

**FERNALD COMMUNITY REUSE ORGANIZATION (CRO)
TO HOLD WORKSHOPS ON ECONOMIC DEVELOPMENT PROGRAM OPTIONS**

You and your organization are invited to participate in two workshops scheduled for October 6 and October 29, 1998, at 7:00 P.M. The events will be held in the Media Center of Ross High School. The High School is located at 3425 Hamilton-Cleves Road, Ross, Ohio. The purpose of the workshops will be to obtain community input on program concepts that are meant to assist the economic transition of our region as the Fernald facility moves toward closure over the next several years.

The following provides an overview of the CRO's purposes, certain economic development program options, and related information. We look forward to your attendance and participation in one or both of the workshops.

CRO ECONOMIC DEVELOPMENT PROGRAM OPTIONS

The Fernald Community Reuse Organization (CRO) is charged with developing a Community Transition Plan (CTP) that proposes economic development initiatives which will mitigate the impact of worker and community transition resulting from the eventual closure of the Fernald Environmental Management Project (FEMP). A variety of studies have been completed or are currently underway which will analyze the following:

- The closure's economic impact on the Greater Cincinnati region;
- Skill mix of the FEMP workforce;
- Industrial and other business categories that are most likely to experience regional growth; and
- The level of market demand for industrial/commercial utilization of a portion of the FEMP site

The findings of these studies will provide a context for selecting economic development options which will have the greatest likelihood of addressing the transition issues created by the FEMP's closure. Preliminary findings of these studies and review of currently available regional economic development programs have already suggested several program options. These are described in general terms below. The CRO's Economic Development and Worker Transition Committee has

discussed these program concepts and have agreed that they are worth further study and public discussion. Following discussion of these options by the full membership of the CRO, these options will be distributed to the public in order to receive reaction, as well as stimulate discussion of additional options.

- **Revolving Loan Fund:** The FEMP workforce is engaged in one of the largest and most complex environmental remediation projects ever attempted. Environmental remediation is anticipated to be a growth industry within the Cincinnati region for many years. Regional growth of this industrial category could absorb a significant portion of the FEMP's dislocated workforce.

This trend will be reinforced and accelerated by the public sector's growing involvement in "brownfield" redevelopment. Brownfields are former industrial properties that currently are underutilized due to actual or perceived environmental contamination.

Although several state or federal programs have been created to assist local brownfield redevelopment efforts, the ability of local governmental units to participate is often quite limited. The primary constraint on local participation is the lack of available fiscal resources for cost sharing (matching funds) on a timely basis.

The availability of a revolving fund that offered short term, low interest loans could assist local jurisdictions to more readily engage in brownfield redevelopment. As more brownfield redevelopment is initiated, the demand for workers with environmental remediation skills will increase. A secondary community-wide benefit would be the return of underutilized industrial sites to productive use with corresponding increases in employment opportunities.

Loans to local jurisdictions would be repaid either from project revenue streams or future appropriations from the borrowing jurisdiction's general fund. The revolving nature of the loan fund would mean that the CRO or its successors would have a source of program funds that would extend over an indefinite future period. In addition, fees and interest payments could serve as a source for CRO operational support after Department of Energy (DOE) funds are no longer available.

- **Business Incubator:** Incubators are programs and facilities that are designed to assist the growth and development of start-up firms. This goal is achieved through a combination of low cost space, access to shared equipment and services, on-site management assistance and other technical resources. As start-up firms grow and develop at an incubator, they are eventually "hatched," meaning that they leave the incubator and become a free-standing business located within their own, conventional, facilities.

A very successful incubator is located in Norwood, Ohio. An incubator concept is under study in Hamilton, Ohio. Emerging plans for the development of Western

Hamilton County suggest that the region may be able to support and sustain additional incubator space.

Some significant percentage of FEMP workers may consider self employment as the most appropriate transition option. In such cases, the availability of incubator space could be very helpful. In addition, Fluor Daniel Fernald operates a widely recognized mentoring program that seeks to develop business opportunities for minority vendors. Incubator facilities could augment the success of these efforts.

Incubators often develop a specialization in a particular industrial category. For the reasons cited in Option 1 above, an incubator focused on start-up firms in the field of environmental remediation might be an appropriate focus for CRO support.

