

CASE STUDY: KINGSTON RESTORATION COMPANY

REGAINING THE BALANCE DOWNTOWN

THROUGH

PUBLIC-PRIVATE PARTNERSHIPS

FOR

RENEWAL, ECONOMIC GROWTH, SOCIAL & CULTURAL

RE-ENGINEERING IN JAMAICA'S CAPITAL CITY.

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TABLE OF CONTENTS

Summary	4
1.0 Background	6
2.0 Industrial/Commercial Programs	8
3.0 Restoration Grants	9
4.0 Public Projects	11
5.0 Neighborhood Initiatives	11
5.1 Health Clinic	11
5.2 Youth Educational Support System (YESS)	11
5.3 Jones Town Re-development	13
6.0 Analysis of the Project's Impact During the 1990's	14
7.0 Future Directions	15
7.1 Housing Solutions for the Inner-City	16
7.2 Business Solutions for the Inner-City	17
8.0 How to Break the Investor's Reluctance to Operate in Areas Like the KRC Project Area	18

SUMMARY

The Kingston Restoration Company (KRC) was established in 1983 as a private company with a public mission. The Downtown zone deteriorated markedly through the 1970=s and early 1980=s as economic and social conditions in the area declined. Many buildings were destroyed by fire and riots and as a result, many businesses moved away.

One consequence was social unrest and acute unemployment. A joint partnership between the private and public sectors was proposed to stimulate economically viable investment and job creation by restoring Downtown as an active commercial and production Centre. It was felt by many business people that Downtown Kingston still offered important advantages in terms of location, infrastructure and potential business demand.

Against this background, the Inner Kingston Development Project was designed early 1986 (USAID/Jamaica 1986). It was intended to address two key constraints limiting Jamaica's capacity for economic recovery and growth:

- 1 the country's shortage of production space needed to accommodate business expansion and job creation, and
- 2 the economic and physical deterioration of Inner Kingston.

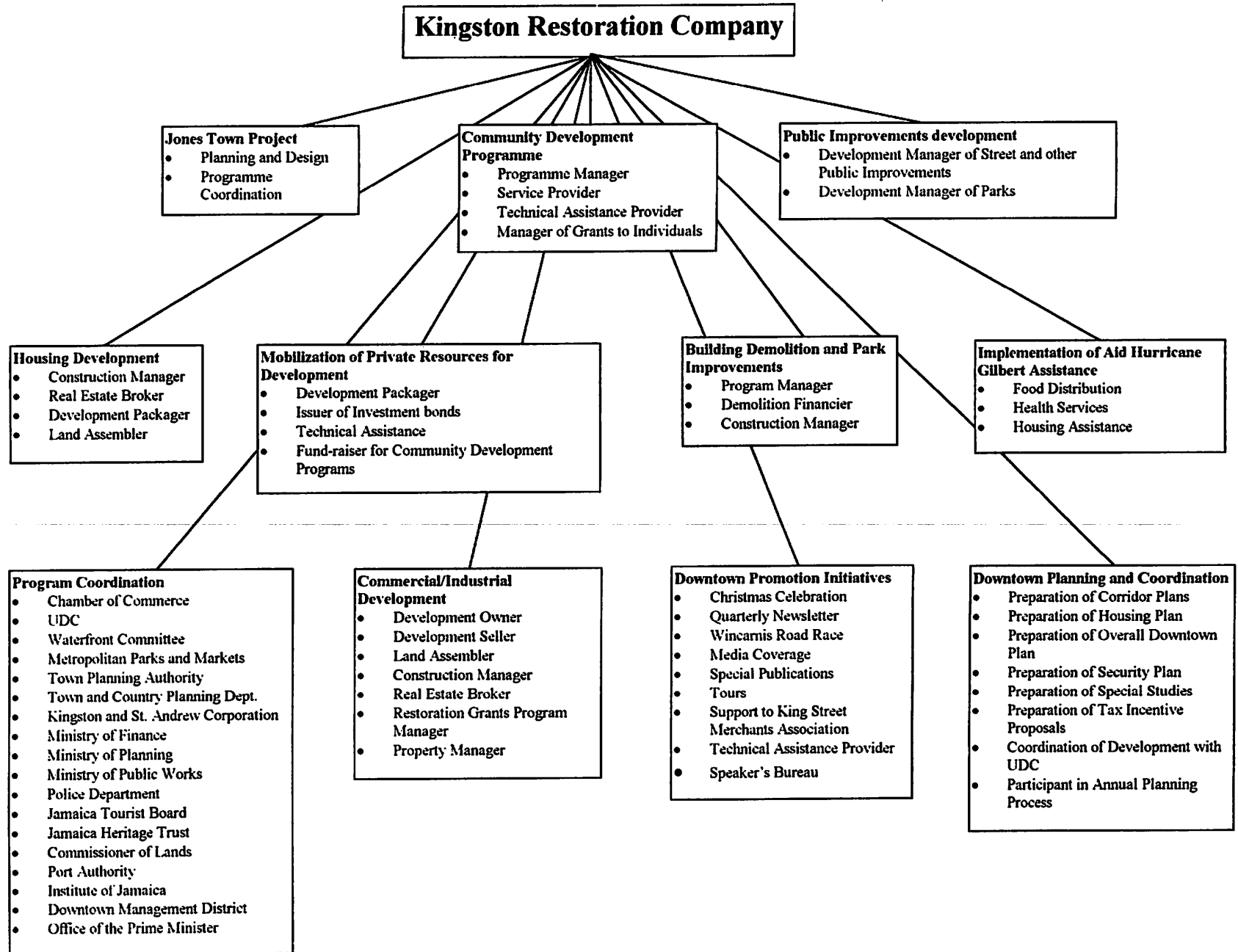
KRC's role in the project was an experiment in private sector implementation.

