

WEDNESDAY, MAY 25, 1988 •

Symbols Of Hope Are Rare

'The Name Alone Is Kiss Of Death'

EAST ST. LOUIS CITY ON THE EDGE

PART 4

By Peter Hemon
Of the Post-Dispatch Staff

For years, if Gene Scarborough thought about East St. Louis at all, it was with the hope that his car would never break down on one of his rare drives along its dismal outskirts. The view of crumbling, fire-scorched buildings and vacant lots flashing by in full view of the interstate easily convinced him that the city was a place he never wanted to visit.

That's why Scarborough, 56, a developer from Kansas City, still remembers how he reacted when a friend suggested that he build some houses there:

"I told him, 'No. Hell, no. I don't need those kinds of problems.'"

Scarborough grinned as he watched a backhoe carve out the foundations for four display homes he is erecting on the site of a former shantytown in East St. Louis. "I might have yelled a few other things at him as well. . . . But the thing of it is, I wouldn't be here right now if I didn't think I could make a dollar."

Scarborough, who says his experience as a developer runs more to Taco Bells and other fast-food restaurants, has teamed up with East St. Louis businessman Dwight Flowers, 44, the former owner of a McDonalds restaurant franchise.

Introduced through a mutual acquaintance, they hope to build 50 houses on a grassy plot that covers two city blocks almost within the shadow of the Gateway Arch. The gleaming monument sometimes appears to frame the ground with a silver lining.

Their "Denverside" subdivision in the city's South End would offer houses in the \$60,000 to \$95,000 range. The development is aimed at luring back former residents after decades of often precipitous urban flight.

In a city in which only 14 permits for new houses have been issued in the last three years, the project is considered one of the most hopeful things to have happened in recent memory.

It's invariably placed near the top of the short list of upbeat developments that are singled out whenever city officials are asked whether East St. Louis can shake off its reputation as one of the most impoverished communities in America.

That tarnished reputation has harmed the entire metropolitan area, says Robert L. Koepke, associate director of regional research and development services at Southern Illinois University at Edwardsville.

Koepke and other scholars readily admit that they lack figures to buttress their impression that negative perceptions of the city have stunted economic development on both sides of the Mississippi River.

But they are convinced that East St. Louis' long history of political corruption and, more recently, its flirtation with bankruptcy and municipal collapse "send the wrong message about what this region is all about."

That's why Koepke and others believe that public officials in Illinois and Missouri can't afford to be complacent about a community in which more than 60 percent of the 46,000 residents get welfare benefits. The city's fate, they say, serves as a leaden drag on progress in the bistate region.

"You mention East St. Louis, and people look at you as if you've fallen from another planet," admitted Wallace Carson Sr., director of the East St. Louis Development Authority, a state agency.

A planner with another state office, who asked that his name be withheld, put it more strongly: "The name alone is the kiss of death. The perception is that we're all like that" in the Metro East area. "The truth is, I don't see any light at the end of the tunnel — only more darkness."

That depressing assessment, Carson quickly counters, overlooks the East St. Louis enigma — that despite its legendary problems, the city also has an abundance of untapped potential.

Geographically blessed, it is 500 miles from 32 percent of the nation's manufacturing plants and has large parcels of land ripe for development. It also has excellent roads and railroads, and right at its doorstep flows a natural superhighway — the Mississippi River.

Add to that the nascent reality of Denverside:

- A small business-nurturing enterprise smack in the middle of what used to be a gang war zone.

- A new National supermarket.

- The arrival of an enterprising band of Korean merchants downtown.

- Some innovative educational programs, including one that takes poor children on tours of Clayton and other high-rise communities to try to fan their desire to stay in school.

These and other encouraging signs don't mean that a renaissance is dawning in East St. Louis. Expectations are far more modest in a community that has struggled since October just to collect the trash. But to some they carry the hint of progress.

"Individuals are starting to take charge," said Lewis Bender, another faculty member at Southern Illinois University-Edwardsville. "You're seeing some growth. . . . You might say the city has suffered under a long plague and maybe now they've come through the worst of it."

□

E. St. Louis

From page one

As he strode into the weedy grass where his boyhood friend Dwight Flowers plans to build the Denverside subdivision, Mayor Carl E. Officer spoke of the project's psychological benefits.

"If you can start getting some of this property back on the tax rolls, it will have a tremendous lift," said Officer, facing the Arch. "If we can get people back into the city, it's going to mean something."

But Officer made it clear that he had more than the prospect of new homes on his mind. Despite a Gordian knot of problems, Officer remains defiantly upbeat about three riverfront projects on which he has pinned so many of his hopes.

