

SENATOR

Paul Tsongas Reports



State Progressing in Economic Development

Concerted efforts to spur economic development in Massachusetts are yielding major benefits: revitalized downtowns, new and expanding industries and new jobs.

The results stem partly from a new spirit of activism that has emerged particularly in the 1970's and 1980's. Senator Tsongas has been a leader in the movement to reverse a decades-old trend of economic decay that left many Massachusetts cities scarred and tattered with boarded storefronts, crumbling buildings and deserted factories.

He has been waging a two-pronged battle to revive these communities. In the Senate he has fought for a host of legislation to boost urban and industrial development.

In the state he has steadfastly pressed for economic development and personally helped in many cases to make it a reality.

In addition, he maintains a five-member economic development staff in Massachusetts. The staff works full-time with communities and businesses on a wide range of issues to promote economic stability and growth throughout the state.

'Without a public-private partnership little is possible. With it nothing is impossible.'

In helping Massachusetts cities help themselves, Senator Tsongas has called for partnerships between business and government leaders to work on economic development.

"My experience working with communities across Massachusetts has convinced me that without a public-private partnership little is possible," Senator Tsongas said recently.



Northampton's downtown has for ten years showcased an energetic and successful development effort.

"With it nothing is impossible."

Besides striving for such partnerships, Senator Tsongas has urged distressed cities to forge comprehensive plans for long-term development. Where the central core of cities has been blighted by neglect or suburban sprawl, he has advocated the rebuilding of the downtown as an anchor for additional development.

Urban restoration has been one of the factors in the brightening economic outlook of Massachusetts compared to the rest of the nation. Economic development initiatives have reawakened the dormant commercial centers in many cities, rebuilt such vital elements of the public infrastructure as streets and sewers and enlarged the tax base.

While there is still much work that needs to be done in many cities, the signs of progress are unmistakable. One measure is the Massachusetts unemployment rate, which has remained significantly below the national average for several years.

The concept of public-private partnership has played a role in legislation that Senator Tsongas

has sponsored in Congress to promote economic development.

He is the author, for example, of the High Technology Morrill Act. The bill would provide matching grants encouraging the establishment of education-business partnerships to upgrade math, science, and engineering education.

Moreover, he has staunchly supported such federal programs as Urban Development Action Grants (UDAG) and Industrial Development Bonds (IDB). Under the UDAG program, administered by the Department of Housing and Urban Development, municipalities use federal "seed" money to attract private investment in urban development. The IDB program provides low-interest financing to expanding businesses.

The Commonwealth has ranked high among the states in the share of UDAG and IDB funds it has received. Massachusetts UDAG projects, ranging from factories to hotels, alone have generated more than \$1 billion in private investment and 30,000 permanent jobs.

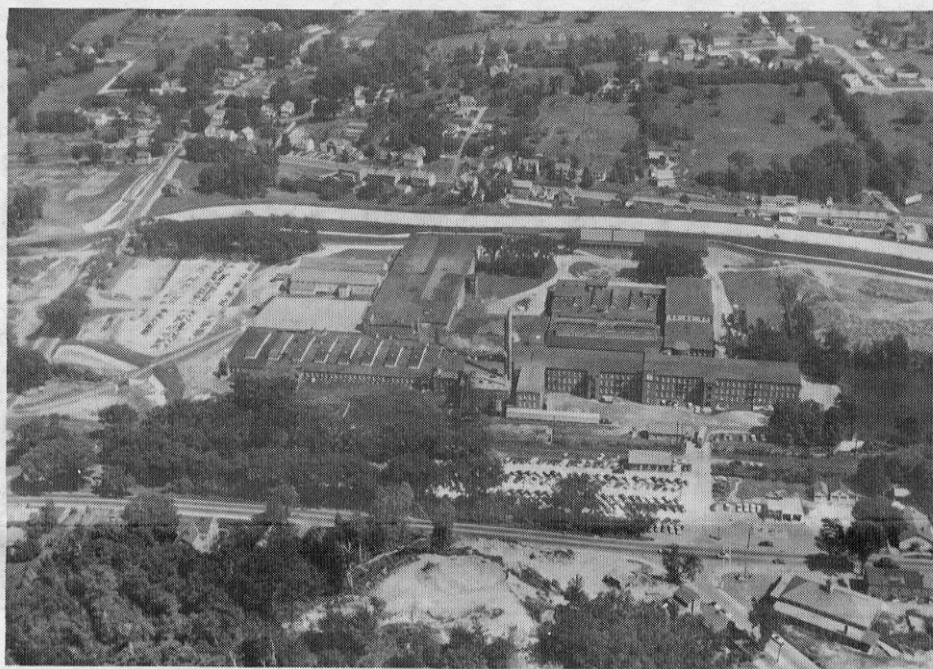
Hampden Skills Center Boosts Job Retraining

A key economic development asset in the Greater Springfield area is the Hampden County Skills Center. In recent years it has renovated its facilities and pioneered in creating new kinds of job training programs.