Over the past 10 years, the KRC has evolved into an economic development organization undertaking a wide range of projects, ranging from promotional and co-ordination activities to management of large physical and social projects, as initiator, facilitator and catalyst producing approximately 600,000 sq. ft of production space. The initiative to revitalize the commercial areas also resulted in a 4.5% and 3.5% job growth during the period 1987-90 and 1990-94 respectively. For both these periods, the growth was higher than that experienced in Greater Kingston and Jamaica.

Over the period, also, the company has managed its financial affairs in a manner that assumes a smooth programme delivery while at the same time developing an earnings trend. Since all earnings are ploughed back into the operation, stability and growth have been enhanced. The various roles performed by KRC over the period is summarized in the matrix overleaf:

KRC's experience has shown that economic improvement effort focusing on physical development are substantially enhanced, if supporting needs are addressed at the same time. For this reason, the KRC intends to continue its role as initiator, facilitator and catalyst and to act as a bridge between Government, residents and private sector. The ability to sustain its operation continues to be the most challenging. The company intends to raise J\$461M or US\$13M over the next three years to fund programmes in areas such as Education and Training, Micro enterprise, Housing, Social Infrastructure and Neighborhood Initiatives.

Summary Matrix of the Kingston Restoration Company's Role



CASE STUDY: KINGSTON RESTORATION COMPANY LIMITED

A Private Public Partnership

1.0 BACKGROUND

As recent as 1970, the core activities of industry and commerce were centered in Downtown Kingston. The downtown zone deteriorated markedly through the 1970's and early 1980's as economic and social conditions declined. By the mid 1980s Inner Kingston evidenced extreme signs of deterioration and dis-investment. Large numbers of buildings were unoccupied, and many had been vandalized. In 1985, for example, more than a quarter of the non residential buildings in the Project Area were classified as "ruins" or "abandoned". Property values and rents were relatively low and had not changed much in the previous decade (in contrast to New Kingston where values were rising rapidly and to which firms were relocating). More than 6,000 very poor, largely unemployed individuals lived adjacent to the downtown core in dilapidated housing without basic amenities. High crime rates encouraged business relocation and discouraged private investment. In 1982, 36 percent of the labour force in the area within two miles of downtown was unemployed. Between 1981 and 1986 when the West Kingston Markets project began, almost no public investment occurred in Inner Kingston.

A group of concerned businessmen decided to garner support to stem the tide of decay, sweeping the Downtown Kingston area. Out of this concern, the Kingston Restoration Company (KRC) was formed in 1983. The company's mandate was to create an environment that would allow reinvestment to take place.

Between the years 1983 to 1986 the company utilized its entire share capital of \$225,000.00 to develop important linkages with government agencies, private businesses and international donor agencies. Thus the foundation for the start of a dynamic Public-Private partnership in the urban revitalization was laid.

In July of 1986, United States Agency for International Development (USAID) introduced its Inner Kingston Development Project. The Kingston Restoration Company, without any track record, no permanent staff and a modest budget along with the Urban Development Corporation (UDC), the primary development para-statal organization of the Government of Jamaica (GOJ) were the two principal implementing agencies. (Table # I summarizes the Inner Kingston Development Project).