- **Local Development Corporation:** At the present time, there is not a multi-purpose economic development entity that directly serves the interests of the tri-township area. The economic development departments of both Hamilton and Butler Counties have general responsibility for promoting economic development anywhere within their respective jurisdictions. However, many rural, as well as suburban and urban locations throughout Ohio and the nation, have found it useful to form a local development corporation that has responsibility for recruiting and retaining business growth within a focused area. Such groups are often organized on a non-profit basis with responsibilities for the financing of development projects, as well as the marketing of a jurisdiction for business growth. Aside from the Ross Merchants Association, the area does not currently have such an organization. The Ross Merchants Association is limited in its focus to the immediate Ross area as opposed to the Tri-Township area. It does not have the full complement of programs and services generally associated with a full scale local development corporation.

Funds from the implementation of the CRO's CTP could be utilized to initially capitalize a development corporation, both in terms of operating funds, as well as the establishment of a development fund. It would be necessary to require that at least a two-to-one match be obtained from local jurisdictions and/or businesses to establish such a development organization. The task of such a group would be to promote, guide and direct an economic development strategy for the area over a multi-year period. A parallel undertaking of such a group might include investigation of a "Mainstreet" revitalization project for the Ross-Venice commercial area. Mainstreet programs utilize the historic character of an older downtown area to promote retail shopping. CRO support of such an initiative might be an appropriate form of community transition support.

- **Continuation and Expansion of Project ADEPT:** Through a grant from the Ohio Department of Development, the CRO has initiated an entrepreneurial assistance program entitled Project ADEPT. The basic purpose of this program is to help start-up

businesses obtain an in-depth level of management consultation necessary to help propel the firms' growth during a critical phase of their initial operations. This assistance is provided in conjunction with the services of our region's network of Small Business Development Centers (SBDCs). SBDCs receive their support from the U.S. Small Business Administration. The SBDCs provide management assistance and consultation to start-up businesses. This assistance is offered on a free basis, but only covers a basic level of management advice. The assistance available from Project ADEPT allows the firm to receive much more in-depth, management consulting from a private sector source through the provision of cash payments to a selected group of management consultants that have had long term experience with the SBDC program and specialize in small business assistance.

This program was modeled after successful efforts undertaken by the Rocky Flats CRO. Early indications are that the CRO program's initial efforts will show a significant degree of success. Consequently, a CTP economic development program option would be to extend and expand Project ADEPT through the time period of the DOE implementation grant. Under the initial program, it is anticipated that approximately eight firms will be assisted. In an expanded program, a level of support could be provided which would assist approximately 20 start-up organizations.

- **Conclusion:** These program options are only preliminary ideas and are certainly not meant to be exhaustive of all the possible approaches which could or should be undertaken. However, they are provided to serve as the basis for initial public discussion of the program options which will be outlined in the CRO's Community Transition Plan. These program options should now be distributed to a variety of community organizations throughout our service area, in order to receive advice and comment, as well as to solicit additional recommendations. It is proposed that one or more public hearings be held during the early fall, where additional information on these program options can be presented to the public for their reactions and to provide a forum for the discussion of alternative approaches. These proposed program options will be posted on the CRO's website and additional means will be utilized (consistent with the CRO's Public Participation Plan) to solicit community reaction to these concepts and to promote discussion of additional ideas and suggestions for CRO consideration.

This period of discussion and refinement of program options will continue throughout the fall. Program options can be further assessed and evaluated as the studies referenced above are concluded. Final decisions, regarding program inclusion and budgetary allocations will be concluded by late November so that a final Community Transition Plan document can be submitted to the DOE by no later than December 31, 1998.

Please call Curt Paddock at 513-527-3150 to ask questions about the CRO and/or your possible participation in one or both of the workshops.

***The Fernald Community Reuse
Organization is now seeking
applications from interested parties to
serve on the committee.***

MISSION

The CRO was established in 1996 to assist the Department of Energy in developing recommendations to help minimize the negative economic impact of closing the Fernald Environmental Management Project near Ross, OH.

As part of its mission, the CRO will explore economic development opportunities to benefit the townships surrounding the Fernald site and assist workers as they transition from working at the Fernald site to new employment alternatives. The group will also advise DOE about potential reuse of Fernald land and equipment.

MEETING SCHEDULE

The CRO meets the first Tuesday evening of each month at Ross High School. Members are expected to serve on sub-committees. All CRO meetings are open to the public.

HOW TO APPLY

If you would like to be a candidate for CRO membership, please submit a letter to:

Fernald Community Reuse Organization
P.O. Box 38, Ross, Ohio 45061

Letters should include the following information: Why are you interested in serving on the CRO? What skills and talents will you bring to the CRO? What groups and organizations would you represent? What is your work and professional experience?

The deadline for applications is Sept. 25, 1998.

For more information contact the CRO message line at 513-648-4168.