X			X	X		X	X	X
Portland, OR			X			X	X		X	X	X
Providence, RI			X			X	X		X	X	X
Pulaski County/ Little Rock, AK			X			X	X		X	X	X
Rochester, NY			X			X	X		X	X	X
San Antonio, TX			X			X	X		X	X	X
San Diego, CA			X			X	X		X	X	X
San Francisco, CA			X			X	X		X	X	X
Seattle, WA			X			X	X		X	X	X
Springfield, IL			X			X	X		X	X	X
Springfield, MA			X			X	X		X	X	X
St. Paul, MN			X			X	X		X	X	X
Tampa, FL			X			X	X		X	X	X
Waco, TX			X			X	X		X	X	X
Wilmington, DE			X			X	X		X	X	X

* The EZ Employment Credit will be effective in these communities January 1, 2000

** These credits can not both be claimed for the same employee in the same tax year.