Table # I: Summary of The Inner Kingston Development Project

In the early 1980's the Government of Jamaica enacted a series of structural and policy changes to make the Jamaican economy more competitive, reduce the role of the public sector, increase employment and encourage private investment. The Inner Kingston Development Project was conceived as an innovative urban economic development undertaking to support the Government of Jamaica's program of reform and make downtown Kingston a viable centre for trade and commerce in Jamaica. The project was intended to build on and reinforce major public investments in the rehabilitation and expansion of the West Kingston markets funded by the Inter-American Development Bank, the rebuilding of the Parade into St. William Grant Park and the rehabilitation of the Supreme Court building on King Street, funded by USAID.

The project has two purposes:

1. to provide additional work space in Inner Kingston suitable for the expansion of light manufacturing and mixed commercial activity and
2. to help restore Inner Kingston as a centre for economic activity and job creation.

The rationale for focusing the project on Inner Kingston was three fold.

1. It had the highest rate of unemployment in the area.
2. reversing its deterioration would help to rekindle investment expectations nationwide and
3. the area offered significant opportunities for cost saving in development, because, infrastructural systems were in place and vacant building shells would be rehabilitated and put to productive use economically.

The project design charged KRC with responsibility for implementing four types of activities.

Rehabilitation and marketing of buildings for manufacturing and commercial use to generate new jobs and improve the physical appearance of Inner Kingston. Strengthening of Inner Kingston as a viable economic centre through strategic planning and targeted anchor investment to encourage further rounds of public and private investment.

The implementation of a community development programme to provide needed services to low income residential community and involve them in the development process

The operation of a Restoration Grants programme to facilitate business expansion and downtown upgrading by small property owners.

USAID agreed to help finance the construction of three (3) principal UDC projects.

A new transportation complex for buses to serve both urban and rural users. With non-USAID resources, UDC would build commercial space as part of the facility.

A new Harbour Street trunk sewer and pumping station.

Other public improvement, secondary water and sewer lines and traffic signals.

KRC and UDC would work together closely, plan and coordinate their efforts and investments to generate maximum impact. UDC activities were to support and complement KRC investments.

KRC's role in the project was an experiment in private sector implementation. It seeks to earn a competitive return on its restoration investment and to package these so that they can be financed through local private capital market.

In carrying out its mandate the KRC embarked on a mission of creating "an economic community development organization". It was to be a holistic approach in the true sense. A sector of the community within its project area was to participate and benefit from the progress. In so doing it designed projects and programmes that would satisfy its mission. This was accomplished by using donor funds to leverage private and public sector financial support.

Under the Inner Kingston Development Project, KRC was required to match its US\$6.9M with counterpart private sector funding of US\$5.5M (see Table # II Inner Kingston Financial Plan).

Table # II Phase I Financial Plan: USAID and Counterpart Funding

The table below summarizes the original Project budget. USAID expected to contribute US\$15 million to the US\$25 million project. USAID funds totalling US\$7.6 million were budgeted for UDC and US\$6.9 million for KRC. The remaining USAID funds (US\$475,000) were to be used for grants to community organizations in the Project Area and technical assistance and management support for the Project (KRC and UDC also had their own technical assistance and training budgets). The KRC component was to be grant funded; UDC was to receive US\$2.6 million in grant funds and US\$5 million in loan funds. Local public and private investment in related physical improvements which would contribute to the project was estimated at US\$10 million. The UDC component was estimated to generate US\$4.5 million in related investments, and KRC's component was estimated to generate US\$5.5 million in private contributions, investments and reflows. Reflows (e.g. earnings from KRC investments) were expected to be an important resource for financing KRC activities during the project and thereafter.

	(Donor)	Private Contributions & Reflows	Total
Institutions/Components	USAID		
Urban Development Corporation	7,650	4,465	12,115
Kingston Restoration Company	6,875	5,535	12,410
Other Community Organizations	100	-	100
USAID Direct TA	375	375	
Total	15,000	10,000	25,000

Source: Phase I PP

During the period July 1986 to June 1996, the KRC implemented the following strategies to achieve its mandate under the Inner Kingston Development Project.

