



LOCAL INITIATIVES SUPPORT CORPORATION (LISC)

1825 K Street, N.W., Suite 1100

Washington, DC 20006

FAX

Date: June 14, 1999

Number of pages including cover sheet: 3

To: Lisa Green

Fax phone: (202) 456-2223

From: Stephanie Mathews O'Keefe
SVP, External Affairs

Phone: (202) 739-9265

Fax phone: (202) 861-1294

REMARKS: Urgent For your review Reply ASAP Please comment

Bank One



LOCAL INITIATIVES SUPPORT CORPORATION
504 Broadway, Mezzanine Level
Gary, IN 46402
219.881.2341
Fax: 219.881.2343

for USA
Green /
MICHAE BAN

Abcouwer to chair board of region's premier community development group

Two new members also join committee

For Immediate Release

Thursday, June 3, 1999

**Contact: Carl Jenkins (LISC) 219.881.2341
Bruce Dahltop (Bank One) 219.738.4130**

Northwest Indiana Local Initiatives Support Corporation (LISC), the area's leading community development support organization, appointed Jim Abcouwer, Senior Vice President of NiSource, Inc. (parent corporation of NIPSCO), as chairman of its advisory board.

Abcouwer will replace Bruce Dahltop, President of the Northwest Indiana Region of NBD Bank, who has served as chairman since LISC's establishment in Northwest Indiana in 1990. The group also elected Bob Tonkovich, chief financial officer of Mercantile National Bank, as vice chairman, and attorney Judith Stanton as secretary.

"I look forward to maintaining an active role on the board knowing that Jim will provide excellent leadership to the most effective neighborhood revitalization vehicle in the region," said Dahltop.

The board also welcomed M. Eileen Brown, Editor of the *Post-Tribune*, as a new member. Brown's appointment, along with newcomer Sister Peg Spindler of the Sojourner Truth House in Gary, fills two vacancies on the 14-member board.

Northwest Indiana LISC provides private-sector funding and technical expertise to community development corporations (CDCs) to create housing for working families in Gary, Hammond, and East Chicago neighborhoods. The all-volunteer advisory board, comprised of business and civic leaders, approves investment proposals and provides

strategic direction for the program. In the past nine years, LISC has invested more than \$11 million for the development of about 605 homes.

Northwest Indiana LISC is embarking on its most ambitious effort to date with Horace Mann 2000, a comprehensive redevelopment plan for the Horace Mann Community in Gary. Working in conjunction with the City of Gary and the Horace Mann Ambridge Neighborhood Improvement Organization (HMANIO), this effort will begin with the development of more than 300 new homes for mixed-income families. The development will establish a model for neighborhood redevelopment in Northwest Indiana.

"We hope HMANIO can break ground before the year is up," said Carl Jenkins, LISC Program Director. "Horace Mann 2000 will bring new life to one of Gary's most vital neighborhoods."

Through its 43 program sites across the country, LISC has invested more than \$3 billion to help 1,600 CDCs create more than 93,000 homes since being founded in 1979. The Northwest Indiana program has provided financing for developments such as the Madison Avenue Townhomes in Gary, developed and owned by the Broadway Area Community Development Corporation, and the Cardinal Terrace Apartments in East Chicago, developed and owned by the Community Reinvestment Project of East Chicago.

70 East Lake, Suite 1700
Chicago, IL 60601
(312) 855-8500
(312) 855-0488 fax

**Wilhelm and Conlon
Public Strategies**

Fax

To: John Kaplan From: David Wilhelm
Fax: (202) 456-5360 Pages: 5 cto KAREN
Phone: (202) 456-2223 Date: 6/7/99 MAY
Re: PRESIDENT'S POSSIBLE CC: Willie Hodge
VISIT TO APPALACHIAN OHIO
 Urgent For Review Please Comment Please Reply Please Recycle

• **Comments:** This fax is intended for the sole use of the recipient and may not be duplicated, forwarded or referred to without the authorization of David Wilhelm, Kevin Conlon or an associate so authorized.

ATTACHED HERE IS A COPY OF A MEMO FROM LYNN GELLERMAN OF BANK ONE TO SAUNDERS MILLER AT THE SBA REGARDING BANK ONE'S INITIATIVES IN APPALACHIAN OHIO, AND A VERY BRIEF/DRAFT OVERVIEW OF SOME LOCAL STATISTICS. A MEMO FROM WILHELM & CONLON PUBLIC STRATEGIES WILL FOLLOW IN THE NEXT HOUR WITH MORE "ANNOUNCEMENT OPPORTUNITIES", SOME HISTORICAL CONTEXT, AND CONNECTIONS TO THE PRESIDENT'S NEW MARKETS INITIATIVES & ITS VARIOUS COMPONENTS.