Its special training program for displaced workers was developed by Area Manpower Director Frank Gulluni in conjunction with other area training institutions. It was a first of its kind, approved by the U.S. Department of Labor. The program, established with Senator Tsongas' help, was of particular value to former employees of the Uniroyal Inc. tire manufacturing plant in Chicopee, which closed two years ago.

Among the new curricula offered by the skills center are training programs in computerized machining and graphics. These programs were made possible in part through a \$500,000 grant from the Economic Development Administration with the support of Senator Tsongas, Congressman Boland and local officials.

The skills center owes much of its success to the cooperation and support it has received from the city of Springfield, the Greater Springfield Chamber of Commerce and the Private Industry Council.



The Adams Print Works, shown here in an aerial view, has been revived by a new public-private partnership.

Northampton Downtown Thriving

Downtown Northampton has become a symbol of renewed interest in reviving our old and weathered cities.

Ten years ago it showed the signs of economic distress then plaguing most cities in the northeastern United States. Today it outshines many much larger cities in the imaginative development it has achieved in a relatively short time.

One major contributor to this effort in recent years has been the Northampton Development Corp. It was formed out of the old Northampton Industrial Realty Corp. four years ago as a result of efforts by Senator Tsongas, Mayor Musante and local

business leaders.

The development corporation has been a focal point for the public-private partnership behind the successful downtown rejuvenation of Northampton. For example, with strong support from local banks, the corporation helped in financing the restoration of the venerable Northampton Hotel, which is now a centerpiece of development in the city's historic downtown commercial district.

Pittsfield Team Plans Growth

Establishment of the Pittsfield Central City Development Corp. is an important step forward in the city's plan for downtown revitalization.

The corporation was founded last year by city officials and leaders in the Pittsfield business community. Supported by \$150,000 in private funds, it has hired a staff to work with the city on development downtown.

The impetus for the local development corporation in Pittsfield came from Mayor Smith and business and civic leaders working with Senator Tsongas and his staff.

In a letter last fall to the *Berkshire Eagle*, Senator Tsongas congratulated Pittsfield for having formed the development corporation, and he urged the city "to move forward swiftly toward implementing a plan for restoring economic health to its downtown."

And he pledged to do everything he "possibly can to further this effort." Prospects are much brighter today for Pittsfield's revival.

Grants Aid Springfield's North End

Work on Springfield's North End neighborhood represents an important component of the city's dramatic revitalization program of recent years.

The success achieved by the North End in renovating its housing and businesses owes much to a creative development plan coordinated by the mayor's office and the Brightwood Development Corp. For financing, the plan relied on a unique blend of public resources and private investment.

A guiding principle in the development effort has been an emphasis on local involvement and control. Much of the construction and property management has been performed by North End firms.

As a result, the North End project has generated work for its residents and local pride in its success.

One innovative form of financing housing rehabilitation in the North End involved "sweat

equity," where the skill and workmanship of residents substitutes for cash up front.

Where outside funds were needed, Senator Tsongas worked with neighborhood leaders, city officials, and Congressman Boland to obtain them from federal sources.

For example, a \$274,000 federal Urban Development Action grant covered part of the cost to improve fifteen local businesses, including a grocery store, an auto repair shop and a new bus storage facility.

In another instance, funds from the Farmers Home Administration helped finance construction of 30 units of housing for local farmworkers. The new construction has proved to be an anchor for the neighborhood's revitalization.

To date, the North End development project has contributed 400 units of improved housing to Springfield.

Economic Development Projects Across Massachusetts

The following are among the economic development projects across Massachusetts in which Senator Tsongas is taking a keen interest:

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Adams . . .

A reborn company, the Adams Print Works, is back on its feet as a result of a creative public-private refinancing partnership.

The textile printing firm employs approximately 300 persons. The refinancing plan crystallized after months of negotiations. The Massachusetts Community Development Finance Corp. committed over \$1 million to the project. In late 1982 local banks, the Massachusetts Capital Resource Co., community-minded private investors, Adams Community Development Corp. and the North Adams Community Development Corp. joined forces to bring the financing package together.