2.0 INDUSTRIAL/COMMERCIAL PROGRAMMES

The Kingston Restoration Company rehabilitated thirteen (13) buildings creating 340,000 square feet of rentable space of which 180,000 is used for manufacturing and 160,000 for mixed commercial. (see Table # III). A number of methods were used to finance each project which includes: KRC/private sector/public sector - KRC/private sector

Examples of a KRC/private sector/public sector financing could entail the following actions:

- Lease of a derelict building (government owned) for 49 years at \$10.00 p.a.
- KRC uses grant funds to restore building
- KRC secures tenancy for the restored property
- KRC sells the leasehold improvement at cost plus 15% to a private sector group.
- Private sector group benefits from rental income stream

or

- KRC petitions government to restore publicly owned building
- KRC prepares feasibility study
- Public sector provides a mobilization funding equivalent to 10% of the project cost
- Public sector issues to KRC a series of promissory notes payable semi-annually for costs incurred quarterly during a construction period of 18 months.
- KRC sells promissory notes to private sector thereby providing the cash flow to complete the project
- Building is restored and tenanted by government departments
- government's savings on high rental payments go towards redeeming the promissory notes

Example of a "KRC/private sector" financing could entail:

- KRC acquires the derelict site
- KRC restores the derelict site
- KRC sells the restored site to private sector.

or

- KRC acquires derelict site

Private sector contributes to an unsecured debenture covering the full restoration cost. The site is then leased and the income generated is used to service the debenture. The interest rate on the debenture is usually lower than the current market rate.

or

Where a private sector organization demonstrates a need for space, to expand or relocate, KRC assembles the site or sells from its own inventory. In this way forty (40) lots were sold to one developer and two (2) lots to another.

or

Private sector leases derelict site to KRC for 49 years at \$10.00 p.a.
KRC restores site
KRC benefits from income stream

Table # III: Industrial/Commercial Properties Rehabilitated and Jobs Generated as at December 15, 1996

Location	Area [sq. ft]	No. of Jobs Generated
22 - 25 Victoria Ave.	80,000	1020
7 1/2 - 8 1/2 Pechon St.	40,000	350
178 1/2 - 180 1/2 Pechon St.	40,000	360
78 - 80 Harbour St.	10,000	60
40 Harbour Street	10,000	50
38a Harbour Street	20,000	220
110 Harbour Street	(3,000)	
108 Harbour Street	(6,000)	25
104 Harbour Street	6,000-	
4-6 Higholborn Street (Community Centre)	40,000	4
20 Barry Street	5,500	
Police Station		
PBV	80,000	250
	<u>340,500</u>	<u>2,239</u>

3.0 RESTORATION GRANTS

The second strategy used by the KRC is the Restoration Grants Programme. The programme was designed to ensure that small business owners and owners of small real estate parcels are able to participate in KRC's efforts to revitalize downtown Kingston. The Restoration Grants Programme relies on individual owners to plan, finance, and carry out improvements to their properties in a timely manner. For general (interior and exterior) renovation, KRC will usually reimburse 20% of the total cost up to a maximum of J\$100,000.00. In exceptional circumstances (e.g. where the building is strategically located or architecturally unique, and where restoration would result in a dramatic improvement to the area), KRC may reimburse 25% of the cost up to a maximum of J\$200,000.00. Where only facade improvement work is being executed, KRC will reimburse 50% of the total cost up to a maximum of J\$25,000.00. To date some fifty seven (57) Restoration Grants have been awarded valuing all together in excess of J\$3M. Against this amount the grantees have invested counterpart funding of over J\$35M. (See Table # IV)