Three years ago, at Officer's urging, the city approved \$470 million in bond issues for an upscale housing complex, a waste recovery and trash recycling plant and a riverport. Since then, not a spadeful of dirt has been turned; in fact, most of the digging has taken place in law libraries.

A flurry of legal problems and suits, including one for \$25.9 million that names Officer as a defendant, has been filed in connection with the projects. Federal and state investigations have been started amid allegations of fraud involving the company that issued the bonds, Matthews & Wright.

Skeptics, and they are legion when it comes to the highly publicized plans, see little reason for optimism. But Officer has kept the faith.

"It's going to happen," he said. "You've just got to keep a positive attitude and keep on fighting. . . . Over in St. Louis they were planning for 15 years before you saw anything happen downtown. And we don't have the luxury of appointing planning commissions."

If Denverside is high on Officer's list of potential showplaces, so is the East St. Louis Small Business Center — called the "incubator" for short.

The incubator, a bunkerlike building with bricked-over windows at 1405 State Street, was once in the heart of a thriving commercial district that suffered heavily during gang fighting in the late 1960s. Financed by \$135,000 in state grants, the incubator is trying to hatch seven fledgling companies lured by low-cost rental space, 24-hour security and secretarial services.

Scarborough and Flowers have set up shop in a large paneled room there, as have a janitorial service, a cabinetmaker, a chemical company and a firm that makes food flavorings. The first-floor office of director Sylvia Jackson-Holt is often fragrant with the sweet smell of vanilla or strawberry.

Jackson-Holt, who has leased 7,000 of the incubator's 41,000 square feet of space, admits that small businesses are perhaps the only business in store for a city that lost virtually all of its heavy industrial jobs years ago.

"Let's face it," She said. "No manufacturer is going to drop in from the Sun Belt and locate in East St. Louis."

City officials hope that the incubator and the new National market being built at the intersection of State and 25th streets will trigger other retail development in an area long considered a wasteland of shuttered, abandoned buildings.

The 45,000-square-foot supermarket, which will replace a smaller National in the city, is expected to employ 200 persons when it's finished late this year or early next year.

□

The brightest hope for the city's future are the young, insists Johnetta Haley, director of SIUE's East St. Louis Center.

"High school is too late for minority children," says Haley, a former music teacher. "You have to get to them long before then. We're trying to start at age 3 with our Head Start programs."

In addition to offering math and science classes, the center also tries to help low-achieving junior high school students — many who've never been outside East St. Louis. The children are loaded into vans and driven through neighborhoods in St. Louis. It's culture shock with a purpose; the idea is to try to broaden their horizons, said George Mitchom, coordinator of community services.

After the trip, the children are asked where they would like to live. After a wide-eyed afternoon on the roads of St. Louis County, their responses usually come hot and heavy. They favor freshly painted homes with trimmed lawns and trees — the American dream, says Mitchom.

The idea is to get them thinking about the education they will need to find the jobs that will enable them to afford houses like the ones they admired.

"We want to show them something concrete," said Mitchom. "Then we can start talking about schools and salaries and what they have to do to get them."

□

Martin L. Seidel, 85, the energetic owner of a women's clothing store, is convinced that better times are ahead for the city, where his family has done business for nearly a century.

As wave after wave of merchants left East St. Louis during the white flight of the 1960s, Seidel stayed put. The Seidel Apparel Co. at 239 Collinsville Avenue is one of the anchors of the central business district.

Irrepressibly optimistic, he points to the influx of Korean merchants, as many as a dozen, who have opened small restaurants, jewelry and clothing shops downtown.

"Those people are getting some things done," he said. "They're a blessing."

The blessings, admittedly, haven't been painless. Crime is a problem, said Stephen Park, who operates the ACE Beauty Supply Shop on Collinsville Avenue. Even as he discussed the need for more police protection, an officer was questioning a fellow merchant, Joseph Ra, who shares space with Park in the same building. Ra's store had just been hit by a shoplifter who took a handful of dresses.

"We know about the budget" problems of the city, said Park. "We know there is not much they can do for us. . . . But our business is getting better. There are only a few people who cause problems."

Will he stay? Park smiled and said: "At least until my lease expires. Then we'll see."

□

That same cautious attitude characterizes the approach that many planners and urban specialists take when they discuss — often unwillingly and with pleas for anonymity — the problems and future of East St. Louis.

Studies dealing with everything from moving the serpentine network of railroad tracks that have stymied riverfront development for decades to improving public transportation have been published, often with great fanfare. But the results have been negligible, most observers agree.

