

Chiron

faxed to Cisneros
confirmed receipt
with Gloria, see Cisneros'
of c.

THE WHITE HOUSE
WASHINGTON

DATE: August 27, 1996

NOTE FOR: Secretary Henry Cisneros

The President has reviewed the attached, and it is forwarded to you
for your:

Information ☐

Action ☒

Presidential Note: "ask him to get back
to me with his reaction"

Thank you.

Staff Secretary
(x6-2702)

cc:

THE WHITE HOUSE
WASHINGTON

CC: Tyson

Cisneros

Outstanding
[scribbles]
[scribbles]

August 22, 1996

Mr. Craig Hall
Hall Financial Group, Inc.
Suite 200
750 North Saint Paul Street
Dallas, Texas 75201-3247

Dear Craig:

Thank you for your kind words of encouragement and for following up on our conversation about Central Business Districts. I appreciate knowing your perspective on the unique issues facing our nation's urban areas, and I've asked Housing and Urban Development Secretary Henry Cisneros and National Economic Council Chair Laura D'Andrea Tyson, to carefully consider your suggestions.

I appreciate your taking the time to write and look forward to seeing you again.

Sincerely,

Ric Cisneros

Great work
Thank



To Dorskind
for reply?
✓ yes
— NO
8-15
B. recd
8/11
for POTB
S. J. [signature]

August 7, 1996

William J. Clinton
President of the United States
The Whitehouse
Washington, DC 20500

Dear President Clinton,

Thank you for meeting with my wife Kathy and me last Friday. Much has transpired since 1979 when we visited in Tulsa. Your first term has been outstandingly effective. Kathy and I intend to keep on doing all we can to help assure your continued leadership through the end of this century.

At the conclusion of our meeting, you indicated an interest in follow up on my comments about how changes in public policy could help to positively impact the changing dynamics of Central Business Districts ("CBDs") and their surrounding neighborhoods. My perspective is as a businessman and entrepreneur who has studied CBDs and as one who has chaired a task force on neighborhood revitalization needs in the City of Dallas.

Vast and rapid technological changes have created new challenges for CBDs. Advances in computer applications and telecommunications allow businesses to easily move out of CBDs and into suburbs and small towns. Accordingly, instead of downtowns being, as they once were, a vital link for office business, they are today simply an alternative to office in suburban and smaller markets. As evidence of this, instead of the historical patterns of downtowns having higher rents and lower vacancies than the suburbs, today the opposite is true. Significantly older CBD Class-C buildings have disproportionately higher vacancies. For example, in Dallas, the June 30, 1996 Class-C CBD vacancy was 76 percent, according to Jamison Research, Inc.

The result of this exodus is that declining CBDs foster physical property decay, crime, fewer jobs for residents of nearby neighborhoods (who often need them the most), declining tax bases, and an underutilization of valuable assets. Substantial federal, state and local investments in transportation systems, as well as other vital infrastructure, are not being properly utilized. Federal efforts to help inner city neighborhoods will be impeded by declining CBDs. The current downward spiral is adversely affecting many areas.

William J. Clinton

August 7, 1996

Page 2

Accepting the premise that downtowns will no longer be as heavily driven by the office component, the concept of downtowns must be redefined. Since downtowns represent strategic locations with substantial transportation infrastructure investments, one new major component should be an emphasis on entertainment facilities, restaurants, sports facilities, cultural facilities and retail centers. The other major new component should be housing. This can turn CBDs into vibrant "24-hour" cities. Denver is an example of one of the few cities that has made great strides in this area and has proven it can clearly work.

As part of a redefined downtown, adaptive reuse of existing Class-C office buildings should be a priority. It is not economical to undertake this without incentives beyond those of the traditional marketplace. With public policy incentives, buildings could be adaptively reused for residential and the other described uses. Together with new construction these could accelerate the reinvention of downtowns. The question becomes: What can the federal government do to encourage this process from a public policy standpoint?

In our meeting, you spoke of the Brownfield legislation and Empowerment Zones. Both of these are vital and crucial tools for downtowns. Further, your Executive Order issued in May supporting the relocation of government offices to downtown historic buildings is helpful. Here are some additional thoughts for your consideration which could help in the needed process of reinventing downtowns.

- o Provide a challenge to local governments and the private sector to "Reinvent Downtowns" through your speeches and radio addresses. You could speak about the need and the federal tools your administration has provided, and perhaps include some new ones as suggested below. Your leadership and vision in this area would yield huge positive results.
- o Consider having HUD direct many of its existing insurance programs, on a priority basis, to downtown areas. For example, HUD's 221(d)(4) program insures apartment loans often in suburban areas, where many other funding sources are available. Residential downtown projects do not generally have available private funding sources for development, which is a major reason why so little is being done. HUD programs if directed to CBDs would make a major difference.
- o Consider broadening and expanding the Empowerment Zones to encourage local public-private initiatives geared to the redefined vision of downtowns.

William J. Clinton

August 7, 1996

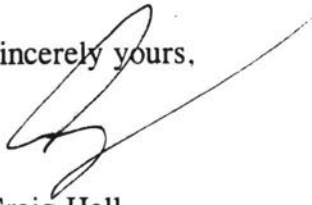
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- o Consider establishment of a new federal grant-to-cities program designed specifically to support and promote adaptive reuse of existing obsolete buildings and new construction in downtowns of residential buildings and entertainment/retail facilities that meet job creation and other criteria.
- o Consider creating a temporary commission to report to you on a comprehensive set of proposals as to how the federal government could encourage a long-term stabilization and rebuilding of downtowns.

The private sector can and will be the principal vehicle for re-developing our downtowns, but it cannot and will not do so without public sector encouragement and incentives. The prospects for vital and prosperous "Reinvented Downtowns" are far reaching, exciting and achievable.

I appreciate your consideration of these ideas. Please call me if I may be of any assistance. Thank you again for meeting with Kathy and me.

Sincerely yours,



Craig Hall

THE WHITE HOUSE
WASHINGTON

CC: Tyson ✓
Cisneros ✓
attaching our
letter to
you with this letter

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Rita Cisneros

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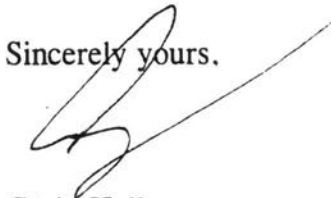
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