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Boston Arena . . .

A proposal to build a new sports and entertainment arena in Boston is moving ahead with a state-ordered final feasibility study.

A new arena promises to boost Boston's convention business, expand access to sporting and other entertainment events and revitalize the city's North End, where the Boston Garden is now situated.

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Boston Garment Center . . .

The relocation of many of Boston's garment manufacturing firms from the downtown to renovated space on a former South Boston Army base is helping to rescue the city's second largest industry.

The South Boston garment center has helped to stabilize the city's garment manufacturing industry. The new \$14 million complex, occupying 800,000 square feet, is already functioning -- and employing 100 persons. By next summer as many as 1500 workers may be employed there.

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Cape Rail Line . . .

Cape Cod's over all economic development prospects will receive a major lift when a proposed passenger rail service resumes in 1986.

A new rail link will allow riders to travel to the Cape from Washington and New York. Such service was last available in 1964. The plan calls for twice-daily transportation May through September from Attleboro, which is on Amtrak's New York-Boston route, to Hyannis.

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Gardner . . .

Gardner will receive a major boost from two nearby economic development projects planned for its downtown area.

One is a proposed state heritage park, devoted to the theme of Gardner's proud history as a furniture manufacturing capital. The other is the planned renovation of the Garbose Building, which is located in the center of downtown Gardner adjacent to a site designated for the park improvements.

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Greenfield . . .

Greenfield has made many important strides in its community revitalization programs. These include conversion of the turn-of-the-century Weldon Hotel into a senior citizens' residential and community center.

The community center was financed with assistance from a Community Development Block Grant from the Department of Housing and Urban Development (HUD). The total \$2.1 million grant has helped pay for a variety of other economic development projects in Greenfield, including housing renovation, recreation facilities, and new water and sewer lines downtown.

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Lowell . . .

The renaissance of downtown Lowell will continue in 1984 with the groundbreaking for a 251-room Hilton hotel, a 100,000-square-foot training center for Wang Laboratories and a 1000-car garage.

These projects will pump \$40 million in new investment into the city. Lowell has been a pioneer over the last decade in Massachusetts economic development, having restored a historic area now designated the Lowell National Park and having established a public-private partnership embodied in the Lowell Development Finance Corp.

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Lynn . . .

Since a massive fire hit

downtown Lynn in November 1981, the city has recast its economic development plans. Now it is rebuilding much of the devastated area and pressing forward with three waterfront projects, including a \$5.4 million urban heritage park, with a possible 60-foot commercial fishing pier and a \$20 million commercial and residential development of Lynn Harbor.

The proposed pier would berth two dozen vessels and could help establish Lynn as an important commercial fishing port.

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Southeast Waterfront . . .

Massachusetts is blessed with a coastline that is valuable not only for its scenic beauty but also for its economic potential. In southeastern Massachusetts much is being done to develop this potential and create new jobs in tourism, shipping and fishing.

Fall River, for example, has won more than \$2 million in Economic Development Administration grants for the State Pier Project which is expected to stimulate shipping and bring jobs to the city's waterfront.

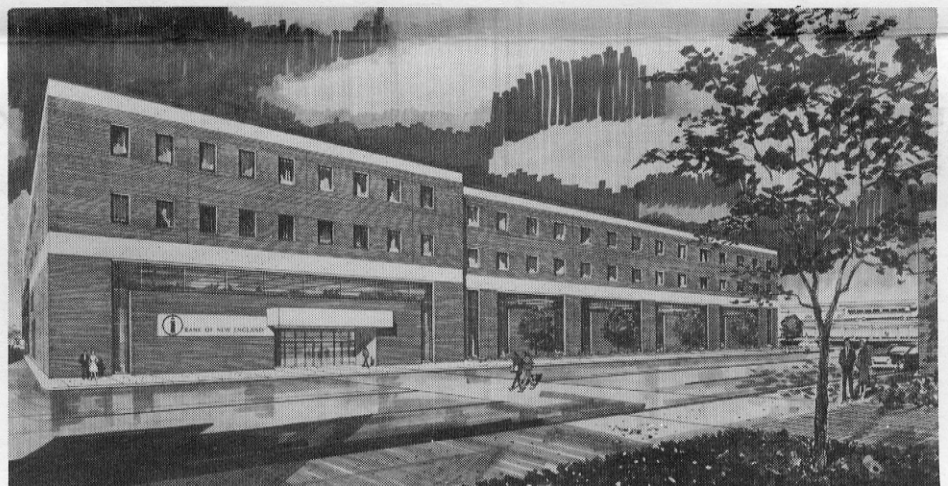
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Worcester Biotechnology . . .