More than a hundred reports — including one noting that hundreds of millions of dollars in public money had been spent on the city — have been made in the last 20 years.

"I think the inability to see solid results of any of those investments and the lack of what many leaders here would perceive as a stable and reliable city government has been a wet blanket" on any concerted effort to tackle those problems, says Les Sterman.

Sterman, executive director of the East-West Gateway Coordinating Council, senses that many business and civic leaders in the metropolitan area would like to help East St. Louis but are frightened by the community's track record.

Thomas A. Wobbe of the Southwestern Illinois Metropolitan and Regional Planning Commission said the renovation of the Martin Luther King Bridge might lend a precedent for a regional approach to the city's problems.

After years of buck-passing and acrimonious finger-pointing, Illinois and Missouri cooperated in financing the bridge's long overdue repair work. Wobbe wondered whether a similar joint venture might work with East St. Louis. But he admitted that he has yet to see a glimmer of leadership on either side of the river in support of such an idea.

An economic development specialist in St. Louis, who asked that her name be withheld, said she doubted that anything would happen in East St. Louis until "market forces" determined that it would be economically worthwhile to develop the land.

Illinois Gov. James R. Thompson has said that the state has its own budget problems and could do little to help bail out East St. Louis. Thompson has suggested that Illinois may have to pull out the state troopers who help to patrol the streets of East St. Louis.

State officials are more optimistic about a plan to expand the Jefferson National Expansion Memorial — the park around the Gateway Arch — to the East St. Louis riverfront. The 50- to 100-acre park is under consideration by Interior Secretary Donald G. Hodel.

Meanwhile, Officer says he'll talk to anyone who might offer help for his city, which he admits has been in trouble in one form or another for considerably more than a century.

The comment that irritates him the most is the suggestion that the elusive "solution" rests with East St. Louis alone.

"I keep thinking of something Dr. Martin Luther King said," Officer said wistfully. "It's pretty difficult for somebody to pull himself up by his own bootstraps when he doesn't have any boots."

ST. LOUIS POST-DISPATCH

DSW 135572

STLCOPCB4035551

WEDNESDAY, MAY 25, 1988

92 Pages (3)

E. St. Louis Begins Trash Sweep, Promises Action Against Violators

By H.J. Jackson
Of the Post-Dispatch Staff

Contractors began a major cleanup of East St. Louis on Tuesday — and officials said that when it was complete, the city would get tough with anyone who dirties it again.

"After the cleanup, we'll assign code enforcement people to areas and catch people who are dumping," said Gene Evans, supervisor of the cleanup. "Where we can't catch someone, we'll cite the owner."

Evans is director of East St. Louis' building and grounds department; he put together the cleanup plan.

"It's a relief," Evans said at finally getting under way. "The key to this thing is the cooperation of the people."

He said that in two weeks, dumping areas on vacant lots, alleys and little-used streets would be cleared. The problem dates to October, when regular trash collections were suspended.

The city got assurances from St. Clair County officials and the East St. Louis Housing Authority that they would keep their vacant houses

and lots clean, Evans said.

The Illinois Environmental Protection Agency sued the city last month to force the city to clean up its dirtiest areas. Officials said they had become health hazards.

Evans said the cleanup that began Tuesday should satisfy the court action.

Laidlaw Waste Systems of St. Louis cut off service because the city failed to pay five months of fees amounting to about \$262,000.

Some volunteer pickups followed, but the city eventually began to overflow with uncollected garbage. Some people piled trash in vacant lots; others simply tossed it out their back doors.

Assistant State's Attorney Jay C. Hoffman said that if the city cleaned up the dump sites noted in his suit and prevented new sites from forming, he would drop the court action.

State health officials will inspect the city on June 6, the court-ordered deadline, Hoffman said.

The city is using \$210,000 from a federal Community Development Block Grant to do the

See TRASH, Page 9

Trash

From page one
work.

Bulldozers, dump trucks and workers lined the streets in Wards 1, 3 and 5 on Tuesday.

Curbside trash pickups are being handled separately by ME&G Inc., a company operated by the family of local contractor Sidney Collins.

The East St. Louis Aldermanic Council awarded ME&G a \$350,000 contract in January, despite objections by Mayor Carl E. Officer, who said the city could not afford it. Officer favors telling residents to hire their own haulers.

Officer lost the debate after the city council voted to override his veto of the contract resolution.

Alderman Oliver Hendricks of Ward 8 said he was pleased with the pickup, but he said it should have started sooner.

Kenneth J. Mensing, head of the land pollution division in the state EPA office in Collinsville, said the plan appears to be meeting the EPA demands.

"I'm optimistic," Mensing said. "They told us they would do the best they could do with the resources they had."

