

# Withdrawal/Redaction Sheet

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	To Lisa Green From Bill Luecht; RE: pager numbers [partial] (1 page)	06/24/1999	P6/b(6)
002. list	Aircraft Manifests; RE: USSS (21 pages)	07/04/1999	P6/b(6), b(7)(C), b(7)(E), b(7)(F)

**COLLECTION:**

Clinton Presidential Records  
 Policy Development  
 Lisa Green  
 OA/Box Number: 20588

**FOLDER TITLE:**

[New Markets July Trip] [1]

2012-0043-S

ms240

### RESTRICTION CODES

**Presidential Records Act - [44 U.S.C. 2204(a)]**

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

**Freedom of Information Act - [5 U.S.C. 552(b)]**

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

# Withdrawal/Redaction Marker

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Community Development Financial Institutions Fund  
U.S. Department of the Treasury  
601 Thirteenth Street, NW, Suite 200-South  
Washington, DC 20005  
Tel: (202) 622-8662 Fax: (202) 622-7754

**Please Deliver ASAP!**

# Fax

[001]

<b>To:</b> Lisa Green	<b>From:</b> Bill Luecht, External Affairs Office
<b>Fax:</b> 456-2803 2223	<b>Pages:</b> 17, including cover sheet
<b>Re:</b> New Markets Trip	<b>Date:</b> 06/24/99

Lisa,

At the risk of being redundant, I wanted to be sure that you have the drafts of both the Delta and Kentucky Highlands New Markets Trips. Maurice and I will forward a final copy to you by tomorrow afternoon in time for the Advance Team's work on Sunday.

If you have any questions at all, please call on us.

Maurice Jones	T: 622-8444
Bill Luecht	T: 622-8042

P6/(b)(6)

Bill

P.S. I'm sorry I didn't get the chance to introduce myself at this afternoon's meeting. I was the latecomer to the right of the main door opposite you.

## Enterprise Corporation of the Delta

### Announcements

- Ford Foundation - \$3.4 million
- MacArthur Foundation - \$2 million
- John Plamer, Chairman of Skytel - \$500,000
- Tom Scott (Monroe, La. businessman) - \$100,000
- Arkansas Blue Cross & Blue Shield - \$100,000
- BEA-supported investments by Bank of Anguila (MS) and First National Bank of Blytheville (AK) - \$25,000 each

(The Palmer and Blue Cross investments were made via a new investment vehicle that is targeted for individual and corporate investors -- a great illustration of the potential of the New Markets Tax Credit.)

### Pending

- Louisiana SBA is currently reviewing ECD's application to be certified as a 7A guaranteed lender with an understanding that a pre-July decision would be helpful
- ECD awaiting word on two USDA announcements: \$500,000 under the Intermediary Relending Program; and \$500,000 under the Rural Business Enterprise Grant program.

### Notes

- ECD's loan to Waterfield will be closed by month end
- I have been told that Coahoma Community College is one of only two historically Black community colleges in the nation
- ECD has been in operation for 5 years as of June 1

### **(1996 CDFI Program Core Component)**

Location: Jackson, Mississippi  
 Award: \$2 million grant  
 Type: small business loan fund  
 Service Area: 55 counties in the Delta region of Arkansas, Louisiana and Mississippi  
 Products: asset based term loans and working capital loans  
 Contact: Mr. William J. Bynum - (601) 944-1100

Enterprise Corporation of the Delta (ECD) is a start up loan fund serving a 55-county market area suffering from persistent and entrenched poverty. At least 16 counties in the market are served by ECD have more than 40% their residents living below poverty. ECD is a promising initiative that is taking on the enormous challenge of helping to transform the Delta region's economy. The area's culture -- including that of its commercial lenders -continues to be oriented to the agricultural sector despite the facts that it currently employs only a small percentage of the population. EDC was established in 1994 with support from a variety of regional and national interests including foundations led by the Pew Charitable Trusts and corporate partners such as the Entergy Corporation and Wal-Mart Inc. To date, ECD has made almost 40 loans and investments to promising businesses. The CDFI Fund's \$2 million grant will help to capitalize ECD's efforts to provide financing for small manufacturers and other businesses offering employment opportunities for lower-income people. ECD is also connecting with efforts to improve workforce skills and job readiness.