TABLE # IV: RESTORATION GRANTS PROJECTS - STATUS REPORT - NOVEMBER 1994

Address	Description of Work	Area [sq. ft.]	Total Investment (J\$)	KRC Grant (J\$)
23 King Street	General. Renovation.	10,500	301,000	75,000
27 King Street	Facade	7,225	12,050	6,025
95 Harbour Street	Roof	2,700	177,467	44,366
112-120 Harbour St.	Paint-up Facade	N/A	29,082	14,571
12 1/2 King Street	Facade	7,225	20,000	10,000
26 East Street	General. Renovation.	1,875	442,230	88,400
118 Harbour Street	General. Renovation.	3,000	410,795	102,698
82-86 Harbour St.	Paint-up Facade	N/A	25,057	12,528
62 Duke Street	General. Renovation.	9,290	244,200	48,840
2 Mark Lane	General. Renovation.	4,400	443,089	88,617
89 Harbour Street	Paint-up	N/A	6,800	3,400
83 Port Royal St.	General. Renovation.	7,000	856,349	200,000
110 Barry Street	General. Renovation.	2,146	200,917	40,183
203-205 Tower St.	General. Renovation.	3,800	103,332	20,667
110 Harbour St.	General. Renovation	3,489	200,233	53,858
53 East Queen. St.	General. Renovation.	16,730	355,997	71,200
92 Harbour St.	General. Renovation.	7,200	693,671	173,418
8-12 King St.	Facade/Roof	21,000	195,231	49,056
1A Duke Street	Facade	N/A	190,257	48,266
7 Duke Street	General. Renovation.	1,500	136,690	34,173
75 Port Royal St.	General. Renovation.	6,000	416,838	83,367
151 Harbour St.	Facade	N/A	15,702	4,451
108 Harbour St.	Facade	N/A	32,013	16,006
93 Port Royal St.	General. Renovation.	7,782	123,824	24,765
54-56 Church St.	General. Renovation.	31,090	352,571	88,143
203 1/2-207 Tower St.	General. Renovation.	3,117	128,528	32,132
121 Harbour St.	General. Renovation.	9,500	2,491,387	100,000
187 Harbour St.	General. Renovation.	1,400	523,302	100,000
14 N. Parade	General. Renovation.	7,200	1,500,000	100,000
1 W. Queen St.	General. Renovation.	1,100	126,847	25,370
105 Princess St.	General. Renovation.	16,000	3,083,000	200,000
1 Duke St.	General. Renovation.	2,504	689,967	100,000
26 1/2 -30 Luke Lane.	General. Renovation.	4,546	1,127,664	100,000
54 - 56 Church St.	Facade/Sidewalk		105,805	49,150
1-1 1/4 Duke St.	General. Renovation.	3,529	455,780	100,000
16 Church St.	General. Renovation.	4,000	1,622,633	200,000
3-5 Orange St.	General. Renovation.	3,840	2,376,653	100,000
33 Duke St.	Facade/Roof	2,432	148,210	37,053
25 West Street	General. Renovation.	1,425	287,185	57,437
40 East Street	General. Renovation.	3,800	386,141	77,228
81 Harbour Street	General. Renovation.	2,528	682,346	100,000
99 Harbour Street	General. Renovation.	2,465	798,759	100,000
19 Church Street	General. Renovation.	2,607	292,762	58,553
38 East Street	General. Renovation.	9,044	495,615	99,123
93 1/2 King Street	General. Renovation.	2,560	162,032	40,508
37 Victoria Avenue	General. Renovation.	10,000	4,019,589	200,000
43 Port Royal Street	General Renovation.	4,344	4,500,000	100,000
79 Orange Street	General Renovation	4,200	1,522,000	100,000
21 -23 Duke Street	Facade	N/A	57,410	25,000
60-68 Barry Street	N/A	N/A	343,000	63,000
Total		247,093	33,912,012	3,666,557

N/A - Where only facade improvement is done, area of building is not required

4.0 PUBLIC PROJECTS

King & Duke Street

To compliment its commercial/industrial and restoration grants programme, the KRC also addressed public areas. The King Street and Duke Street programme which involved the replacement of the sidewalk and the construction of benches for seating and planting of trees were done to provide an oasis for the general public and to create ambiance for the business community. In this programme KRC used grant funds to do the King Street corridor, while the merchants did the facade improvement. On the Duke Street corridor, the KRC paid 50% of the cost of the streetscape and the property owners 50% along with the full cost of the facade improvement.

Demolition Programme

In a further effort to remove blight and to improve the aesthetic appeal of the area, KRC along with the local Government authorities, implemented a Demolition programme. Under this programme, buildings which were beyond repair and which, in some cases, were being used by criminals as hideouts, were demolished and a caveat lodged on the title of the property. This action caused a number of owners to implement measures to secure the integrity of sound structures to prevent their buildings being used for illegal activities. Secondly, after demolishing the structures, the sites were used to create pleasing open spaces and parking areas.

Gold Street Police Station

Having addressed the above areas, KRC looked at assisting with the crime prevention in the area. The Gold Street Police Station situated in the heart of the KRC community outreach area, became famous during the turbulent years of political warfare in the 1970's and 80's. KRC acquired the property, floated a Community Bond at below market interest rate, raising \$575,000 and invested the sum of \$3 million in restoring the building. The Canadian International Development Agency (CIDA) has provided \$529,000 for furnishing the building, and Industrial Commercial Developments (ICD - a major Jamaican corporation) \$20,000.

