

**New York State  
Environmental Investment Program  
Research Project Summary**

**South Bronx 2000 Local Development Corporation (LDC)**

**Project Background**

The South Bronx 2000 LDC was a non-profit community based development organization dedicated to affordable housing, neighborhood economic development, community-based enterprise and development of environmental businesses. From May 1994 to February 1998, Bronx 2000 operated a for-profit subsidiary called Big City Forest (BCF). BCF was a vertically integrated reclaimed wood products manufacturing company. It reclaimed lumber from used shipping pallets, packing crates and other commercial and industrial scrap wood and manufactured new pallets, furniture, flooring, architectural millwork and other solid wood products.

**Project Description**

The purpose of the project was to assess the potential to increase sales in the company's higher value added markets for flooring, tables, stands, benches, and bookcases, and to develop an improved marketing strategy to further penetrate these markets.

**Project Results**

BCF developed a marketing strategy that focused on promoting specific products in several distinct markets: office furniture and furnishings, flooring and building products for government agencies and the military; furniture, flooring and building products for architects and designers; and home furniture and furnishings for

specialty furniture retail outlets. To reach the government and military market, BCF secured a manufacturer's representative group, Government Sales Associates, which focused on sales of recycled products to the public sector. BCF also determined that it needed to develop a retail promotions program in order to market its products to specialty furniture stores and the retail flooring outlets effectively.

With its promotional approach redefined, and its product catalogue redesigned to serve all markets and represent all product lines at a low cost, BCF intended to hire a sales manager to implement the strategy. They also secured a domain name on the web ([www.bigcityforest.com](http://www.bigcityforest.com)) and began to construct a web page.

In January 1998, the Board of Directors of Bronx 2000 decided to cease operations and liquidate the assets of the organization and its subsidiary companies. Bronx 2000 and its subsidiaries had accumulated liabilities in excess of its assets. This occurred in part because BCF was undercapitalized from the outset and was forced to rely on Bronx 2000 for operating support. In addition, although sales were increasing steadily, BCF was unable to access the expansion financing it needed to increase production and meet sales targets within a reasonable time frame.

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<b>Contractor:</b>	Bronx 2000 LDC	<b>NYS EIP Investment:</b>	\$28,051
<b>County:</b>	Bronx	<b>Contractor Match:</b>	\$10,708
<b>ESD Region:</b>	New York City	<b>Total:</b>	\$38,759
<b>ESD Contact:</b>	518/292-5340	<b>Completion Date:</b>	June, 1997