### **(1998 CDFI Program Core Component)**

Location: Jackson, MS

Award: \$2,500,000 Capital Grant  
Type: Business Loan Fund  
Contact: William J. Bynum - (601) 944-1100

The Enterprise Corporation of the Delta (ECD), a non-profit loan fund, seeks to strengthen the three-state rural Delta region by providing market driven financial and technical assistance. This CDFI provides a mechanism to attract private capital to support its job creation initiatives. With the help of the CDFI Fund, the Awardee will expand its core business lending activity, leverage private capital, engage in new venture capital activities, launch the Delta Reinvestment Fund, and finance infrastructure development in partnership with rural municipalities.

### Proposed Clarksdale Itinerary

- A) Neighborhood tour - Ritchey Street - Martin Luther King Street community
- Begin in area including, federally-supported, well-maintained, low-moderate income housing development, church, school. Illustrates hope and results. Some residents probably employees of companies financed by ECD.
  - Transition to distressed community that would benefit from investments in New Markets development activity.
- B) Company tour(s) - Delta Laundry, Waterfield, Inc., Computers, Inc.
- Visit one, two or three firm(s) financed by Enterprise Corporation of the Delta
- C) Announcement of recent "New Markets" investments/activity
- Location: Coahoma Community College - one of 2 historically-Black community colleges in US. An active player in Delta development, Coahoma CC is home to the Skill Tech Center that provides workforce training to area companies, and a Dept. of Commerce-funded Minority Business Development Center
  - Senior representatives of the following would join President Clinton for the announcements:
    - Foundations - Ford Foundation, MacArthur Foundation, Pew Charitable Trusts and Walton Family Foundation (Three of the largest foundations in the US and family foundation of the Wal-Mart heirs). Combined, these private foundations recently made \$13.75 million in grants/investments in ECD and its affiliate ECDI. The ECDI investments are intended to stimulate investment by individual and corporate investors.
    - Corporate/Individuals - (Mississippi businessman John Palmer (Skytel - \$500,000 investment in ECDI) and Louisiana businessman Tom Scott (Scott Trucking - \$100,000 grant) Arkansas Blue Cross & Blue Shield (\$100,000 investment in ECDI)
    - Banks - two recent investments by two Delta banks stimulated by Treasury/CDFI BEA awards. (16 banks have used this program to make similar investments in ECDI)
    - Religious Orders - Four recent investments/loans
  - Formation of a BusinessLINC chapter including Wal-Mart, Entergy, Federal Express and Sara Lee being explored
  - Certification of ECDI as an SBA lender ("New Markets Lender")
  - Other investments /commitments pending
- D) Business Roundtable
- Convene discussion with representatives of investors and BusinessLINC partners listed above

**SUMMARY DESCRIPTION OF COMPANIES  
RECOMMENDED BY  
ENTERPRISE CORPORATION OF THE DELTA  
FOR  
DELTA NEW MARKETS TOUR**

**Waterfield, Inc – Clarksdale, Mississippi (Coahoma County)**

contact person: Bob Koerber  
address: 1410 Industrial Park Drive  
Clarksdale, MS 38614  
phone number: 877-334-3870

Waterfield, Inc. began operations in September 1998. SecurAmerica Business Credit, a Tennessee Business and Industrial Corporation, provided start-up financing. To facilitate continued growth, ECD provided a \$300,000 term loan in June 1999 to provide the long-term working capital and equipment required to bring on a new product line.

Waterfield, Inc. is a Tennessee corporation doing business in Clarksdale, MS. The company was organized and chartered in August 1998, with the purchased assets from the business operation of a predecessor company, Porter-Ferguson, Inc. Waterfield produces cabinets that are marketed to retail home centers across the country. The company leases a 100,000 square foot plant facility on approximately 14 acres of land in the Clarksdale Industrial Park. The new owners of the company are Edward Shelly Rice and Robert Koerber, both of Memphis, TN.

Porter-Ferguson, the predecessor company, began manufacturing wood cabinets in Clarksdale in 1986. The company employed up to 200 full-time employees and had annual sales of over \$16 million in 1992. On December 2, 1996, the company filed a voluntary petition for reorganization under the US Bankruptcy Code. The filing was prompted because Porter-Ferguson could not ship orders to a major customer due to a lack of availability under its line of credit. The lender felt that sales were concentrated with the major customer and did not wish to finance additional exposure to that customer. The customer cancelled its program with Porter-Ferguson and the companies ceased doing business together in January 1996. The customer refused to pay any amounts owed to Porter-Ferguson for over sixty days for fear of any product returns. The strain on cash flow led to problems with the bank, its auditors and bank regulators as well as a payroll tax liability for the company. Porter-Ferguson was unable to finalize an approved plan to emerge from bankruptcy, which included a takeout of the loan from the bank. As a result, an agreement was reached between Waterfield, the court and creditors to purchase certain assets of Porter-Ferguson.

