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## ***Economic Development***

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Declining economic opportunity is the root of many of the problems facing East St. Louis and Olivette Park. The symptoms of decline include high unemployment as well as substantial underemployment, chronic disinvestment by the private and public sector, high levels of business and housing abandonment, and a lack of adequate job skills in portions of the workforce. The economic development initiatives outlined in this chapter are designed to address these symptoms by utilizing many of the neighborhood's strengths. The most important strengths that can foster economic development are location, accessibility, available land, and municipal and community involvement. In addition, the existing small business sector in Olivette Park can lend assistance in developing programs. Also, East St. Louis was recently designated an Enterprise Community by the federal government, which may provide additional resources for economic development.

The focus of the economic development initiatives presented in *The Olivette Park Action Revitalization Plan* is on small, incremental changes that can bolster the strength and security of local business and provide education and training to improve employment opportunities for the local workforce. Many of the programs proposed are aimed at increasing awareness of local businesses and the need to frequent them, and to alert local entrepreneurs and workers of available programs to improve their job skills. Two of the larger-scale programs in this chapter aim to jump start improvements in local infrastructure, a critical ingredient in any plan to stimulate business creation and expansion.

## **Project One**

### **Create Awareness of Local Businesses and Encourage Residents to Patronize Them**

- Description* This is a two-pronged project that includes the creation of a local business directory and the development of a “buy-local” campaign. The business directory can connect local consumers with local suppliers. The buy-local campaign is an organized effort to encourage residents, community-based institutions, and local public agencies to spend their money locally whenever possible, using the directory to help locate local vendors.
- Rationale* Despite discouraging statistics on unemployment and poverty in East St. Louis, residents spend a substantial amount of income on goods and services. Unfortunately, it is likely that much of this money is spent outside of East St. Louis. This is due in part to a lack of locally available goods and services, but also in part to a lack of information concerning local buying options. The collective advantages of buying local include such factors as increased sales tax revenue and an improved business climate. If existing businesses can satisfy more local demand, new entrepreneurs will be more encouraged to open businesses in East St. Louis.
- Activities:*
- Local Business Directory*
1. *Identify neighborhood businesses.*  
Volunteers from the Olivette Park Neighborhood Association must identify all neighborhood businesses by location and type of business. The committee can start with the business list provided in the appendix of *The Olivette Park Databook*. Additional information may be available through the East St. Louis Chamber of Commerce. A physical survey of the neighborhood may also be required to ensure all businesses are identified
  2. *Create a “Neighborhood Yellow Pages”.*  
This directory should list each business, its location, what products and services it provides, the hours it is open, and any other information that may encourage residents to patronize the business.

3. *Publish the directory.*

In the course of contacting businesses for the necessary information, the owner should be asked to lend financial and technical support for publishing the manual. If each business that is listed in the directory agreed to make 20 copies of the directory, then the costs associated with this project would be kept low. The neighborhood association should keep the original copy of the directory and make copies upon request.

4. *Distribute the business directory.*

Publish and distribute the directory throughout the neighborhood and the city of East St. Louis. Each participating business should receive a copy of the directory, as well as all residents of Olivette Park. The directories also should be distributed through social service agencies, churches, and schools. Copies should also be made available at the East St. Louis Public Library.

5. *Update the directory.*

The directory should be updated once a year or biannually to ensure that the information provided is timely and accurate. The same steps should be followed for updating the directory.

*Activities:*  
*Buy-local Campaign*

1. *Gauge interest in a buy-local campaign.*

Solicit businesses and government offices to discuss the creation of a buy-local campaign to promote local spending. Encourage them to participate in the campaign.

2. *Design the buy-local campaign.*

Form an organizing committee of interested residents, businesses, and government agencies to design a campaign that provides consumers with reasons to buy from local businesses and promotes the directory. In addition, the campaign should provide organized opportunities—such as Sidewalk Sales or Shop State Street weekends—for resident consumers to spend locally. Suppliers may also want to consider some type of discount for community-based institutions with limited budgets to spend more of their funds locally. Finally, the city and other local government agencies should set specific goals for local spending, and provide a means for monitoring their progress. The committee must be composed of both suppliers and consumers of local goods and services for the campaign to be effective.

