Bay State caucus seeks to assist 'gateway cities'

Saturday, October 04, 2008

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FALL RIVER - Leaders from depressed industrial cities around Massachusetts called on Friday for the state to focus tax incentives, education programs and commuter rail improvements on the cores of such former industrial centers as Springfield and Holyoke.

"We are starting to see a consensus that will lead to legislative momentum," said Allan W. Blair, president and chief executive officer of the Economic Development Council of Western Massachusetts. "The next step is to get a bill we can get passed in the 2009 legislative session."

He and others who attended the Massachusetts gateway cities conference on Friday at the University of Massachusetts in Dartmouth and the Advanced Technology and Manufacturing Center in Fall River plan to testify on Tuesday when a legislative caucus conducts hearings in Springfield, Pittsfield and Worcester.

The Springfield session will start at 3:30 p.m. on Tuesday in City Hall.

State Sen. Stephen J. Buoniconti, D-West Springfield, is a member of the caucus.


F. Mark Muro, a fellow with the Metropolitan Policy Program at the Brookings Institution, said Springfield needs to establish a commuter rail link with Hartford and New Haven in order to take advantage of changes in how people will travel in the future, considering rising energy prices.

But the link has to go beyond just a train, he said.

"In the end, Springfield can't solve its own problems," said Muro. "You have to reach out to other urban units."

David B. Panagore, the head economic development officer for the Springfield Control Board, was only half joking when he said he will be able to do more for Springfield from Hartford, than from Springfield.

He will leave Springfield in two weeks to take an economic development job in Hartford.

He said he was struck by the Brookings Institution's finding that, of the more than $500 million worth of tax incentives the state uses to attract business each year, less than five percent goes to economically distressed areas such as these 11 cities.

He said the state could change this administratively without waiting for the Legislature to change the law. It
is a matter of redirecting existing programs, he said.

"It's what we can get done in the next six months," said Panagore.

MassInc called for a 15-percent investment tax credit in certain economic development zones. Companies would also receive a $5,000 tax deduction for hiring someone who lives in a poor neighborhood, and a $3,000 deduction for all other hires.

The economic downturn really represents an opportunity, said Panagore. It will make all governments be more careful about where they spend meager resources.

And it will also slow the pace of development for a time.

"It gives you time," Panagore said. "That's what smart developers do. They use the down-times to plan for the uptimes."

Former Gov. Michael S. Dukakis said that this is the time to address road and rail improvements because contractors are looking for work in a bad economy, and bid prices will be low.

"There will be credit available," said Dukakis, who was the unsuccessful Democratic candidate for president in 1988. "There is no reason under the sun why we can't move forward now."

John P. Aubin is the architect and developer of Open Square, a redevelopment project between the canals in Holyoke. He said the biggest need is for housing to be sold at market rates to middle-class people. "These are people who are looking for places to eat, places to shop," he said. "That is what it takes to reinvent a community."

He is calling for tax abatements aimed at housing development. For his project, it is the difference between filling it in 20 years or doing it in 10.

Holyoke Mayor Michael J. Sullivan attended the conference.

Blair said that education is also key both in traditional schools and basic-education and reading programs aimed at adults. Any company seeking to expand or locate first makes sure it can find enough workers with the skills they need.

For many employers, this means a high-school education. The high drop-out rates in such areas as Springfield are a stumbling block, said Blair.