



American Enterprise Institute for Public Policy Research
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November 15, 1982

Mr. Wilmot F. Wheeler
Chairman and Chief Executive Officer
Dollar Savings Bank
2530 Grand Concourse
Bronx, New York 10458

Dear Mr. Wheeler:

The American Enterprise Institute's Neighborhood Revitalization Project has been researching neighborhood revitalization and economic development under a three-year grant from the Charles Stewart Mott Foundation. Six months ago, several business associates asked me to review a proposed defense contract for Freedom Industries located in the South Bronx. Upon reviewing the proposed strategies for developing the food processing plant and talking with Mr. Henry Thomas, President of Freedom Industries, about the "multiplier effects" on the surrounding community, I felt that this could be the most significant and positive economic impact the South Bronx has seen in quite some time. I informed Mr. Thomas that I would be interested in following his progress, lending whatever assistance I could, and using this project as an example in our research publications.

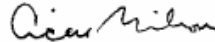
What is unique about Mr. Thomas' vision is his willingness to interact with the surrounding neighborhood by helping to initiate small enterprises--or to strengthen existing businesses--through a contractual relationship with the food production plant. Such services as day care, security, exterminating, and shipping are obvious examples of appropriate businesses that would benefit both the production plant and the neighborhood economy. This strategy is consistent with the findings of our research in eight neighborhoods across the country and avoids the problems that inner-city industrial parks have had: a fortress mentality with no contact with or benefits for neighborhood residents or businesses other than providing some small number of jobs.

A number of organizations concerned with economic development are interested in assisting Mr. Thomas once the enterprise gets underway. These organizations include the Corporation for Enterprise Development, the National Council on Employment Policy, the Saber Foundation, the

National Center for Neighborhood Enterprise, the National Association of Neighborhoods, and the National Black Police Association. These organizations can be of very great assistance in minimizing the management, security, and production problems of the food processing plant. Moreover, they can help to garner additional support for the endeavor.

I would encourage Dollar Savings Bank to give serious consideration to this project. I am also going to encourage the New York City Partnership through Peggy Delaney and Janice Pearlman to provide technical assistance to Mr. Thomas' enterprise.

Sincerely,



Cicero Wilson, Director
Neighborhood Revitalization Project

bcc: Mr. Henry Thomas