David Wilhelm

From: Lynn R Gellermann [Lynn_R_Gellermann@Mail.BankOne.Com]
Sent: Friday, June 04, 1999 1:02 PM
To: Saunders.miller@sba.gov
Cc: wilhelm@wcstrategies.com; William_Hinga@Mail.BankOne.Com;
mary_a_laraia_at_cdn@mail.bankone.com
Subject: President's Trade Mission to America

Saunders,

Since our discussion in Dallas, a number of very positive "New Markets" developments have unfolded in Appalachia. I wanted to follow-up with you on these developments by providing more specific information, and to again suggest Appalachia - more specifically Athens, OH - as a stop for the President's Trade Mission to America. The loans, investments and partnerships described below really cover the "financing continuum" you and I discussed in Dallas, and reflect well on all involved. Here is a glimpse of what is happening in Appalachia to provide small businesses with more choices for financing their growth:

Microenterprise: Bank One is ready to close a \$600,000 credit facility to Enterprise Development Corporation (EDC), one of the oldest and most productive microenterprise development organizations in the country. This will be fourth loan extended by Bank One under the SBA Microloan Program. Bank One will also be providing EDC with a \$45,000 grant to help establish their loan loss reserve account. The closing event is scheduled to take place in Athens, OH, and could be timed to match the President's schedule.

SBIC: Bank One is getting ready to close on a \$5 million investment in DCC Growth Fund, a holding company which will comprise two drop down SBICs - one debenture SBIC and one participating securities SBIC. This will be a large national fund with a regional office in Akron, OH. Bank One and DCC Growth Fund have agreed to an MOU which calls for special efforts to invest in women and minority owned firms, and to firms located in LMI zones. The timing of this closing, or announcement of Bank One's investment in this new fund could be made in Athens during the President's visit as well.

Community Development Venture Capital: Bank One is working with the founding principals of the Appalachia Ohio Development Fund which will provide equity financing and technical assistance to small businesses southern Ohio. Wilhelm and Conlon, Ohio University, the Appalachian Regional Development Commission, Hocking Technical College, Kentucky Highlands Investment Corporation and ACE-net are all involved in the formation of this new fund. Although this fund is not yet ready to open for business and a number of details need to be ironed out, Bank One would be willing to accelerate its investment process and publicly announce its intent to become a leading investor (for discussion purposes, say \$1 million). If something of this nature could be done in conjunction with the President's visit, it would generate a lot of enthusiasm and support for this new fund.

Women-owned businesses: As you know, Bank One is the lead investor (at \$3 million) in Capital Across America, the first SBIC in the nation to focus on women-owned firms. Capital Across America is headquartered in nearby Nashville, TN and does serve Ohio. Bank One would be more than happy to fly Whitney Johns to Athens if this would be something the Administration and the SBA would like to highlight.





[These "New Markets" investments by Bank One total nearly \$10 million - a figure that will be significantly leveraged by our public and private partners]

There is a tremendous amount of "money, market and talent" emerging in Appalachia. A visit by the President and the CEOs accompanying him would help ensure that the enthusiasm and capital continue to flow. Hopefully, this information will prove helpful as you work with the

Administration to plan the President's trip. Please let me know if Bank One can be of any further assistance in bringing the Trade Mission to Appalachia. Have a great weekend!

Lynn Gellermann
Bank One Corporation
614-244-0344


CLOSING THE GAPS in APPALACHIAN OHIO

GAP	Specific Issues	NAT'L AVERAGE	RURAL VS. URBAN		APPALACHIA	INCOME DISTRIBUTION
			Metro	Non-metro		
*  Income Gap	Poverty Rate ¹	13.8%	13.2%	15.9%	Ohio (1993): 20.5% Athens County: 33.3%	
	Very Poor/Distressed counties				<p>25% of the poorest counties in America are located in Appalachia, where:</p> <ul style="list-style-type: none"> • Poverty and unemployment are far worse (150%) than the national average • Income is less than 67% of the nat'l average 	
*  Job Gap (unemployment)	Unemployment rate, '97 ²	4.9%	4.9%	5.2%	<ul style="list-style-type: none"> • Ohio (93): 6.5% • Appalachian Ohio: 9.2% • 5 OH App. Cntys: 11-15% 	
*  Health Care Gap	Percent without health insurance coverage	15.6%			(Correlated to above figure of 33% of Appalachian counties with average incomes less than 15K, it follows that MORE than 33% of THOSE POOR COUNTIES have citizens that can't get coverage)	<ul style="list-style-type: none"> • 52% of poor, full time workers • 33% of those earning less than \$25K • only 5% of people earning more than 50K have difficulty getting coverage
	 Health Professional Shortage Areas (HPSAs) (inadequate access to primary care physicians)				Appalachian Ohio: 25 out of 29 counties, over 86%, are gov't designated HPSA's	
	Cancer Deaths per 1000 deaths ('92)				Ohio: 226.5 Appalachian OH: 240.8	

¹ Economic Research Service, US Dept of Agriculture, figures from 95-96: June 26, 1998. Accessed online at www.econ.ag.gov/epubs/....

² Ibid.

