

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.

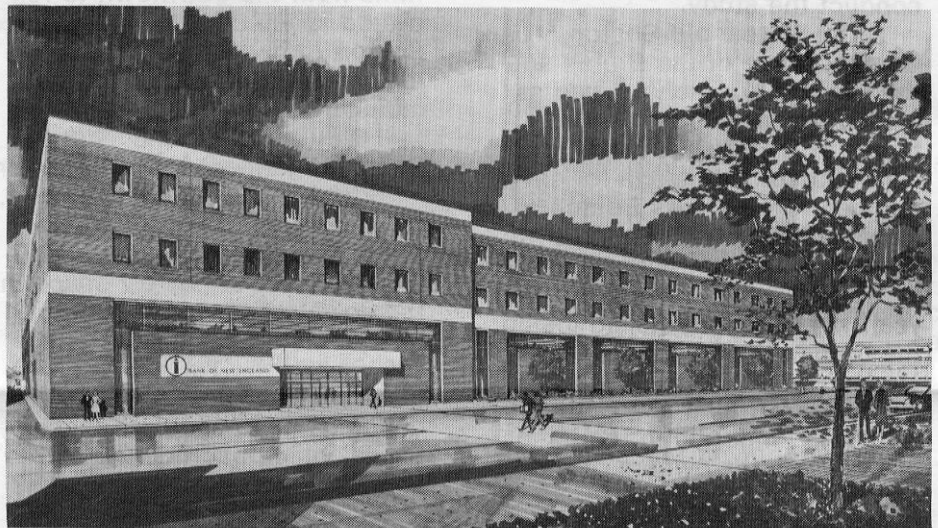
In the state he has steadfastly pressed for economic development and personally helped in many cases to make it a reality.

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.



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

**"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.

# Study Under Way On Boston Arena

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

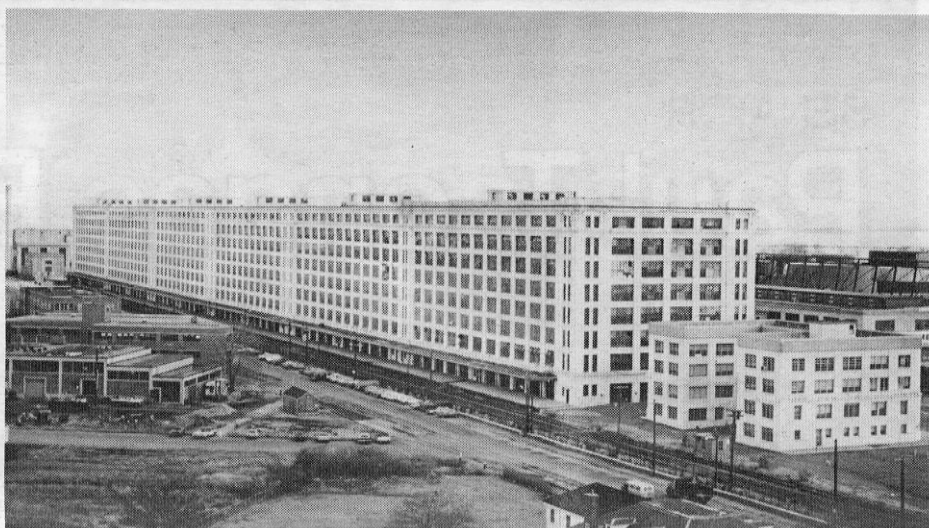
For more than two years Senator Tsongas has been advocating the arena, which he views not only as an important recreational asset but also as a major economic development need of the city.

In recent months the Massachusetts legislature and Gov. Michael Dukakis have authorized the feasibility study, and the Massachusetts Convention Authority is now reviewing proposals from firms that want to conduct the study.

The 55-year-old Boston Garden, home of the Bruins and the Celtics, is widely viewed as inadequate for major league teams of their caliber. And the lack of a suitable arena for entertainment events puts Boston at a disadvantage in competing with other cities for attractions.

The issue became acute last year, when the city risked losing the Celtics. At the time Senator Tsongas called for new leadership so the Bruins and Celtics would no longer be in the hands of the absentee owners of the arena.

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 situated.



The recently renovated South Boston Garment Center, pictured above, is open and expected to be at full capacity later this year.

## Boston Revives Garment Industry

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.

Between 1969 and 1979 Boston's garment industry fell on hard times, and it lost 4000 jobs. One important factor was the escalating rent that many manufacturers had to pay for space in the downtown garment district. The problem became acute in 1981, when the Tufts-New England Medical Center purchased buildings at 15 and 35 Kneeland Street, which had housed eleven companies.

Establishing the South Boston garment center, however, 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.

The impetus behind the plan for reconstituting the garment center in South Boston came from a broad-based coalition, including Senator Tsongas, garment manufacturers, the International Ladies Garment Workers Union and state officials. Senator Tsongas assisted in securing a \$3.7 million federal grant for the project and in negotiating with the Department of Defense and the General Services Administration to expedite the Army's move from the South Boston site.

## Cambridge Plan Spurs Expansion

East Cambridge is in the midst of a major development program that will entail over \$60 million in business and public works renovation and expansion.

