Jackson T. Dunn
06/18/99 01:26:08 PM

Record Type: Record

To: Lisa Green/OPD/EOP@EOP

cc: Jonathan A. Kaplan/OPD/EOP@EOP
Subject: Bank of America

Vicki called. McColl wants to go on the trip -- provided it is in one of their regions -- and will make a $300 million announcement on a new entrepreneurial venture fund targeted for marginalized markets.

Jackson T. Dunn
06/23/99 07:23:40 PM

Record Type: Record

To: Lisa Green/OPD/EOP@EOP, Jonathan A. Kaplan/OPD/EOP@EOP
cc:
Subject: Bank One CEO

Information on John McCoy from SBA

---------------------- Forwarded by Jackson T. Dunn/WHO/EOP on 06/23/99 07:23 PM ---------------------------

saunders.miller@sba.gov
06/23/99 07:08:00 PM

Record Type: Record

To: Jackson T. Dunn@eop
cc:
Subject: Bank One CEO

Hi Jay -
Regarding your CEO list, on Tuesday Bank One committed $1.5 million to Magnet Capital of Phoenix which would be the first SBIC applicant to be within the new LMI SBIC category. Your list shows John McCoy, CEO of Bank One relative to Kentucky Highlands.

For Phoenix, I have been told that the Vice Chairman of BancOne, Richard J. Lehmann, who had been Chairman of Valley National Bank before being sold to Bank One, still has a residence in Arizona, so he could be considered for the check presentation event to Magnet Capital.

Saunders
202.205.3646

Bank One Investment Activity in Arizona **June 22, 1998**

The Banc One CDC just approved a $1.5 million investment in **Magnet Capital**, the first small business investment company, or SBIC, in the nation to focus on the SBA's recently launched "New Markets" program which features more flexible funding and investment terms for small businesses operating in low- and moderate-income areas, or employing persons who reside in those communities. Magnet Capital will provide growth capital in the form of mezzanine financing to small businesses in Arizona, and possibly adjacent states such as Utah and Colorado. Investments will range from $250,000 to $1.5 million.

In 1998, under the SBA Microloan Program, Bank One provided a $640,000 credit facility to ***PPEP Microbusiness, Inc. (PPEP/MICRO)***, one of the longest running and most successful microenterprise organizations in the country. The complex credit facility included flexible repayment terms, competitive pricing and a three-way partnership between PPEP/MICRO, the SBA and Bank One. By extending very small loans, often only $3,000 or $4,000, and technical assistance to rural entrepreneurs in southern Arizona, PPEP/MICRO has built a loan portfolio totalling more than $1.5 million. Bank One provided further support in the form of a $30,000 grant and the donation of a "micro loan van" to help PPEP/MICRO reach more entrepreneurs through a mobile office. PPEP/MICRO was the 1998 winner of the Presidential Award for Excellence in Microenterprise Development in the category of access to credit.

In 1998, Bank One also provided **Chicanos Por La Causa (CPLC)** with a $500,000 credit facility under the SBA Microloan Program. CPLC is the leading microlender in Phoenix and northern Arizona. Bank One also provided CPLC with a $30,000 grant and a "mobile loan van" to further extend CPLC's reach.

Bank One supports **SELF-HELP**, a microenterprise organization that provides technical assistance and welfare to work programs in Phoenix. Bank One's support includes annual grant monies of $10,000 and complimentary office space in the lobby of Bank One, Arizona's headquarters.

In 1992, Bank One became the lead investor in the **Arizona Multibank CDC** by providing $3 million to capitalize this now long-standing financial intermediary. The Arizona Multibank CDC has financed over 165 small businesses and projects totalling more than $11 million since its inception. Loan amounts of $500 to $500,000 are available to businesses and housing projects that do not qualify for conventional bank financing.

Bank One is also the lead sponsor for **Bank One Ball Park**, home of the Arizona Diamondbacks, which has energized economic development and community revitalization throughout downtown Phoenix.

