

DAILY NEWS

NEW YORK'S HOMETOWN NEWSPAPER

(c) New York Daily News

New York Daily News - May 10, 1995

Will The Empowerment Zone Work?

No, change it to create jobs.

By Mitchell L. Moss

New York City's empowerment zone, embracing a good chunk of Harlem and part of the South Bronx, has everything going for it: money, community support and political clout everything, that is, except a long-term strategy to create jobs.

With \$100 million in federal money and matching state and local funds, the empowerment zone is a tribute to Harlem Rep. Charles Rangel's mastery of the legislative process and the work done by the Harlem Urban Development Corp. and the Bronx Overall Economic Development Corp. But it is just as difficult to spend public money wisely as it is to obtain it.

Current plans for the zone - which include new drug-treatment programs and improved health care delivery - are based on the premise that solving social problems is a prerequisite to economic development. However, nothing cures household stress like a good-paying job. Rather than try to address all the area's pressing social needs, plans should focus on job creation, building on the unique strengths of Harlem and the South Bronx.

Unfortunately, many of the initiatives now planned for the zone's Harlem portion involve vague commitments from large corporations, most of which are laying off workers or closing redundant offices and

Yes, it will attract investment

By Charles R. Rangel

There's excitement building in the Upper Manhattan Empowerment Zone, and not just among residents of Harlem, East Harlem and Washington Heights, where it will be located.

In recent months I've met with dozens of executives from the major business groups and corporations who share the same enthusiasm about a project that will mean not only jobs to an area that needs them, but an important source of qualified workers and consumers for companies that can't do without them.

I have received commitments of support from the New York City Partnership and leaders of civic associations and universities. The list of enthusiastic executives from individual corporations who plan to get involved reads like a Who's Who of New York business: AT&T, NYNEX, Paine Webber, Alien & Co., Salomon Brothers, New York Life, Travellers, Equitable Life, Bankers Trust, Fleet, Chemical, Chase, J.P. Morgan and Republic Bank, to name a few.

The reason for this excitement is clear. New York's future, like its families, is tied to business investment in our communities as well as to investments in people to help make them more employable. The vision of the zone is to stimulate economic

plants. For economic development to succeed in Harlem, there must be a new entrepreneurial climate and business community with roots in Harlem, aimed at creating and retaining local wealth.

Build on strengths

For the empowerment zone to work, it is essential to reinforce Harlem's comparative advantages in culture, tourism and the performing arts, rather than pour money into two of the city's rapidly declining industries: health care and government. Situated just 15 minutes from midtown Manhattan hotels, the zone should provide the basis for creating an African-American version of SoHo in uptown Manhattan.

Hundreds of white visitors already flock to Harlem's Abyssinian Baptist Church on Sundays. Why not build a new cultural complex that would showcase the extraordinary artistic talent of this community and attract visitors who then would spend their disposable income in Harlem shops and restaurants? With the Studio Museum, the Harlem School of the Arts, the Dance Theater of Harlem and the Schaumburg Collection already in place, there is no reason why 125th St. - which has a strong Business Improvement District - shouldn't be a magnet for tourists. No other street in this city is as easy to reach by commuter rail, mass transit and automobile.

Of equal importance to the long-term success of the empowerment zone is the need to recycle vacant land in Harlem and in the South Bronx. Fortunately, Randy Daniels, a Democrat who formerly worked for Andrew Stein and David Dinkins, has just been named vice president for economic revitalization at the New York State Urban Development Corp. Daniels understands the need for joint ventures that put abandoned property back on the tax rolls and into productive use.

Finally, it is essential to attract the black middle class back to Harlem by promoting home ownership in Central Harlem. This

development and a wide range of social improvements through a partnership of government, community and the active participation of the private sector.

In its early stages, the project will emphasize job training so as to enhance the opportunities for business investment. The people running the zone are designing programs in conjunction with Schools Chancellor Ramon Cortines and our schools and colleges. But to insure that our students are being prepared for real jobs, the business community will get involved early in designing the programs.

Some companies will institute their own training programs in the zone. Sandy Weill of Travellers insurance, for example, has implemented that company's Academy of Finance for high school students in the zone for jobs in finance. I've talked with Walter Weiner of Republic Bank about his proven job training program to prepare graduates for jobs as bank tellers.

High on high tech

But prospects for the zone go far beyond finance and insurance. One of my personal visions is to transform upper Manhattan into the state's leading high-tech center. With some of the country's leading high-tech research institutions located in the area, the zone presents an opportunity to develop the city's first biotechnology center in conjunction with Columbia University and Mount Sinai Medical Center.

The many residents with backgrounds in the health field will be perfect candidates for training as lab technicians and other skilled specialists in the health field, as well as the other growing high-tech areas in computer, video and telecommunications technology. The area's leading academic and medical institutions are fully committed to these goals.

On another front I am very pleased with the support of the local uptown chambers of commerce. Which will play a prominent role in promoting the zone's business development efforts.

also would create a new cadre of home contractors and construction firms.

Located close to the 2 million jobs in the Manhattan Central Business District, Harlem's appeal as a residential community is demonstrated by the continued strength of Striver's Row and Convent Ave. on Harlem's western edge.

In view of the Republican majorities in the House and Senate as well as the Clinton administration's recent proposals to cut back the Department of Housing and Urban Development, the empowerment zone program maybe the last chance to harness federal dollars for economic development in cities such as New York.

Now is the time to reconsider the plans for the empowerment zone so that this federal program actually succeeds in creating jobs and attracting private investment.

To foster pride as well as jobs in construction of affordable housing and commercial development, the New York Partnership already has pledged \$1 billion to enable local entrepreneurs to acquire and rehabilitate 2,000 units of city-owned housing, applying my low-income housing tax credit. Another \$100 million has been committed by the Community Preservation Corp. and Fleet Development to support commercial development.

Under the leadership of board chairman Richard Parsons of Time Warner, the zone will work on dozens of other projects.

The bottom line is that the nation can no longer afford the \$500 billion we are wasting each year on crime, violence, drug addiction and the lost productivity that goes with them. The empowerment zone is a test of whether a partnership of government community and the private sector can invest a small fraction of those amounts to productive ends.

Rangel is Harlem's Congressman.