Waterfield markets its products to retail home centers across the country. The company has three primary ways of promoting its products: through industry trade shows; through independent sales representatives; and through advertising literature provided to customers and prospects. Three trade shows are planned over the next few months. The independent sales

representatives call on home centers with less than 20 stores. New sales representatives are expected to be added over the coming months.

Waterfield is also the trade name of the cabinets produced by the company. The name is well respected in the unfinished cabinet market. According to management, the name has been around longer than other trade names in the industry and has led to new and continued sales with past Porter-Ferguson customers.

Waterfield's territory consists of the states east of the Rocky Mountains to the Ohio Valley. The cabinet manufacturing industry is estimated to be a \$4 billion a year business in the US. It is difficult to gauge how a decrease in housing starts or a downturn in the economy would affect the industry. Waterfield and most of its competitors do not make direct new construction and multi-family sales. A downturn in the economy could prompt remodeling, as opposed to new construction, which would favor sales from retail home centers.

Waterfield currently employs 49 people (30 of which are former welfare recipients) with an average wage rate of \$7.50 per hour. The labor-force is trained and willing to work. With the new work schedule from its major customer, employment is projected to reach 75. Health insurance will be offered to all employees over the next twelve months. The employment level was 140 prior to the closing of Porter-Ferguson in 1998. According to management, a large number of these individuals remain eligible for employment with Waterfield.

#### Computers, Inc. – Clarksdale, Mississippi (Coahoma County)

contact person: Nita Brooks  
 address: 160 Anderson Blvd.  
 Clarksdale, MS 38614  
 phone number: (601) 627-7045

Computers, Inc. (CI) is a computer servicing and retail business that currently employs 6 full-time and 2 part-time people (none of which are former welfare recipients). CI is owned by Nita Brooks, a graduate of the FastTrac entrepreneurial training course, sponsored by ECD and administered locally by Delta State University.

The company sells and services micro computers, printers, and LAN networks. It is also an authorized Apple Computer Dealer. CI has averaged slightly over \$1MM in annual sales for the past 5 years. The company serves 15 counties of the Delta region of Mississippi with customer concentrations in the following cities: Clarksdale, Batesville, Greenwood, Grenada, Cleveland, Greenville, Tunica, Drew, and Indianola. CI also serves parts of Eastern Arkansas from Helena to Lake Village, and parts of Louisiana. The company also has several loyal customers in Tennessee, North Carolina, Texas, and Louisiana.

CI serves three primary market groups with an established base of more than 1,200 clients. The main market group is comprised of various school districts and educational systems throughout the Delta. Educational sales and service represent about 43% of CI's current business. They

have won a large number of hardware bids with surrounding school districts while also providing the sole source of computer servicing and support for those school districts. The company also provides sales and service to a number of the private schools and academies in the area.

CI has service contracts in place with schools, city agencies, and individuals. It is management's belief that as technology increases and the computer industry becomes more sophisticated and feature oriented, service will increasingly become a growth area for CI. Management believes that they are well poised for growth within that market sector. The balance of CI's sales revenue is derived from general commercial accounts and home/office PC sales.

Ms. Brooks attempted unsuccessfully to get financing from banks and a local quasi-public organization. Ms. Brooks did not have the financial wherewithal to come up with the substantial cash or collateral required by these lenders.

ECD originally financed \$160,000 of the initial business purchase by Ms. Brooks. This included a \$125,000 revolving line of credit and a \$35,000 term loan. ECD later financed a portion of the down payment needed to purchase the building which CI was leasing. The original owner of CI owned the facility. ECD's financing enabled CI to maintain the use of the building and to lower her operating expenses.

#### **Delta Laundry – Clarksdale, Mississippi (Coahoma County)**

contact person: Morris "Rocky" Rockwood  
address: 320 Anderson Boulevard  
P.O. Box 1987  
Clarksdale, MS 38614  
phone number: 601-627-5419

Delta Laundry (DL) is a start-up commercial laundry and linen service located in Clarksdale, Mississippi. DL provides commercial laundry and dry cleaning to hospitals, restaurants, and casinos in northwest Mississippi.