3. *Promote the campaign.*

In addition to designing the campaign, the organizing committee must also design and implement a promotional strategy to encourage participation in the program. Basic promotional strategies should include announcements to all local press, as well as extended segments on local cable programs such as the East St. Louis Daily News and the Mayor Bush's weekly television program (see Appendix A for details on dealing with the press). In addition, local cable stations could do a business profile segment on a regular basis as a means of increasing consumer awareness. Special promotional materials should be sent to local community organizations explaining the goals of the campaign and the value of participating. Finally, government agencies should be encouraged to cooperate in publishing guidelines for bidding on local contracts.

*Timeline* The survey of businesses and production of the directory will take approximately six to nine weeks to complete. Determining interest in the buy-local campaign and forming the organizing committee will take several weeks, as will the actual campaign and promotion design. Although the campaign should be viewed as an ongoing effort, each major event that is part of it will take at least a month to plan.

*Costs* Creation of the business directory will require 10 to 15 volunteers to survey local businesses and produce the directory. At least two of these volunteers should have computer skills and access to a computer with a word processing program. The biggest cost of this project is printing of the directory. Assuming the directory is 15 pages and bound with front and back cover, they will cost approximately \$4.00 each to publish (less with a volume discount). In the spirit of patronizing local business, a local printing company, such as Crusader Press, should be approached about printing the directory. Press coverage is free, so promotional costs center on publishing information for community institutions and businesses interested in bidding on local contracts.

*Funding* Local businesses that stand to benefit should be asked to help fund this project. To this end, a business improvement district could be organized to fund some of these activities. In addition, the Greater East St. Louis Chamber of Commerce and the City

of East St. Louis Office of Business and Economic Development should be approached for funding, as this project directly fits their missions. Finally, the State of Illinois Small Business Development Center and the Department of Commerce and Community Affairs should be approached both for funding and technical assistance.

*Resources*

Norman Ross  
East St. Louis Chamber of Commerce  
327 Missouri Avenue  
East St. Louis, Illinois 62201  
271-2855

Curtis Galloway  
City of East St. Louis Office of Business and Economic Development  
301 River Park Drive  
East St. Louis, Illinois  
482-6651

## **Project Two**

### **Organize an East St. Louis Small Business Development Fair**

*Description* The small business development fair is intended to provide interested local business operators and neighborhood leaders information about existing economic development resources available from local, state, and federal sources as well as private, non-profit organizations. Many of these agencies offer business planning services and low-interest loans for capital projects. The fair also will give local business operators an opportunity to meet and build relationships with agency heads who can assist them in business start up and expansion.

The fair will be open to residents and business owners from throughout East St. Louis, but should be held, if possible, at a location in Olivette Park. This will allow the neighborhood to highlight its assets to the larger community.

*Rationale* The biggest challenge to local business is not lack of entrepreneurial spirit or a customer base, but rather securing the necessary funds for start up of new businesses and expansion of existing ones. Local, state, and federal agencies offer a variety of programs to assist business owners. Unfortunately, owners are sometimes unaware of available programs that could benefit their business. This fair would help connect business owners and potential business owners with available resources.

*Activities* 1. *Establish a committee to plan the fair.*  
This committee could be the economic development committee or other interested members of the neighborhood association and the community. At least eight to 10 volunteers will be needed to plan and organize the fair. Planning for the fair should begin three to four months prior to the event.

2. *Contact potential participants.*  
Before deciding on a time and date for the fair, committee members should contact city, county, and state officials in charge of economic development programs to determine if they would be interested in participating in the fair. If a sufficient number of

resource professionals show an interest in participating, then the committee should set a date that allows for most professionals to attend.

Potential participants include Curtis Galloway, the East St. Louis Director of Business and Economic Development, Terry Beach, Deputy Director of the Intergovernmental Grants Department for St. Clair County, Norman Ross of the East St. Louis Chamber of Commerce, Blair Forlaw, East-West Gateway Coordinating Council and Robert Ahart, Director of the East St. Louis Small Business Development Center. In addition, Carolyn Fuller, Executive Director of The East St. Louis Community Action Network and Burena Howard of State Community College have experience with economic development programs and business fairs. Finally, the State of Illinois Department of Commerce and Community Affairs (DCCA) should be encouraged to participate. These economic development professionals should be asked for names of other agencies that also should be invited to participate in the fair.