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Jackson T. Dunn
06/21/99 12:08:14 PM

Record Type: Record

To: Lisa Green/OPD/EOP@EOP

cc:
Subject: Huber of Aetna

He is okay with the decision not to go to Hartford. He would like to travel to Phoenix and LA with the President. Apparently, Aetna has been very active in Hispanic

Jackson T. Dunn
06/18/99 01:26:08 PM

Record Type: Record

To: Lisa Green/OPD/EOP@EOP

cc: Jonathan A. Kaplan/OPD/EOP@EOP
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Pelzeneblen

Attention: Lisa Green

Date: 6/24/99

Company: Natl Econ Council

Number of Pages: 1

Fax Number: 1 202 456 2223

Voice Number: 1 202 456 2803

From: Marianne Spraggins

Company: Smith Whiley & Co.

Fax Number: (212) 316-2598

Voice Number: 212 316 3400

Subject: New Markets Initiative

Comments:

Dear Lisa,

Earlier, I mentioned to you that shortly we are going to close on our first commitment for our urban investment strategy, an investment being made by Bon Secours Health System. There has been no announcement yet of the investment and when I discussed with them the President's Initiative and the upcoming tour they were very excited.

Attached is a description of the Health System and the their investment. Notably, in the past an institution such as theirs would probably have made grants in the communites they serve rather

Marianne,

This is a description of Bon Secours Health System and its community development investment initiative:

Vision

Bon Secours Health System Community Investment Fund (BSHSCIF) is created to promote a Catholic Health Ministry which will support the mission Vision and values of Bon Secours Health System. The purpose is to create economic growth in the targeted low income communities to provide residents with the opportunity for meaningful employment and an improved quality of life for all.

Mission of the Fund

The BSHSI Investment Committee of the Board of Directors has designated $5 million dollars of long term reserves for the Community Investment Fund. Initial investment will be focused in the BSHSI communities with the greatest needs and underdeveloped capacities These communities include: Detroit, Michigan; Baltimore, Maryland; Richmond, Virginia; and Portsmouth, Virginia.

FUNDING PHILOSOPHY

The Community Investment Fund provides direct loans, intermediary loans and equity capital investment to existing or new businesses whose purpose and operating principle are consistent with BSHSI social responsibility investment guidelines and with the financial and social investment criteria of the Community Investment Fund.

Social Criteria

- Implications for job creation; the number of full time jobs at a living wage with health and retirement benefits and the number of employees from the targeted area
- Location of the business in the targeted area
- Number of people from the targeted area benefited through economic stabilization, access to transportation, shopping, education, health care and improved property values.
- Potential to attract other businesses to or the targeted area bringing additional employment opportunities
- Contribution to target community integration (racial. economic, cultural)
- Safeguards the environment; improves community aesthetics
- The potential to be an economic catalyst for City/State to invest in the infrastructure, housing, transportation and public recreational and cultural services.

Financial Criteria

- Experienced management
- Competitive position or proprietary technologies or products
- Defensible product life cycle
- Capacity to generate a reasonably predictable cash flow
- Strong prospects for growth and future profitability
- Financial performance which can be enhanced by additional investment

MISSION FUND

The medical delivery system contributes approximately 10% to the health of an individual or a community..... so what are we doing about the other 90%????

In addition to the BSCDIF, Bon Secours provides resources to our communities through the Mission Fund. This fund provides grants to the Bon Secours Health System entities to support local community programs and partnerships. These programs and partnerships are designed to work together with the people being served to support them in improving the quality of like for themselves and the community. The participating individuals and entities share responsibility, resources and risk to achieve specific objectives with established processes and measurements to evaluate progress towards the desired outcomes.

****

Bon Secours Health System, Inc.
Marriottsville, Maryland

The Health System headquarters is located in Marriottsville, Md., (about 15 mi. west of Baltimore) as is the United States Provincial House of The Sisters of Bon Secours.

Bon Secours Health System, Inc. is a not-for-profit organization with 17 owned or joint ventured acute care hospitals, six long-term or nursing care facilities, four assisted and independent living facilities, along with numerous primary care clinics, outpatient facilities, outreach programs, home health care services, and hospices. Its ministry, to carry out the healing mission of the Sisters of Bon Secours and the Catholic Church, is practiced throughout the system and carried out by over 20,000 health care coworkers, and thousands of physicians and volunteers.