The catalyst behind the East Cambridge undertaking is a \$6.9 million federal Urban Development Action Grant (UDAG) awarded to Cambridge in 1979. The money will finance a 500-space parking garage, a park around Lechmere Canal, part of the Bulfinch Building renovation and roadway design.

The UDAG funds will trigger private investment in five major restorations or expansions: the Sonesta Hotel (\$23 million); Carter Ink Building (\$10 million); Bulfinch Building (\$10 million); Atheneum Building (\$9 million); and Rowland Building (\$7 million).

"This is the kind of union between the public and private sectors that we ought to support," Senator Tsongas said about East Cambridge's program. "It is one in which public investment improves the attractiveness to private entrepreneurs of investing for long-term growth and job creation."

## Grants Enliven Downtown Malden

Malden stands on the threshold of explosive business growth in its downtown area. The city's dynamic efforts have put it second only to Boston among Massachusetts cities in the number of Urban Development Action Grants (UDAG's) awarded for business expansion.

Malden has qualified for 10 UDAG's worth \$10 million, which will trigger an additional \$42 million in new private investment. In seeking the federal grants, the city's economic development team has had the steadfast support of Senator Tsongas and his staff.

The first outlines of Malden's development plan are apparent in several new apartment and office buildings already gracing downtown Malden. But the bulk of the work is yet to be done.

Among the major projects in the works is a Bank of New England office building, which is under construction near city hall, for 1500 of the company's employees. The soon-to-be-built Middlesex Office Plaza will house an additional 1000 employees of various other firms.

Also, two of four parking garages for which federal financing has been obtained are completed, and a third is under construction.

Several additional apartment projects will locate hundreds of new residents in the downtown area, restoring vitality to the city's business district.

The entire development plan will result in 2000 new jobs in downtown Malden, 1000 new apartment units and 2600 new parking spaces.

# 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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## **Boston's Chinatown . . .**

Now under way is a \$10.6 million trade center that will permit business expansion beyond the present boundaries of Chinatown. Plans call for the renovation of the landmark Boylston Building into a multi-story retail arcade and office building, creating 350 permanent jobs in downtown Boston, an incalculable number of jobs created indirectly.

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## **Boston's Columbia Point . . .**

The prospects for redeeming the Columbia Point housing project have improved markedly with the recent emergence of a consortium of construction and architectural firms and developers offering a \$200 million rehabilitation program.

The plan envisions dramatic changes at the blighted and largely vacant housing complex, including demolition of many of the existing buildings, development of a mixed-income residential community with new townhouses and garden apartments and installation of a mall, village green and recreational facilities. The 360 families still living at Columbia Point would be guaranteed units at affordable rates.

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## **Cape Rail Line . . .**

Cape Cod's 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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## **Hampden County . . .**

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.

Among the new curricula offered by the skills center are training programs in computerized machining and graphics. These programs were made possible through a \$500,000 grant from the Economic Development Administration.

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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 17-acre industrial park along Rte. 1A is being financed partly with a \$2.3 million federal Urban Development Action Grant. It is home for eight companies that already have opened facilities there. The proposed pier would berth two dozen vessels and could help establish Lynn as an important commercial fishing port.

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## **New Bedford . . .**

New Bedford is regaining its economic momentum with a downtown development plan that features a \$19 million "Superblock" to fill what has been a dead space in the city's central core.

One piece of the Superblock is already in place. That is the \$8.8 million Bank of Boston office building, where more than 180 persons are now employed.

Still on the drawing board is

the proposed \$10 million Regency Towers, which will include 115 units of moderate-income apartments, offices and 183 parking spaces.

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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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## **Springfield's North End . . .**

Work on the North End neighborhood represents an important piece 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 blend of public resources and private investment.

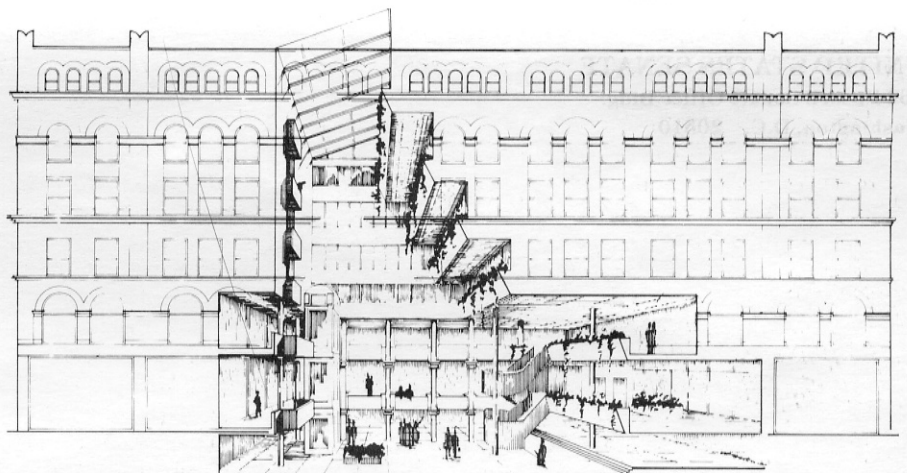
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## **Worcester Biotechnology . . .**

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

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.



Improvements are under way on Chinatown's planned trade center in the Boylston Building, shown here in an artist's cutaway.

# 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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