Participants should be asked to provide literature for attendees of the fair outlining the services their agencies provide. Participants should be prepared to staff a booth with this literature and answer questions. Also, each participant representing an economic development agency should be prepared to give a short presentation about services and resources provided. Finally, one-on-one meetings between these representatives and interested business owners should be encouraged.

*3. Secure a location to hold the fair.*

Once a date for the fair has been determined, possible locations for the fair should be investigated. The fair should ideally be held in Olivette Park to promote the neighborhood to the rest of the city. The location must have access to phones, restrooms, and parking. Some possible Olivette Park locations for the fair include the Salvation Army, 616 N. 16th St., and the Christian Activity Center, 540 N. 6th St., or one of the neighborhood schools, such as Miles Davis Elementary School or A.M. Jackson. The committee should investigate each possibility and check for availability before making a decision on where to hold the event.

4. *Solicit co-sponsors for the event.*

Participating agencies and local businesses should be encouraged to become co-sponsors of the event. Co-sponsors that contribute toward the costs of the fair will receive recognition on all publicity materials. Good potential co-sponsors include the Greater East St. Louis Chamber of Commerce the Department of Business and Economic Development, the East St. Louis Small Business Development Center, and the Department of Commerce and Community Affairs.

5. *Publicize the fair.*

Outreach and publicity are critical to the success of the fair. Fliers announcing the fair that indicate sponsors and participants should be distributed to all local businesses at least six weeks prior to the event. Local business owners who help organize the event should make personal visits to all other businesses in their respective neighborhoods to explain the fair and encourage owners to participate. Finally, the local press should be fully utilized. Refer to Appendix A for details on contacting the press.

6. *Hold the fair.*

Make sure a core of volunteers arrives early to set up and another group remains late to clean up.

7. *Follow up with participants.*

Make sure that all equipment borrowed is returned. All participants and sponsors should receive a thank you letter on behalf of the neighborhood association. A simple acknowledgment of individual and agency contributions will ensure a good future relationship with the neighborhood association.

*Timeline* Planning for an event of this type usually requires three to four months to complete. Once potential co-sponsors and participants have been identified—a process that will likely take two to three weeks—a time and place should be chosen. Promotional activities should start about six weeks prior to the fair.

*Costs* The most precious resource required to produce the business fair is time. To maximize this resource, meetings must be well organized and productive. Free event space can be found at many institutions in Olivette Park, including the ones listed

above. If an Olivette Park event space does not work out, the planning committee might consider investigating holding the event at the City Hall atrium or State Community College. The only major monetary resources required are for promotional materials and information packets provided at the fair. Total promotional costs should total between \$200 and \$300.

*Funding* With a modest contribution from event co-sponsors (between \$25 to \$50) the fair will cost nothing for the neighborhood association. Admissions charges should be avoided as a means of funding, as this could discourage people from attending.

*Resources*

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 327 Missouri Avenue  
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 19 Public Square  
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 277-6790

Robert Ahart  
 East St. Louis Small Business Development Center  
 583-2270

### **Project Three**

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#### **Research and Develop a Job-training Initiative**

*Description* Several existing job training programs—including Earnfare (Illinois Department of Public Aid) and Illinois Job Service—provide training only to individuals on public aid or with extremely low-incomes. In addition, the Earnfare program pays participants for work completed but does not focus on skills development that can provide participants with lasting employment. The Olivette Park job training initiative should focus on developing skills that can produce immediate placement in the primary labor market in employment sectors accessible to neighborhood residents. These sectors include entertainment (The Casino Queen has a substantial pool of jobs and is required to hire one-half of its staff from East St. Louis), the construction trades, and retail. Before a program can be implemented however, partnership and funding opportunities must be explored. Furthermore, employers and residents seeking employment must be consulted to determine job skills lacking in the labor force.