The Bon Secours facilities are located in six states on the East Coast and Michigan, with a concentration in Virginia and Florida. The System is focused on a vision of ***"becoming a leader in Catholic health ministry compassionately, reaching beyond the walls of tradition to improve the communities"*** it serves.

Continuity

South Dakota

DELIVERABLES STRATEGY
New Markets Tour – July 5-8

Issues to Note:

- Each of the companies listed here are on the call sheet we have provided for you. All of the information included about each company is grouped by company in the call sheets.
- One asterisk indicates priority calls that we recommend you make.
- Two asterisks indicate that the company is involved or may have potential announcements connected with more than one site.

1. EAST ST. LOUIS: Investment in Urban EZs and the Inner Cities

Local Announcements

Themes for Corporate Outreach: Discussions with CEOs and companies about local East St. Louis announcements should focus on investment activities that are happening in this city.

Daniel Jorndt, Walgreens *

- Locating an anchor store in the largest shopping center to be built in area since 1950. It is possible that the President will actually stop at the site of this shopping center, which is why this is a priority call.

K-Mart

- KMart is sending a proposal. They have a store here and want to be involved in the trip. We should wait for you to make calls until we receive the proposal.

Jack Welch, General Electric

- GE Capital will expand its small business college which offers business advice to entrepreneurs in distressed areas. They plan to open a 5th such college in St. Louis. Treasury has identified this effort as a potential announcement.

Sy Sternberg, New York Life

- New York Life has a certified Capital Company active in St. Louis. Missouri recently passed a new CAPCO act whereby the money raised by a CAPCO could be used for making venture capital investments in companies located in distressed communities. It is possible that Sternberg, who attended the May 11 event with the President, would be interested in an announcement regarding investment in the Missouri program based on the new legislation.
- This is not a high priority because the NY Life CAPCO is located in St. Louis, MO rather than East St. Louis, IL. However, there is a possibility of making an announcement about his activity because the EZ is a joint partnership with both cities. (Also see Mississippi Delta)

Corporate Involvement in Jackie Joyner Kersee Community Center

- We may want to highlight the significant contributions of May Department Stores (Eugene Kahn), Enterprise Rent-a-Car, and NationsBank

National EZ and Investment-Related Announcements

Themes for Corporate Outreach: Discussion with CEOs should focus on investment activities that are happening in any city, particularly retail investements, as well as investments in Urban EZs.

Hugh McColl, Bank of America **

- The Bank of America announcement does not fit neatly with the theme for East St. Louis. However, Bank of America is only willing to make this national announcement in specific markets, and East St. Louis is the only stop on the trip that fits their critieria. *We think it still makes sense to make this announcements here given the scope of what they have proposed.*
- We have confirmed with Vicki Tassan, a Senior VP from Bank America (who reports to Bessant and is assigned to work on McColl's involvement in the New Markets trip) that he would like to participate in the trip and that they are prepared to make a $300 million announcement about a new entrepreneurial fund targeted for New Markets.
- We need to confirm what the specifics of the fund announcement will be and also enlist their involvement in other national announcements (see Mississippi Delta focus on CDFIs).
- **Next Step:** Gene to call McColl/Bessant to firm up commitment and discuss trip

Bill Harrison, Chase Manahattan

- As an example of the type of retail investment we are trying to encourage, we could highlight Chase's exemplary record of investing in distressed communities. For example, Chase took the lead in securing a $7.6 million loan for the construction of a 50,305 square foot Pathmark supermarket in East Harlem. After being open for only a month, the store is already in the top 10 nationally of all Pathmark stores.

Howard Schultz, Starbucks

- Has teamed with Magic Johnson's Johnson Development Corporation to open 12 new stores in inner-city and urban locations throughout the country.
- Locations include LA last year, Harlem this May, and a second in south Seattle this June. Six upcoming sites include two more in LA, two in Atlanta, one in Detroit, and one in San Francisco.
- **Next Step:** Gene to call Schultz to discuss link to one of the communities we are visiting.