The station is now one of four (4) community policing stations being established in Jamaica. KRC intends to continue its involvement by being part of the Station's Consultative Committee which includes residents of the area, Police Officers, and other groups with a vested interest in restoring the security of the community and surrounding areas.

5.0 NEIGHBOURHOOD INITIATIVES

While addressing the need for production space, KRC embarked on an intensive outreach programme targeting the residents of the project area. The area is typified by low income, fully depreciated housing stock, high rate of unemployment and deteriorated physical infrastructure.

The Kingston Restoration Company initiatives began by supporting existing CBO's. However, by 1988 it became clear that more direct involvement was necessary.

5.1 A Health Clinic was introduced in 1988, which some 30,000 patients visited annually. the clinic was handed over to the Ministry of Health in September 1995.

5.2 Youth Educational Support System (YESS) In 1988, research carried out by the late Professor Carl Stone of the University of the West Indies revealed that 40% of the high school students in our project area were not completing high school and that the brighter ones were being recruited by drug dealers as sales persons. Other factors contributing to the high rate of drop-out were, teenage pregnancy,

lack of parental guidance, lack of role models and poverty.

As a result of these findings, the YESS programme came on stream in August 1990 with the following activities and objectives. (See Table # V). The programme began with 60 students in 1990 and increased to 175 in 1996. (See Table # VI).

Table # V YESS Programme

Education for Change

The aim was to create a cadre of youth, educated, disciplined and committed.

YESS

To provide educational programmes for youth, develop leadership skills and career advancement in an existing learning environment.

Scholarship Programmes

To provide financial support, tuition and exam fees to assist students from the inner-city attending secondary schools.

Teen Centre

To provide an environment conducive to study after school and also to receive tutoring in a wide range of subjects.

Drug Awareness

To develop in students an awareness of the ill-effects of the use of hard drugs.

Health and Family Life

To create in students, an awareness of the importance of maintaining good health habits to guard against STD and unwanted pregnancy.

Community Service: to the elderly, day care, shut-in and peer counseling to inculcate a sense of service to the community through assistance to persons in need of help.

Environmental Lab (Awareness)

To develop in students and parents community awareness, knowledge skills and attitudes which will enable them to work individually and collectively as an integral part of the planet earth and take constructive action in the management of the environment.

Computer Education To enable YESS students to be computer literate.

Cultural Programme

To develop students' creative talents through organized cultural activities.

Youth Club Activities : Sports & Games

To provide a safe outlet for spent energy, develop leadership qualities and provide the conditions necessary for wholesome competition and healthy rivalry.

Spiritual Programmes

To help students nourish the growth of their spiritual life expressed in their talents, intuitions and interests, a process that helps them clarify their own values and norms.

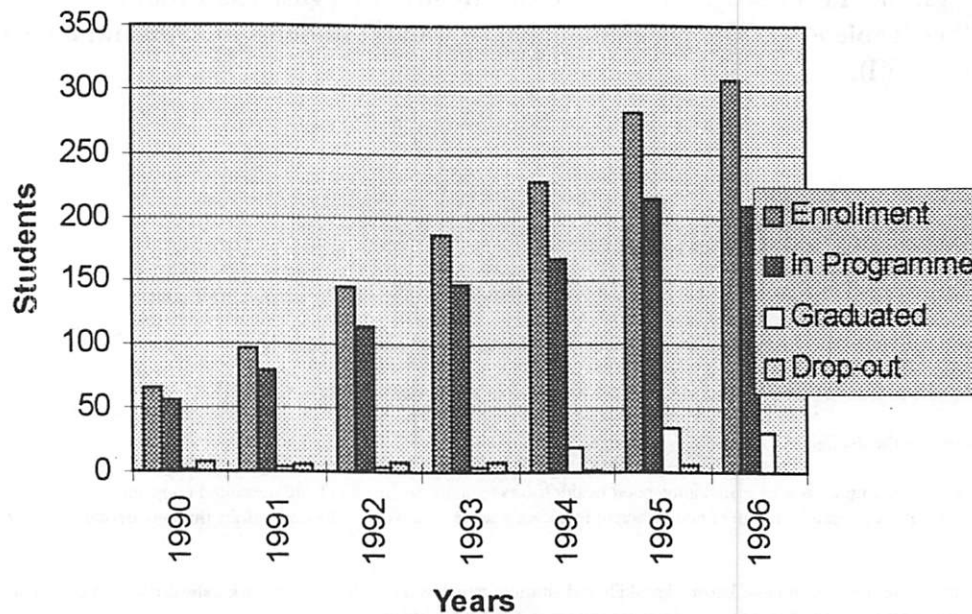
Newsletter

To develop the communication skills of students and enhance their powers of expression.