*Rationale* Low educational attainment and high unemployment are two of the significant weaknesses of Olivette Park. The East-West Gateway Coordinating Council has performed studies of the St. Louis regional economy that indicate industry segments with employment growth. These sectors are also physically accessible to neighborhood residents. Unfortunately, job skills required for these positions are lacking in “urban-core” residents. Unemployed and underemployed Olivette Park residents should be provided opportunities for employment in these industries. An organized effort by existing agencies and other interested volunteers could provide the training and basic skills necessary for employment to residents who want to work.

*Activities* 1. *Establish a job training council.*  
The Olivette Park Neighborhood Association, in conjunction with interested local business owners, social service providers and educational institutions (District #189, State Community College and the SIUE East St. Louis Center) should establish a

job-training council to design and implement a job-training strategy. This council will also be charged with establishing regional partners to fund and operate a job training program.

*2. Research market needs.*

Once the committee is established, they should arrange a meeting with the East-West Gateway Coordinating Council to discuss the implementation of a job-training study focused on East St. Louis. The purpose of the study is to firmly establish industry sectors potentially accessible to neighborhood residents, and determine the gap between resident skills and employer needs.

*3. Develop a job training strategy.*

When funds have been acquired, the council should hire a research assistant to work with East-West Gateway to develop an appropriate strategy. A good source for research assistance is the Institute of Labor and Industrial Relations at the University of Illinois. The institute could provide a 20 hour per week researcher for one year at a cost of approximately \$9,000.

In addition to establishing the employment possibilities and job-training needs for the neighborhood, the researcher would be charged with helping the council establish partnerships with important educational bodies such as District 189 and State Community College. These partners can provide needed assistance in designing a curriculum for the program.

*4. Publicize the job training program.*

When the program is finalized, conduct an ambitious outreach campaign with the help of the Olivette Park Neighborhood Association. In addition to attracting residents seeking employment, encourage local and regional business leaders to get involved as well. They can teach some skills better than anyone, and it provides them direct contact with potential future employees.

*Timeline* The research required to establish training priorities will require at least six months. An additional six to nine months will be required to establish partnerships with local and regional institutions who can help provide technical assistance and potentially conduct training.

*Costs* The resources required for researching and running this program are extensive. The cost of a one-year graduate assistant to conduct research is approximately \$9,000. In addition, the research will require an operating budget of between \$2,000 to \$5,000. The cost of running a job training program depends, of course, on its size. As a bench-mark however, the St. Clair County JTPA program for disadvantaged adults plans to serve 361 clients in its next budget year at a cost of \$799,000.

*Funding* Funding for research should be available from East-West Gateway. This organization has, in the past, funded several similar studies focusing on the metropolitan region. In addition, the Annie E. Casey Foundation, which has funded several East-West Gateway studies, is an excellent source of job-training research and development money. There are several government funding sources that should be considered as well. The East St. Louis Township Office currently funds two job training initiatives and should be presented with a proposal for this project. In addition the U.S. Departments of Health and Human Service and Education regularly provide grant money for innovative job training programs. Finally, the Americorps and Vista programs should be approached with funding proposals.

*Resources* Blair Forlaw  
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10 Stadium Plaza  
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274.2750

## **Project Four**

### **Establish an Infrastructure Replacement Demonstration Program in Olivette Park to Coincide with a Demonstration Housing Development Project**

*Description* Infrastructure replacement is critical to the long-term development goals of the neighborhood. Unfortunately, infrastructure needs greatly exceed those that can be funded from available resources. This project is designed to provide substantial improvement to a designated target area in conjunction with a proposed new, affordable housing development. The planned site for initial improvement and housing development is between 7th and 8th Streets and Summit and Pennsylvania Avenues. Much of this property is already owned by The Family Center, which is interested in clearing and redeveloping the site for low-income housing. The project will consist of repairing and replacing curbs and gutters on the entire block, repairing and replacing sidewalks on 7th Street and Summit Avenue, and testing the sewer system for needed repair and replacement.

*Rationale* Infrastructure replacement must be done in a manner that the most benefit can be received for the money invested. This site offers benefits both to new housing development and existing units on adjacent blocks. (This decision will greatly reduce the cost of building these new housing units, and also make them a more competitive choice for interested home buyers.) The location is also ideal for future expansion as potential commercial development lies one block to the northwest on St. Clair Avenue, and additional housing development is feasible in the blocks immediately to the south and east of the proposed site. Furthermore, this site will build on recently replaced infrastructure near the Gompers Homes, a condition likely to attract the interest of HUD as a potential funder.