Over The Brink: Municipal Bankruptcy

By Patrick E. Gauen
Of the Post-Dispatch Staff

Cities almost never go bankrupt.

There is a provision in federal law that allows it. And some cities, ranging in size from New York to Wellston, have flirted with it. A couple around the country have even done it.

But usually, it seems, something saves them from the brink.

Probably no city has been on that brink for longer than East St. Louis, where employees sometimes must work on faith of getting paid later, and where many vendors sell to the municipality on a cash basis only.

The community has been in this situation, off and on, for a large part of its 127-year history.

It was "on" with the heat turned up high this spring, when the lawyer for a man owed \$4 million in a negligence judgment froze the city's bank accounts to start collecting.

Mayor Carl E. Officer routinely dismisses the subject of bankruptcy whenever it is mentioned in public. It is the same Mayor Officer who exchanged greetings with a

reporter at the height of the frozen accounts crunch and insisted with apparent sincerity, "Why, I've never been better."

In fact, a settlement was arranged that time. But officials were left wondering about next time. There are a lot of debts.

In its simplest form, a bankruptcy involves court protection from lawsuits for the petitioner while he, she or it works out a schedule of payments to creditors. Some debt may be scaled down, so creditors may get only a part of what is owed. But the law is that they be treated in a logical, even-handed way.

A creditor can force a reluctant debtor into an involuntary bankruptcy. But often, there is reluctance to do it as long as hope remains for a settlement that may be more lucrative and prompt than whatever the court would provide.

Kenneth Meyers, bankruptcy judge in East St. Louis for the Southern District of Illinois, said in a recent interview that municipal bankruptcies were rare but provided for in federal law.

Under that law, Meyers said, the city's elected officials would work directly with the bankruptcy judge to get out of debt.

There would be no trustee of the sort often appointed by the court to reorganize the debts of a foundering private company. The lack of a trustee apparently is a safeguard against judicial intervention in the powers of elected officials.

Larry Frang, director of fiscal programs for the Illinois Municipal League, said no city in the state would ever have to go bankrupt because it could always cut services to bring the amount of expenses under the amount of revenue available.

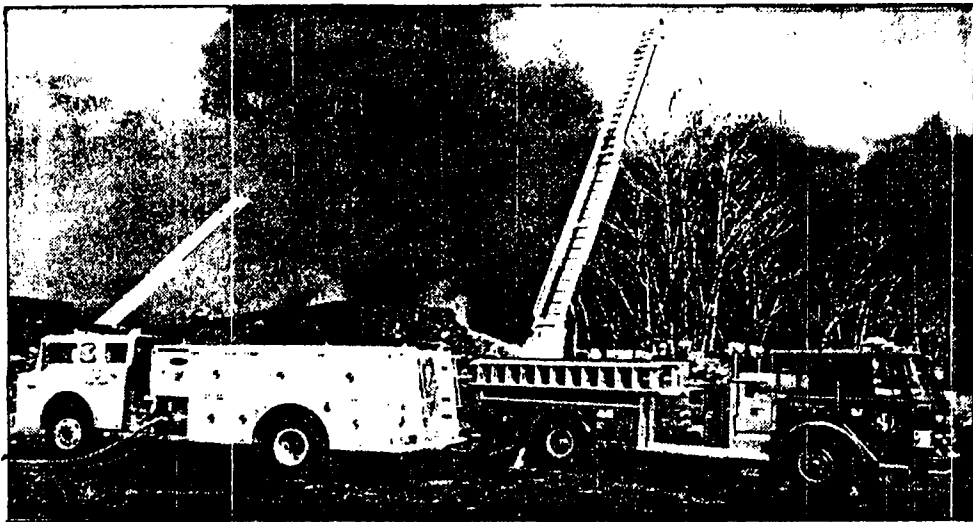
Cities are under no statutory requirement to provide even such basic services as police and fire protection, Frang said.

Among the austerity proposals made at least in passing by Officer in recent months was a suggestion that the city's paid fire department be reduced to a small force protecting downtown, with groups of volunteers organized in the neighborhoods.

Nothing that drastic has got serious consideration from the aldermen.

While East St. Louis stands as an extreme example of financial distress, it does not stand alone.

Gary Koch, deputy director of the Illinois Comptroller's Office, said a survey in 1986 showed East St. Louis to be among about a dozen of the state's tax jurisdictions — including the likes of fire and street light districts as well as some smaller towns in northern Illinois — that are in deep financial trouble.



The sight of a St. Louis fire company, right, helping out at an East St. Louis fire has become more common as belt-tightening constricts public services.