Pfizer – New London, CT

- Pfizer is building a new drug development facility in New London, CT on a brownfields site. The work Pfizer has done in Brooklyn, which has been hailed as a tremendous urban redevelopment story, will be the model for what they will do in New London. The new facility will house approximately 1,500 people.
- If it is possible, we can ask Pfizer if they are willing to make any workforce announcements related to this facility that could be announced in Los Angeles as part of our workforce focus.
- Pfizer's CEO has met with Reno about corporate investment in crime fighting, as it relates to the Brooklyn redevelopment project. Justice has asked that we consider incorporating one of their programs that involves corporations in crime fighting into the New Markets Initiative.

Dick Grasso, NYSE

- Has offered to travel and to call CEOs on this effort

2. LOS ANGELES/ANAHEIM: Private Sector Workforce Investments in Disadvantaged Youth

Local and National Announcements
Themes for Corporate Outreach: Calls should focus on corporate involvement in either the Labor Department's YouthOpportunities Program or Weil's Anaheim Program. The main focus for the event will be on the local Los Angeles YouthOpportunities site in Watts. Commitments secured from companies include at least one of the following: hiring youth who have participated/graduated from the program, mentoring youth in the program, or giving financial assistance to support the program. However, some of the commitments are national in scope.

Jim Kelly, UPS
- Labor has already secured commitments from UPS which will be announced by the President. Labor's YouthOpportunities Program is focused on school to work activities.

Phillip Carroll, Shell Oil
- Labor has secured commitments from Shell which will be announced by the President.

John Chambers, Cisco
- Cisco operates a Network Academy which is a job training program which may form a partnership with Labor related to the Youth Opportunities. [NEED TO CONFIRM].
- Labor has already secured commitments from Cisco which will be announced by the President. Labor's YouthOpportunities Program is focused on school to work activities.

Los Angeles Chamber of Commerce
- Labor is also working with the Chamber on other commitments for Youth Opportunities from other companies including: Southern California Edison, American Airlines, Kaiser, mattel, Ernst & Young, IMB, Wells Fargo

National Announcements on Workforce Investments in Disadvantaged Youth
Theme for Corporate Outreach: Disucssion with corporations around national announcements should focus on involvement in Sandy Weill's program.

Next Step: Call Jerry Jasinowski to discuss other corporate efforts that fit the Workforce and Youth theme.

Sandy Weill, Citigroup**
- President will participate in the National Academy Foundation event in Anaheim on July 8
- NAF will announce formal partnership with the Department of Commerce
- Need to determine if there are any specific commitments Weill has through NAF or for other sites the President is visiting
- See also potential commitment in Pine Ridge
- **Next Step:** Gene to call Weill to discuss Anaheim event

Other Companies Involved in the National Academy Foundation

Most of the deliverables for this event are already in place with other companies involved in the program including Merrill Lynch, McGraw-Hill, Sallie Mae, Fannie Mae, Prudential Securities, and Bankers Trust.

Partnership with Commerce

Commerce is working on a new Academy in Information Technology which will help to highlight the technology aspects of some of the Academy. Prior to the President's announcement that he would be coming to the conference, this initiative had identified $2.8 million in commitments. Commerce now expects commitments to exceed $9 million.

3. Pine Ridge Indian Reservation: Private Sector Investment in Native American Communities

Local Announcements

Theme for Corporate Outreach: This stop will focus on local announcements that are related to Pine Ridge specifically, most of which will be related to housing.

Jamie Gorelick, Fannie Mae*

- Fannie Mae sent us a list on June 21 of possible announceables at Pine Ridge that they would be willing to make. Also, Lisa spoke with Jamie Gorelick, Vice Chair at Fannie, who will be calling Gene today. The Fannie Mae announceables include:

    - $1 million Tri-Party agreement among Fannie Mae, the Ogalala Sioux and Norwest mortgage that will enable tribal members to purchase homes on trust lands. Gene may want to talk with Jamie about enlisting the CEO of Norwest's involvement in the trip -- i.e. meeting us there. This may not seem like a large financial commitment and it is slightly off message but it's the basis for future economic development because it creates a structure that allows lenders to mortgage tribal lands. In the future this structure may be applicable for commercial mortgages (i.e., retail centers and multifamily development)

    - Fannie Mae will commit to invest up to $3 million over the next 5 years through its American Communites Fund. The American Communities Fund is an equity investment vehicle that operates in the way that an APIC or a New Market Venture Capital Fund would operate.