Working through subcontractors, DL secured its first contract in December of 1997 with the Sheraton Hotel in Tunica County. DL has since taken on business from four additional casino hotels and a hospital. DL's largest customer is the hospital. Currently they have bids out to four other hospitals, two non-casino hotels and one catering/restaurant service. Financing from ECD enabled DL to open its own facility in Clarksdale, Miss.

Owner Morris ("Rocky") Rockwood has more than 10 years in the commercial laundry business. He previously owned and operated a laundry in Branson, Missouri before selling it in the early 90's. He worked on the Tunica/Clarksdale opportunity for about a year prior to ECD's involvement. Initially he had wanted to locate in Tunica County itself. However, the county has no facilities satisfactory for DL's operations. The county supervisors were not amenable to building a facility due to general reservations regarding borrowing funds to construct new facilities for economic development. In addition, the supervisors were concerned that any

aggressive steps toward economic development would not be well received by the casinos given the tight labor market that exists in Tunica.

ECD financed DL with a creative selection of financing. ECD provided Morris Rockwood with a bridge loan on his residence in Missouri, until he could sell it, to provide his equity for the business; ECD also bought preferred stock in the company and financed a working capital line of credit, a term note and provided additional subordinated debt. These, together with financing from GE Capital and the North Delta Planning and Development District were required for the start-up.

ECD has also assisted in the management of the business and contracted with alt. Consulting, a not-for-profit management consulting organization. Alt. Has worked with the company on improving its internal operations, as the company grows and on developing a marketing plan.

DL currently employs 22 people, 15 of whom came off welfare and were trained for DL by Coahoma Community College's Skilltech Center.

Clarksdale/Coahoma has:

- Higher Poverty
- Lower median income
- Larger minority population
- Outstanding workforce development partnership that includes Coahoma Community College, Clarksdale Industrial Foundation, Skill Tech Center, Tri-County Workforce Alliance
- Coahoma Community College – Mississippi's only predominantly African American community college
- Several businesses demonstrate how a CDFI's (ECD) work has contributed to the local economy
- Several opportunities to contrast the need and potential that exists in the Delta

On the other hand, in Greenville/Washington County:

- ECD has no loans outstanding
- A major gaming presence dominates downtown (three casinos)
- The Mid-Delta Empowerment Zone has experienced significant problems

	Coahoma County, MS	Washington County, MS
1990 Population	31,665	67,935
1996 Population	31,652	65,881
Population Change 1990-1996	(0.04%)	(3.02%)
Population Change 1980-1990	(16.6%)	(6.5%)
% Minority	65.7%	58.78%
1990 Civilian Labor Force	11,457	27,536
1995 Civilian Labor Force	12,839	29,121
Labor Growth	12.1%	5.76%
1990 Unemployment Rate	13.8%	12.4%
1996 Unemployment Rate	9.9%	10.2%
1990 Median Household Income	\$16,938	\$22,282
% of unit non-metro family income	61.4%	80.8%
% people in poverty - 1990	45.5%	33.8%
% housing w/out water lines - 1990	8.0%	9.2%
% housing w/out public sewer - 1990	19.0%	15.4%
% housing w/out phone - 1990	14.9%	11.7%

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**E C D M E M O R A N D U M**

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**DATE:** June 9, 1999  
**TO:** Bill Luecht  
Maurice Jones  
Bill Bynum  
**FROM:** Alan P. Branson  
**RE:** Distressed County Information  
**CC:**

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For the companies we are discussing, one is in Lee County, AR (Terry Manufacturing/Marianna Apparel) and two are in Coahoma County, MS (Delta Laundry and Waterfield, Inc.). I gathered the following information from our most recent CDFI application along with some updated data used in our most recent planning exercise. If there is additional data you need, please let me know.