Parent Association

To strengthen management and parenting skills and build alliances with parents participating in the YESS programme.

YESS Performance Chart



WORKING WITH THE JONES TOWN COMMUNITY

Between the years 1986 and 1992 KRC's Neighbourhood Initiatives were confined to the residential area of central Kingston. In 1992 as a response to an upsurge in violence in the areas of Western Kingston, the Government of Jamaica established the National Inncity Committee to investigate the root causes and identify possible solutions to the issues facing these and other urban communities. The KRC was asked to investigate and develop replicable solutions for the renewal of blighted communities.

The Community of Jones Town consisting of 12000 residents and located within a two mile radius of Downtown Kingston. Central market and business district was the pilot project selected to further test "The Strategy for Revitalization of Blighted Area" [Wint et al. 1992] adopted by National Inncity Committee.

A middle income community developed in the mid 1930's. Jones Town since the late 1960's has gradually deteriorated into a blighted innercity area. Its demographic features rank it among the worst neighbourhoods in Jamaica. (See Table # 4)

TABLE # 4

JONES TOWN - A profile

Jones Town is part of the Kingston Western District

The project area is bounded by Studley Park and Asquith Street in the South Collie Smith Drive and Penn Street in the West, Rodney and Baker Streets in the North and Slipe Road in the East.

There are three distinct localities - Admiral Town, Craig Town and Jones town within this area.

The present population is 11,000 totalling 2,508 households, occupying 1,174 units on 836 lots situated on 47 acres.

There is a high net population density of 238 persons per hectare, with an average of 12 persons or three households per lot (or yard).

The housing stock is over 70 years old.

82% of the buildings are structurally poor.

Only 20% of the lots have owners resident, 40% have residents with formal arrangements with the owners and the other 40% have no formal arrangements.

There is a direct correlation between the condition of buildings/lots and tenure patterns.

Poor or non-existent social amenities.

42% of the work force is unemployed.

KRC, using a proven system of public-private partnerships, embarked on the development of a 7 year Renewal Project for the community in 1994. The project started with the preparation of an Integrated Jones Town Redevelopment Plan, by residents working with the University of Technology Jamaica, the University of the West Indies and a number of practising professionals and financed by the Government of the Netherlands.

The plan details proposals for stabilising and redeveloping the community through a number of activities, including the following:

1. Improvement of the educational and social structures within the community;
2. Enhancement of the local economy through the expansion of existing businesses, and increased skills training targeted at increasing local production;
3. Improvement of the quality of the housing stock - through building restoration, infill housing, and land banking - based on a programme of secured land tenure;
4. Improvements in the supply and quality of urban services - water, sewerage, telephone and electricity; and,
5. Development and maintenance of roads and gullies aimed at improving the environment and opening up the community to new investments.

KRC is working with the residents and their local organization - the Jones Town Area Council, the Government of Jamaica and local and international donors to implement various components of the plan. Our intervention to date has focused on capacity building for Community Based Organizations and residents. Activities completed include:

- Training in Dispute Resolution for youth and adult leaders in the community, geared towards the eventual establishment of a dispute resolution center in the community,

- Training workshops and seminars on sexually transmitted diseases, project writing and management skills,
- Development of basic schools and improvement of facilities and delivery of curriculum through ongoing teacher training
- Vocational skills training for men and women in small appliance electronic repair, metalwork and construction; and
- Sanitation and environmental improvement including drain and gully cleaning, solid waste management and a lavatory project for high density yards with little or no facilities.
- Establishment of a YESS in Jones Town providing academic, tuitional scholarship assistance, cultural and leadership development for students in the ten to eighteen year age group.