    - A Fannie Mae Partnership Office will be opened in Sioux Falls by October 1. Part of the Investment Plan will be a partnership with the South Dakota Housing Development Authority for first time homebuyers. Fannie will commit to purchase $35 million in mortgage revenue bonds. Of this amount $2 million will be set aside-exclusively for Pine Ridge residents to purchase homes at below market interest rates.

- **Next Step:** Gene to call Gorelick regarding Fannie Mae commitments and role (FYI, Raines is recused which is why he has not returned your calls).

Bart Harvey, Enterprise Foundation

- The Enterprise Foundation is working with HUD on the Pine Ridge effort with the Oglala Sioux Tribe. Enterprise has also been part of a team of consultants (with PriceWaterhouseCoopers) working with HUD to create the non profit Olgala Sioux Tribe Partnership for Homeownership.
- Enterprise's role has been primarily package the financing for the project.
- We could invite the Chairman of Enterprise to join us in Pine Ridge to highlight the importance of private/public/non profit partnerships in making these projects work. This may also be a way to highlight the role that consulting firms can have in New Markets.

Enterprise will help us to identify the appropriate senior person to followup with if we decide to pursue this aspect of Pine Ridge.

Richard Kovacevich , Norwest Mortgage
- Norwest in partnership with Fannie Mae is providing $1.4 million in loans and providing mortgage counseling to families.

Hugh McColl, Bank of America**
- They also have a program known as Rural 2000 Community Development Initiative to help increase development in rural LMIs and Native American trust lands.

Sandy Weill, Citigroup**
- Citigroup provided a grant to fund the installation of Classroom, Inc. a career sumulation software in public schools. Classroom, Inc. will be rolled out throughout the state of South Dakota. We do not think this is high priority type of announcement because as a grant rather than an investment it is off message.

Announcements Related to Native American Communities Nationally
Theme of Corporate Outreach: Discussions with companies related to investment in Native American communities will focus on technology and telecommunciations efforts. In addition, there are some reports that can be released as part of a national focus on Native American Communties.

High-Tech Companies to Address Telecom and E-commerce Need
- Commerce is working with individuals from BIA, HUD, and the White House to complete its report on Native American Technology Infrastructure. There is a meeting on June 22 to discuss revisions to the report.
- Tom Kalil is talking with several high-tech companies (AOL, IBM, others) and is working with HUD, Commerce, and Jay Dunn to identify deliverables related to e-commerce and telecom infrastructure.
- **We will provide a separate report with a strategy on corporate outreach to the high-tech community – there are no high tech companies indicated as priorites on this list until this report is completed.**

CDFI Lending
- CDFI is preparing a study on Native American Lending that may be ready for the trip and could be announced along with the Commerce Report.

4. Kentucky Highlands: CDFIs and Investment in Appalachia and Rural New Markets

National "CDFI Day" Announcements
Theme for Corporate Outreach: As we talk with all companies we should encourage them to have CDFI announcements to make on this stop. In addition, since this is the first stop on the trip it makes sense to focus on both Appalachia and the ability of CDFIs to combat some of the economic distress in these types of markets. (This may be somewhat distracting from the main message because some of the CDFIs we highlight will.obviously not be in rural markets. However, our only other option would be to focus on CDFIs in the Delta where we would have the same issue.)