*Activities*

1. *Work with the Housing Committee to establish infrastructure replacement as a priority.*

Establish a working committee with members of the Olivette Park Neighborhood Association, the Family Center and its development partner(s) and the Community Development Block Grant Office to create a development proposal to support new housing development.

2. *Verify infrastructure condition.*

The committee should begin by verifying the results of the field study conducted by the East St. Louis Action Research Project to determine exact repair and replacement needs.

3. *Develop an infrastructure improvement plan and seek funding.*

Once these needs have been confirmed, the committee, in consultation with a civil engineer, should develop an infrastructure improvement plan for the block. The plan must include the exact items to be repaired and replaced, accurate cost estimates for the work, and a detailed timetable for the completion of the project.

With financial and political support from CDBG, the committee must gain the approval of the City Council for the plan. This approval must include a commitment to fund any portion not covered by CDBG or other federal or state money. Once approval has been granted, the city will be responsible for contracting the actual work, although the committee should actively monitor progress to ensure established goals are met.

*Timeline* Resources required to establish the working committee and develop a proposal revolve primarily around time. Including the time to verify field results, it will take approximately three to four months to develop a proposal. It will take at least an additional three months to secure CDBG funding and to gain approval from the City Council.

*Costs* There will be minor costs involved in copying and distributing the proposal that should not total more than \$50. Naturally, major resources will be required to complete the actual construction. Table 7.1 provides preliminary cost estimates for systems needing replacement.

Infrastructure Type	Locations Needed	Quantity	Unit Cost	Total Cost
Curb and Gutter	Entire Site	1200 Linear Feet	\$29	\$34,800
Sidwalk Replacement	Summit & 7th Streets	1800 Square Feet	\$6	\$14,400
Wheelchair Ramps	7th & Summit 7th and Penn	24 Square Feet Each	\$10	\$480
Sewer Smoke Test	Entire Site	N/A	N/A	\$20,000
Replace Storm Drain	7th and Summit	1	\$700	\$700
Street Lighting	Entire Site	24 Lamps (rented from Illinois Power)	\$50 each per year	\$1,200 per year \$6,000 for 5 years
<b>Total Cost</b>				<b>\$76,380</b>

Table 7.1. Infrastructure replacement costs

*Funding* The major resources required for infrastructure replacement should be provided by the Community Development Block Grant Office and the City of East St. Louis. The city, in turn, has several funding options to consider. Sources used for similar projects in the past include General Fund, Motor Fuel Tax (MFT), and Tax Increment Finance (TIF) District revenues.

## **Project Five**

### **Encourage the City of East St. Louis to Develop and Adopt a Five-year Capital Improvement Plan**

*Description* The objective of this project is to ensure that any future capital improvement investment made by the city addresses critical infrastructure needs of both commercial areas and residential neighborhoods. The analysis of existing neighborhood infrastructure, and needs expressed by local residents, business owners, and social service agencies clearly indicates the need for a rational plan for infrastructure investment. The Olivette Park Neighborhood Association, in conjunction with other neighborhood organizations and ESL CAN, will be in an excellent position to work with CDBG and other city staff to identify an appropriate organization to complete the plan, and to help the city identify funding for the project. With neighborhood organizations participating along with the city in proposing an improvement plan, the city will have greater incentive to ensure an equitable distribution of capital projects.

*Rationale* Deteriorating infrastructure is a major obstacle to economic development. Business owners rely on efficient infrastructure to lower their operating costs and thus improve their chances of success. Furthermore, poor service delivery decreases the overall quality of life in the neighborhood and may actually increase the cost of homeownership. Without a comprehensive, city-wide capital improvement strategy, serious new investment in housing and commerce will be difficult to attract. The city has passed a resolution to hire Sverdup Civil, Incorporated to complete a comprehensive study of existing infrastructure in East St. Louis (although funding for the project is currently delayed). Assuming the study is completed, the next logical step is the completion of a capital improvement plan. Because a truly rational approach to capital improvements cannot be taken on a neighborhood scale, ESL CAN is the best choice to coordinate neighborhood participation in the process.