These activities were geared at stabilising the community and increasing the climate for investment by the private and public sectors. Concurrent to the above, KRC - working with the residents and their organizations - was able to negotiate funding from the Department for International Development [formerly Overseas Development Administration - ODA] under a bilateral agreement with the Government of Jamaica - who will provide counterpart support. In doing so, we were able to finalise a three year Urban Poverty Project for Jones Town (1997 to 2000). The focus of the three year programme is as follows:

1. The reduction of poverty in the community by improving and increasing the residents' capacity to earn an income through education and skills training, aimed at employment and income generation from micro-enterprises and small business development;
2. Development of the residents' ability to work together to build their community through the acquisition of different skills, and inter-community action to solve problems and resolve issues.
3. Improved environmental conditions through better management through education of the immediate surroundings and later, through enhancement of the built environs through housing restoration and development, and the development and maintenance of physical infrastructure including roads, gullies and drains;
4. Development of strong community based organizations and institutions that will increasingly implement and manage the Jones Town Redevelopment Project after year two. Chief among these are:
 - a) The Jones Town Community Partnership comprised of Government representatives, KRC Board and staff representatives and [majority] residents. They currently have responsibility for facilitating reduced bureaucratic red-tape to

project implementation among all stake-holders; determining the priority of projects for implementation, assisting in project implementation and monitoring and elements of fund-raising.

- b) The Jones Town Area Council, who have responsibility for mobilisation, co-ordination, and implementation of project activities.

A KRC task force is currently looking at possible intervention in Olympic Gardens and Denham Town for recommendation to the Government of Jamaica.

KRC's 20/20 VISION

When KRC began its operation in 1986, Inner Kingston showed extreme signs of deterioration and disinvestment. The decline had been occurring as a result of the:

- severe social and political conflict in the residential part of Inner Kingston
- high rate of crime
- relocation of businesses and government offices to New Kingston
- weak national economy and lack of demand for building space
- poor quality of public services
- blighting effect of increasing numbers of vacant and vandalized structures
- highest rate of unemployment in the city
- buildings that KRC later rehabilitated were occupied by homeless families (Public Buildings West), by gunmen (the Knitting Mills),
- main east-west artery (Harbour Street) was lined with derelict building ruins and weed-infested lots occupied by squatters.
- Harbour Street Sewer would back up and flood the street with sewerage, periodically.

Today Inner Kingston is different in many respects. Government of Jamaica has built or renovated a number of major infrastructure projects which anchor the area including the central park (St. William Grant Park), a new Rural Bus Terminal, a new trunk sewer along Harbour Street, and the rehabilitated government office buildings (Public Buildings West and Public Buildings East). King Street, Inner Kingston's main commercial street, and many of the buildings along it have been refurbished with KRC's assistance. KRC has rehabilitated three large factory complexes and helped to generate new jobs. Fifty-one properties have been upgraded with KRC's financial assistance and many others without help of KRC. The ICD Group and Companies (ICD) has invested more than US\$3 million in expanding and upgrading its headquarters and developing space for subsidiaries along Harbour Street.

These positive conclusions about changes in Inner Kingston are not to suggest that the revival of the area is complete or self-sustaining. The improved market conditions and environment that have occurred are important but fragile. Crime and perception of crime remain important problems. Many major investors are still skeptical of Inner Kingston's future. Major public improvements remain incomplete because of lack of government of Jamaica funding (West Kingston

Markets project and the Urban Bus Terminal; facility). The low income residents of Inner Kingston remain extremely poor, and most live in dilapidated housing.

Obviously the job of reviving Inner Kingston is far from finished, however, there is much evidence to suggest that market conditions and attitudes, and to some degree social conditions have changed for the better. The introduction of the Government's Tax Incentive Programme, the establishment of the Downtown Management District, the resurgent in private investment are encouraging signs that the KRC's role as initiator, facilitator and catalyst of renewal has breathe new life in Downtown Kingston.

Although KRC has had many successes, and in many ways exceeded our own expectations, we continue to face many challenges. However, our resolve continues to be in the words of two famous mottos "Fortis Cadre, Cadre Non Potest" and "Age Animo".

While we take great pride in our achievement, KRC is committed to continuing to search for innovative ways of carrying out its mission. Consequently, to this end, several plans are in the making for future developments. Foremost among these are:

- ⇒ The activation of its housing subsidiary - The Kingston Restoration Housing Company - to mobilize the equity and loan financing required to expedite prospective projects, and to engage appropriate professionals to implement and manage the developments, and disposition of the proposed schedule.
- ⇒ To establish a Community Art Centre - Art helps us understand that our environment is our self portrait. It begins with our attitudes about life, it helps us to understand that we are a part of the problem, and, by necessity, a part of the solution. It is hoped that through the Art Centre art will be recognized as a positive public policy resource for education, community development, job creation, economic competitiveness and building a strong quality of life for our citizens.

The KRC has been successful in forging a productive alliance between private and public sectors, and most importantly, won the confidence of several sectors within the local and international community of Downtown Kingston - The HOLISTIC Approach to development. We invite one and all to be a part of the rebirth of our city.