CDFI investment announcements for CDFI Day to be made by other Cabinet Secretaries or their designees throughout the country:

<u>Fleet Bank</u>
Is considering a $10 million investement in Boston Community Loan Fund

<u>Chase Bank, Bill Harrison</u>** (please note we also recommend possible involvement by in the Missippi Delta)

- The Chase program Community Business Partners is a partnership with 12 CDFIs to purchase participations in small business loans. There may be a way we can connect a potential Chase announcement about CDFI's to our visit in Arizona or Chicago, although these cities are not in their territory.
- Chase is also kicking off a new partnership with ACCION in New York, a CDFI that will take those who are denied loans by CMB.
- Mark Williss who will be replacing Carol Parry made a direct call to Lisa Green, requesting that New York City be strongly considered. He also indicated that Chase might be less willing to be involved in the trip if there is no New York City component. We need to offer some opportunity to highlight a Chase program such as those outlined above. (Also see Mississippi Delta)

<u>Hugh McColl, Bank of America**</u>
- Bank of America has a CDFI initiative, which leverages capital through community banks, credit unions, development corporations and micro-enterprise loan funds. We could ask them to announce something national here. (Also note local announcement possibility in Phoenix).

<u>Allstate Insurance Company</u>
- Allstate is considering a $5 million investment in the Illinois Facilities Fund for child care initiatives in the Chicago

<u>Other Companies</u>
- Other Funds where there may be substantial investment commitments include the Delaware Valley Community Reinvestment Fund where there may be up to $2-3 million in large bank

investments and an $11 investment announcement in a newly developed Sustainable Development Fund

Ms. Foundation.

- The Ms. Foundation would be willing to announce the launch of the third round of their Collaborative Fund for Women's Economic Development which provides funds for groups such ACE-Net which we are considering highlighting on the Kentucky Highlands stop.

Regional Appalachian Announcements (CDFI and non-CDFI)

Theme of Corporate Outreach: Discussions with companies should focus on investment in an Appalachia-based CDFI or other investment vehicles consistent with the New Markets proposal.

John McCoy, BancOne**

- Involved in financing the Appalachia Ohio Development Fund (full detail in POTUS memo)
- We have clear signal from KHIC that they would be okay with these announcements being made in Kentucky. We do however, need to confirm with BancOne that it would work for them to make these announcements outside of southern Ohio as part of a larger focus on Appalachia. (East St. Louis may be part of their market, so we might need to make the announcements there.)
- This is a priority call because it is the main possibility for a major local announcement of new investment activity in Appalachia.
- **Next Step:** Gene should call John McCoy to discuss BancOne efforts in Appalachia (Kaplan has called Wilhelm who is travelling with Rev. Jackson in Europe this week).

Frank Newman, Bankers Trust

- Has invested nearly $3 million in the Kentucky Highlands Investment Corporation(KHIC), one of the premier community development venture capital funds, through an innovative tax program.
- It also established a program to contract with vendors that are principally owned and/or operated by minorities or women
- **Next Step:** Gene to call Newman regarding investments in KHIC

Youth Opportunities Announcement

- Though it is slightly off-message, Labor may also be able to do some YouthOpportunities things there. TBD.

Appalachian Regional Commission

- The ARC Entrepreneurship Initiative has approved approximately $3.5 million of the $15 million set aside for entrepreneurial economies in Appalachia. We could ask ARC to make an announcement about the potential for them to raise additional funds if the New Markets legislation were passed.

5. South Phoenix: SBICs and Providing Access to Capital in Hispanic Communities

National Announcements

Theme for Corporate Outreach: The focus of discussions should be on innovative programs that focus on attracting human capital or equity capital to distressed Hispanic communties. In addition, we could make a stop at Multibank which will likely be the first LMI SBIC in the country. Accordingly, we should make any national announcements about SBICs if possible.

Ed Whitaker, SBC Communications*

- Involved in several hiring programs in the Hispanic community
- We may want to raise with him potential announcement in Phoenix, where focus is on investment in Hispanic communities
- **Next Steps:** Gene to call Whitaker at SBC to discuss Hispanic-focus of event in Phoenix

Hispanic CEOs

- SBA is working with the Hispanic Chamber of Commerce to identify key Hispanic CEOs that could be invited to participate (i.e., meet the President at the event).
- Jay has this list if we want to select specific companies.
- **Next Step:** Call head of Hispanic Chamber of Commerce (need additional info from Jay)

Enron

- Has established a fund very much like the funds we are trying to encourage called the Houston Economic Opportunity Fund. Enron capitalized the fund with $20 million and is trying to raise additional funds from local investors.
- To date, they have invested over $5 million in new businesses, many of them in Hispanic businesses.
- There may be a way to tie them into the Phoenix visit.