312 855-0488 TO: 13126292655 P. 004/005

Charitable Contribution Gap³	Av. per capita breakdown	\$27.50			\$13.59	
	Total Grants, 1996				\$296 million for Appalachia, though Pittsburgh received a disproportionate 44% share	
	% of domestic grants, 1996				4.1% share for Appalachian region does not correspond to region's 8.2% share of population	
Child Care/Service Gap	Children w/out health cov.	14.6%				23.3% among poor
	Child (under 6) poverty rate	20% (96)			<ul style="list-style-type: none"> WV: 36.3% (90-92) 4 of the top 10 counties with the highest child poverty rates are located in Appalachia (55-65%) 	
Education Gap 	<u>Educational Attainment</u>					
	• % of adults not finishing 9 th grade	• 4.7%			<ul style="list-style-type: none"> Ohio: 8% App. OH: 12% 	
	• % of adults (over 25) finishing highschool	• 33.8%			<ul style="list-style-type: none"> Ohio: 42% App. OH: 36% 	
	• % of adults with a BA or higher degree	• 23.8%			<ul style="list-style-type: none"> Ohio: 17% App. OH: 10% 	
	Educational Expenditures (\$ per pupil)				<ul style="list-style-type: none"> OH (91): \$4390 App OH: \$2822 	
	Highschool Dropout rate	• 4.7%			<ul style="list-style-type: none"> App OH: 12 counties where dropout rate exceeds 33% 	

³ Appalachian Reporter, April-June 1998. Accessed online at www.arc.gov/inforpubs/reporter ...



saunders.miller@sba.gov

06/04/99 05:22:37 PM

Bank One

Record Type: Record

To: Millicent.Hodge@sba.gov, Lisa Green/OPD/EOP
cc: don.christensen@sba.gov
Subject: FW: President's Trade Mission to America

I just received this email for your evaluation.

Saunders
202.205.3646

-----Original Message-----

From: Lynn R Gellermann [mailto:Lynn_R_Gellermann@Mail.BankOne.Com]
Sent: Friday, June 04, 1999 2:02 PM
To: saunders.miller@sba.gov
Cc: wilhelm@wcstrategies.com; William_Hinga@Mail.BankOne.Com;
mary_a_laraia_at_cdn@mail.bankone.com
Subject: President's Trade Mission to America

Saunders,

Since our discussion in Dallas, a number of very positive "New Markets" developments have unfolded in Appalachia. I wanted to follow-up with you on these developments by providing more specific information, and to again suggest Appalachia - more specifically Athens, OH - as a stop for the President's Trade Mission to America. The loans, investments and partnerships described below really cover the "financing continuum" you and I discussed in Dallas, and reflect well on all involved. Here is a glimpse of what is happening in Appalachia to provide small businesses with more choices for financing their growth:

Microenterprise: Bank One is ready to close a \$600,000 credit facility to Enterprise Development Corporation (EDC), one of the oldest and most productive microenterprise development organizations in the country. This will be fourth loan extended by Bank One under the SBA Microloan Program. Bank One will also be providing EDC with a \$45,000 grant to help establish their loan loss reserve account. The closing event is scheduled to take place in Athens, OH, and could be timed to match the President's schedule.

SBIC: Bank One is getting ready to close on a \$5 million investment in DCC Growth Fund, a holding company which will comprise two drop down SBICs - one debenture SBIC and one participating securities SBIC. This will be a large national fund with a regional office in Akron, OH. Bank One and DCC Growth Fund have agreed to an MOU which calls for special efforts to invest in women and minority owned firms, and to firms located in LMI zones. The timing of this closing, or announcement of Bank One's investment in this new fund could be made in Athens during the President's visit as well.

Community Development Venture Capital: Bank One is working with the founding principals of the Appalachia Ohio Development Fund which will provide equity financing and technical assistance to small businesses southern Ohio. Wilhelm and Conlon, Ohio University, the Appalachian Regional Development Commission, Hocking Technical College, Kentucky Highlands Investment Corporation and ACE-net are all involved in the formation of this new fund. Although this fund is not yet ready to open for business and a number of details need to be ironed out, Bank One would be willing to accelerate its investment process and publicly announce its intent to become a leading investor (for discussion purposes, say \$1 million). If something of this nature could be done in conjunction with the President's visit, it would generate a lot of enthusiasm and support for this new fund.

Women-owned businesses: As you know, Bank One is the lead investor (at \$3 million) in Capital Across America, the first SBIC in the nation to focus on women-owned firms. Capital Across America is headquartered in nearby Nashville, TN and does serve Ohio. Bank One would be more than happy to fly Whitney Johns to Athens if this would be something the Administration and the SBA would like to highlight.

[These "New Markets" investments by Bank One total nearly \$10 million - a figure that will be significantly leveraged by our public and private partners]

There is a tremendous amount of "money, market and talent" emerging in Appalachia. A visit by the President and the CEOs accompanying him would help ensure that the enthusiasm and capital continue to flow. Hopefully, this information will prove helpful as you work with the Administration to plan the President's trip. Please let me know if Bank One can be of any further assistance in bringing the Trade Mission to Appalachia. Have a great weekend!

Lynn Gellermann
Bank One Corporation
614-244-0344