

and development corporation 80 percent of the funds required for land, buildings, and equipment, for 25 years at 5½ percent interest. Under the umbrella of the nonprofit investment and development corporation, a maximum single allowable loan per business will be \$350,000. Under this program, shopping centers, factories, parking garages, nursing homes and a wide variety of business enterprises can be financed. Here again the necessary supporting funds will be sought under the demonstration program.

The total cost over 6 years, using the experience outlined under present programs is estimated at \$50 million.

IV. ECONOMIC DEVELOPMENT

A large number of residents in the project area have been, and continue to be, totally removed from the mainstream of industrial, commercial, business and professional life of the greater Philadelphia area. To date there has been no professionally directed and coordinated effort to initiate new enterprises or expand existing ones in the area. This should be an integral part of any development program. Fortunately, the area is characterized by a host of existing industrial facilities all strategically located in relation to the residential areas. The city proposes the implementation of a coordinated effort to acquire land and construct or rehabilitate suitable structures through a combination of investment funds from private businessmen, local banks, and government development funds where available to bring these facilities into maximum productive use. It is proposed that \$10 million be allocated for a revolving fund to facilitate the regeneration of business activity in the area. The mechanics of its operation will be founded on sound practice and experience the city has developed with its industrial revolving fund over the past 10 years.

The demonstration program will also include a coordinated effort to establish conditions in the area to make it attractive for business to locate there. Such effort will include, but not be limited to:

- A. Residents of the area through their existing organizations making known their desire to attract, protect, and foster businesses in their community.
- B. Assisting existing small businesses in the area to expand the scope of their operations so as to employ more persons.
- C. Promotion of industries and businesses that are not technologically advanced, so as to absorb presently unemployed workers with low-level skills.
- D. Promotion of hiring of local residents insofar as is practicable by all businesses in the project area.

V. PUBLIC IMPROVEMENTS

Costs for improvements of streets, water and sewer, lighting, and public facilities of all types to complement and support the myriad of structural developments can only be tentatively approximated. Firm estimates must await firm plans. However, the record will show that at least \$50 million in public improvements have been invested in North Philadelphia over the past 10 years in the projects thus far executed there. We expect as a minimum that an equal amount should be reserved for the demonstration program.

VI. ADEQUACY OF MUNICIPAL APPROPRIATIONS AND SERVICES ARE DEMONSTRABLE

The attached capital program for the 6-year period 1965-71 is typical of the continuous programming processes carried on by this city since 1945. Each such program is adopted by city council and represents a systematic execution of the various facets of the comprehensive plan based on a total strategy of municipal development. The adoption by council represents a commitment to make the investments necessary to realize the long-range goals of this plan.

The capital program scheduled for 1965-71 calls for an expenditure of \$1.19 billion. Of this figure, \$508 million will be appropriated from city funds. Each project is carefully scheduled to reflect realistic production rates in view of the limits of the city's total resources.

The city has scheduled \$80 million in public improvements for North Philadelphia in the current 6-year capital program. The additional funds which would be made possible by the demonstration program are essential to meet all of the needs of the area.