Michael Porter, Initiative for a Competitive Inner City*

- Michael Porter's Group is ready to announce Inner City Ventures, LP a private equity fund focused on high potential inner-city growth companies. (This announcement would fit neatly here.) The fund has not yet been announced and will be approximately $10 million.
- **Next Step:** Gene to call Michael Porter to discuss fund further

Phoenix Area-Focused Anouncements

Theme of Corporate Outreach: The focus of our stop here should be investment in the lcoal Arizona Multibank Community Development Corporation and MICRO, which is one of the oldest Hispanic nonprofit development organizations in the country.

Paul Hazen, Wells Fargo Bank*

- Has previously invested in Arizona MultiBank and will be a new investor in the LMI SBIC. This is a priority call because they are already lined up for Arizona piece and may be primed to do more. This is a priority because this investment would be part of the main new investment announcement for the Phoenix visit.

- **Next Step:** Gene to call Hazen to discuss Arizona MultiBank and the Phoenix visit

Hugh McColl, Bank of America**

- Has previously contributed $3 million to Arizona Multibank Community Development Corporation, which we would be highlighting here and has been targeted as a potential investor for the new LMI SBIC.
- See also East St. Louis commitment above

Richard Kovacevich, Norwest

- Has invested in Arizona MultiBank, and could be asked to do more here. (See Pine Ridge)

Capital One and Century Pacific Bank

- Both of these companies are considering a $1 million investment in MICRO, one of the oldest microdevelopment organizaitons in the country which focuses from Capital One and Bank of Hawaii (Century Pacific Bank in Phoenix)

Dick Huber, Aetna – Hartford

- Huber has agreed to commit $10 million to the new MetroHartford Investment Fund which will be somewhat modeled after the type of SBIC based funds that the New Markets Initiative will support.
- **Next Step:** Gene needs to call Huber to discuss participation on the trip and Hartford situation.

6. CLARKSDALE – MISSISSIPPI DELTA: Investment in the Delta and Rural New Markets

Local Announcements
Theme of Corporate Outreach: The focus of discussion with these companies has been on new investment in the local CDFI that we will highlight.

New Investments in the Enterprise Corporation of the Delta (it is possible we will focus on CDFIs in this stop, although we recommend highlighting CDFIs on a national basis as part of the Kentucky Highlands stop)

- Treasury and SBA are conducting outreach to numerous companies involved in financing ECD.
- Recent and unannounced investments in the Enterprise Corporation of the Delta include more than $14 million in private support that the President could announce. Many of the investments are from non-profit organizations (i.e. Program Related Investments).
- However, corporate investors include two local banks -- one from Arkansas and one from Mississippi – as well as Skytel and Blue Cross/Blue Shield of Arkansas. Prior funding of ECD has come from Wal-Mart and 17 banks that would most likely join us on site.

Ford Foundation

- Ford is a significant investor in the Enterprise Corporation of the Delta ($3.4 million) and is making the investment with the intent of encouraging private sector investment.
- The President of Ford Susan Bessenford could be asked to participate in this leg of the trip.

ARC and the Delta

- ARC (Appalachian Regional Commission) has been working with representatives from the Delta to create similar programs to their entrepreneurial initiatives.

Regional Announcements Connected to the Broader Delta
Theme of Corporate Outreach: Any announcements connected to the Delta should be explored. We anticipate a great deal of assistance from Transportation on this effort. This also could be the site of a BusinessLINC roundtable, now that we are not going to New York. We are still developing this idea but potential participants could include Chase Manhattan Bank (see Kentucky Highlands) and GE Capital (see East St. Louis)

Duane Ackerman, BellSouth

- BellSouth has a new customer service center for National Directory Assistance Service in Greenville, MS.
- It is possible he could be asked to make an announcement related to workforce or new hires at this center. Ackerman participated in the May 11 CEO roundtable with the President.
- **Next Step:** Gene to call Duane Ackerman to push for commitment related to the new customer service center for National Directory Assistance Service in Greenville, MS

Apple Computers

- Computers Inc. is an authorized Apple Computer Dealer that may be a company we visit or highlight in Clarksdale.