*Activities* 1. *Establish an infrastructure planning committee.*

The Olivette Park Neighborhood Association should encourage the East St. Louis Community Action Network to assemble a committee of resident leaders, business owners and social service providers from all of the neighborhood members of ESL CAN. This committee should be the official representative of residents in discussing infrastructure planning with the city.

Assuming it has been completed, the committee should begin by thoroughly reviewing the infrastructure status report for the City of East St. Louis. Complete knowledge of current conditions is critical to ensuring the finished plan addresses critical needs.

2. *Meet with city officials.*

Arrange a conference with important city leaders concerning a Capital Improvement Plan. Important officials who should attend include: Mayor

Gordon Bush; Lamar Gentry, City Manager; Council Member Deborah Powell, Chair of the Community Development Committee; Diane Bonner, Director of CDBG; Jesse Walker, Director of Public Works; Curtis Galloway, the Director of Business and Economic Development; Robert Ahart, Director of the East St. Louis Small Business Development Center and Bruce Patterson, Head of the East St. Louis Financial Advisory Authority. Use the meeting to clearly establish the importance of a Capital Improvement Plan, both for city-wide economic development goals and neighborhood-focused development priorities.

Encourage Lamar Gentry and the City Council to allocate funds for the completion of the capital improvement plan. To minimize the cost of planning without compromising the product, the city should be encouraged to seek planning assistance from a local or regional university. One possibility would be a joint study through the Washington University Civil Engineering Program and the East St. Louis Action Research Project at the University of Illinois. This collaboration eases the demands of data collection and analysis by incorporating a local university, at the same time it employs the experience of ESLARP in working with neighborhood organizations in planning exercises.

The committee should further encourage the city to make provisions for joint monitoring of the process by key city officials and neighborhood institutions. Such monitoring will ensure that all project goals are met in the planning process.

*Timeline* Because this project will require a great deal of organizational experience and expertise on the part of participating neighborhood organizations and ESL CAN, it is a long-range project. It will likely require six months to gain the support of neighborhood institutions and fully establish the working committee. Negotiations with the city concerning how the Capital Improvement Plan will be done and who will do it is likely to require an additional six months. The planning process itself will require nine months to a year to complete, with an additional three to four months before the first project is actually initiated.

*Costs* The organizational resources of ESL CAN will need to be fully employed to bring a working committee of residents, businesses and social service agencies together. In addition, a great deal of time will be necessary to work out a planning process acceptable to all parties. Beyond time, the expenses involved in establishing a planning process are likely to range between \$500 and \$1000. The cost of the capital improvement plan itself is likely to be between \$120,000 and \$200,000 depending on whether or not the infrastructure condition report is completed.

*Funding* Ideally, costs associated with establishing the planning process would be covered by participating government agencies. However, neighborhood institutions should be prepared to spend a total of \$100 to \$500 of their funds for these activities. To ensure no financial arguments erupt between organizations, each should contribute to a committee budget based on their financial ability. The actual cost of planning must be provided through a combination of city and state funds. Important potential sources include CDBG, the MFT, Sales Tax, TIF and the East St. Louis General Fund. Additional funding should be solicited from the Illinois EPA and the U.S. EPA. Both agencies provide some funding for research on environmental mitigation. Research aimed at correcting infrastructure hazards clearly falls in this realm.

<sup>1</sup> East-West Gateway Coordinating Council. “Perspective of Employers, Community Residents, and other Stakeholders Regarding Labor Market Issues.” part of the *St. Louis Regional Jobs Initiative Working Papers*. 1996 p. 3.

<sup>2</sup> Conversation with Bill Gagen, Program Planner for St. Clair County JTPA (May 2, 1996)

<sup>3</sup> Unit cost estimates for sidewalks, curb and gutter and storm drain from conversation with Gup kramer, Concrete Supervisor, City of Champaign, IL, Department of Public Works.

<sup>4</sup> East St. Louis Financial Advisory Authority. *Capital Improvement Project Update*. 1996. pp. 1-3.

<sup>5</sup> *ibid.* pp. 4-5.