The Worcester area, which boasts a heavy concentration of medical and biological research facilities, stands to capitalize on them economically by establishing its own biotechnology research center.

Plans are well under way to build such a center, to be known as the Worcester Biotechnology Research Park.

The park would serve as a focal point for major corporate research laboratories, small businesses, and university and community resources related to biotechnology. Development of the park has been coordinated by the Worcester Area Development Corporation and supported by the U. Mass. Medical School, City Hall, and area business and financial institutions.



Artist's sketch shows the Bank of New England Building, part of Malden's planned downtown development project.

Tsongas' Legislative Initiatives for Economic Growth

To promote economic development in Massachusetts, Senator Tsongas has pressed for a wide variety of legislation in Congress. The following list includes initiatives where he has been the author or a principal sponsor:

Small Business -- Legislation passed in 1982 established the Small Business Innovation Research Program, whereby federal agencies with large research budgets, such as the Department of Defense or the Department of Energy, must set aside 1.25 percent of their research and development budget for small businesses. In 1983 Massachusetts small businesses received 17 percent of the grants awarded under the program nationwide, bringing \$6 million of federal expenditures to the state. Massachusetts ranked second among the states (after California) in the share of grants it received.

Fishing -- Language added to the 1984 Interior Appropriations Bill protects certain areas of Georges Bank, the fertile fishing grounds off Cape Cod, from a potentially hazardous sale of leases to permit oil and gas drilling.

High Tech -- Proposed High Technology Morrill Act would establish a federal program of matching grants to spur partnerships between business and educational institutions for furtherance of math, science and engineering education. The bill has been reported favorably by the Senate Labor and Human Resources Committee as part of an omnibus bill to upgrade math and science education and is pending on the Senate calendar.

Highways -- Provisions enacted in the 1982 Highway Bill will enhance the prospects of key Massachusetts projects, including the proposed Charlestown Tunnel, Route 128 repairs and MBTA loan repayments.

Exports -- Export Administration Improvement Act amendments would substantially cut the



Senator Tsongas listens as a witness responds to his question at a hearing of the Senate Small Business Committee.

red tape involved in export licensing while safeguarding national security. Key provisions of this bill to expedite and ease high-tech and other exports have been adopted by the Senate and House Banking Committees and await further action in both chambers.

Urban Development -- Amendment to protect Massachusetts interests by limiting Urban Development Action Grant (UDAG) participation by non-distressed cities located mainly in the Sun Belt, was enacted as part of the 1979 authorization for the Department of Housing and Urban Development. In the last four years Massachusetts UDAG projects, ranging from factories to hotels, have generated more than \$1 billion in private investment linked to 30,000 permanent new jobs.

Energy -- Program enacted in 1980 established a Solar and Conservation Bank to stimulate the use of energy conservation and solar energy devices and techniques. The Bank has awarded \$1.8 million in financing subsidies to Massachusetts residents.

Industry -- Bill incorporated in the 1982 Tax Act reformed and secured the Industrial Development Bond Program, which provides low interest financing to expanding businesses. Since 1978 more than 1100 Massachusetts firms have qualified under the program, triggering \$1.5 billion in

new investment.

Housing -- Proposal to ease restriction on pension fund investment in home mortgages, offering a potential source of \$19 billion in Massachusetts to stimulate housing construction and make new homes more affordable. The bill, the Residential Mortgage Investment Act of 1983, is pending before the Senate Finance Committee.

Job Training -- Legislation to establish a U.S. Skills Corporation will be introduced in the Senate in early 1984. The proposed quasi-public corporation, modeled on the Massachusetts Bay State Skills Corp., would encourage the formation of state job training organizations centered around public-private partnerships.

High Tech -- Proposed Joint Research and Development Ventures Act would modify U.S. antitrust laws to encourage the formation of joint R&D ventures. The measure has been the subject of hearings before the Senate Judiciary Committee, which is expected to act on it this spring.

Small Business -- New Venture Investment Incentive Act would create a new tax-favored class of stock that new small businesses can use to raise capital. Under the proposal individuals who invest in new small business ventures would benefit from tax incentives.

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