- This is a small, woman-owned company, and we could ask Apple (through the work that Tom Kalil is doing with Jay to identify technology deliverables) to talk about its success with a BusinessLINC type of relationship.

FedEx (Fred Smith) and Greyhound

- Transporation has been working with FEDEX and Greyhound about commitments to assist in job access and training services for the transportation and distribution industries in Memphis.
- These investments could probably be secured by Slater, if we agreed to highlight them as part of our stop in the Delta.

Bob Johnson, BET

- Treasury had recommended involving Johnson, because of his position as the new Department of Commerce Busines Roundtable minority chair.

Bill Harrison, Chase Manhattan**

- SBA has indicated that Chase is creating a new program in the Mississippi Delta connecting senior bank officers with women & minority small business owners.
- Chase Manhattan would have been one of the lead participants in the New York Business Roundtable BusinessLINC Announcement. They are very disappointed that we are not going to New York or Chicago. However, Chase is interested in being part of the trip despite the fact we are no longer going to New York. We may want to encourage Harrison's being part of the delegation, and specifically if we can arrange a BusinessLINC roundtable.
- Chase joined with the SBA and the National Community Investment Coalition to launch *Community Express* -- a program designed to help underserved small businesses obtain loans. CMB will adopt streamlined loan processing and approval procedures for LMI areas. Loan amounts can range up to $250,000. We might highlight this success story in some way as part of our activities here.
- If we decided to do BusinessLINC elsewhere, we have several options.
  - -- We could incorporate this into one of our existing sites
  - -- We could have the President announce this in Chicago on August 3
  - -- FLOTUS, Rubin/Summers, and others could announce this, if the BRT were willing
- **Next Step:** Gene needs to call Walter Shipley to discuss our BusinessLINC options

SEPARATE ITEMS

New Corporate Commitments that Do Not Have Natural Fit Yet

Ivan Seidenberg, Bell Atlantic

- Bell Atlantic will spend $1.88 million, through an SBA partnership, to increase subcontracting with minority- and women-owned businesses

Other Corporations -- No New Commitments but Good Stories to Highlight

There are a number of corporations who have wonderful success stories that we could highlight as models and examples for other companies. They are not necessarily in a position to make new announcements but they help to tell the New Markets message:

General Mills. Equity investment in a minority owned, inner city food manufacturing plant

Pep Boys. Pep Boys has made workforce investments in company owned stores throughout the country. Most of the new stores are in innercity areas. They have done a lot of welfare to work activities.

LISC. LISC is involved with CDCs throughout the country (in most of the areas we will visit) and has offered their assistance in identifying appropriate participants in roundtables for example.

Others. Other examples of non profit partnerships with consulting firms include ICI's involvement with Boston Consulting Group on some of the research (mentioned in the research data/deliverable section).

Separate Section: Market/Research Data Deliverables

A subgroup of the interagency working group is putting together a proposal for studies and government analyses that can be conducted around New Markets. They are also working on an executive order related to this effort that could be announced as part of the trip.

Also, the Initiative for Competitive Inner City has several studies that could be highlighted as an announcement include the "Business Case for Pursuing Retail Opportunities."

The Fannie Mae Foundation is working on a paper/study about New Markets that will be released around the same time as the trip. We are working with Jim Carr there to insure that the New Markets Initiative is reflected accurately in the paper. We may be able to highlight the paper during the trip if it appropriately touts New Markets.

Social Compact is developing the Emerging Neighborhood Markets Initiative in consultation with Shorebank and together with State Farm, The Ford Foundation, The MacArthur Foundation and the Fannie Mae Foundation. The program will provide important data for companies interested in making New Markets investments.