	Lee County, AR	Coahoma County, MS
1990 Population	13,053	31,665
1996 Population	12,675	31,652
Population Change 1990-1996	(2.9%)	(0.04%)
Population Change 1980-1990	(19%)	(16.6%)
% Minority	59.1%	65.7%
1990 Civilian Labor Force	4,529	11,457
1995 Civilian Labor Force	4,814	12,839
Labor Growth	6.29%	12.1%
1990 Unemployment Rate	14.9%	13.8%
1996 Unemployment Rate	11.9%	9.9%
1990 Median Household Income	\$14,213	\$16,938
% of unit non-metro family income	51.5%	61.4%
% people in poverty - 1990	47.3%	45.5%
% housing w/out water lines - 1990	11.4%	8.0%
% housing w/out public sewer - 1990	42.5%	19.0%
% housing w/out phone - 1990	17.2%	14.9%

**DRAFT****Kentucky Highlands Investment Corporation****1996 CDFI Program Core Component**

Location: London, Kentucky  
Award: \$450,000 grant  
Type: community development venture capital fund  
Service Area: nine rural county area of Appalachian southeast Kentucky  
Products: equity investments in manufacturing corporations  
Contact: Mr. L. Ray Moncrief - (606) 864-5175

Kentucky Highlands has changed the lives of thousands of Appalachian residents in its highly distressed nine-county market area over the past 28 years. The nine rural counties have a staggering poverty rate ranging from 30% to 45%. As a venture capital fund, Kentucky Highlands provides critical capital and hands on support needed to create jobs and businesses in its severely depressed rural community. The institution's \$40 million in risk capital investments have generated 5,200 jobs -- accounting for 40% of all manufacturing jobs in the region and 6% of the area's total labor force. The CDFI Fund's \$450,000 grant to Kentucky Highlands will provide flexible resources to enhance its investment capacity.

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## Kentucky Highlands Investment Corporation

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Kentucky Highlands Investment Corporation (KHIC) is an economic development firm founded in 1968 with the specific purpose to take positions in start-up and expanding non-retail business enterprises located (or to be located) in a nine-county area of southeast Kentucky. KHIC's capitalistic approach to economic development has made it one of the most successful venture development firms in the country. In addition, KHIC provides non-venture capital financing to expanding businesses located throughout the region.

KHIC has backed high precision manufacturers, as well as relatively low-technology, labor-extensive companies. This willingness to provide start-up capital to lower technology as well as higher technology firms makes KHIC virtually unique among investors. Moreover, KHIC is willing to look beyond established track record, collateral and personal guarantees. More concerned with quality than type, KHIC will seriously consider any investment opportunity that has the potential for developing into a profitable business.

KHIC is structured to address several separate but related investment objectives. Actually, it is four companies under one roof,

**Kentucky Highlands Investment Corporation**, the parent company, maintains a multi-million capital pool and has numerous investments in its portfolio ranging from \$100,000 to over a million dollars. The company is also the administrator of the **Kentucky Highlands Empowerment Zone (KHEZ)**. Businesses located within the Empowerment Zone area of Jackson, Clinton and Wayne Counties may take advantage of advantageous financing and substantial federal tax credits. In addition, Kentucky Highlands Investment Corporation is an approved guaranteed lender under the U.S. Department of Agriculture **Business & Industrial Loan Guarantee Program**.

**Mountain Ventures, Inc.**, a Small Business Investment Company (SBIC) with several million dollars of available investment capital for venture capital situations.

**Appalachian Capital Corporation**, a subsidiary through which below market rate financing is available to viable businesses located in, or which will locate in Southeast Kentucky. The maximum loan is 75% of the project, not to exceed \$150,000. The loan proceeds may be used to finance the purchase and/or construction of fixed assets (land, buildings, and equipment) or may be used for working capital.

**Kentucky Highlands Real Estate Corporation**, which maintains an inventory of available industrial sites and buildings. This corporation also develops industrial buildings and sites, and sells or leases them to related investees and others.

The Kentucky Highlands Investment Corporation has extensive contacts in conventional lending circles, which enables KHIC to syndicate its investments with other sources of capital. Start-up financing packages of over \$5,000,000 are well within its capability and past experience.

For additional information, please contact Kentucky Highlands Investment Corporation, P.O. Box 1738, London, Kentucky 40743-1738. Phone : (606) 864-5175. Fax: (606) 864-5194.

## **Kentucky Highlands Investment Corporation**

Kentucky Highlands Investment Corporation (KHIC) is a community development corporation founded in 1968 for the specific purpose of providing venture capital investment to startup and expanding businesses located (or to be located) in Southern and Eastern Kentucky. KHIC's professional business approach to economic development has made it one of the most successful community economic development corporations in the country. KHIC's strength is its capacity to provide management assistance to those companies in which it invests. Employment in its portfolio companies exceeds 6,500.

KHIC's strategy is to develop an environment where entrepreneurship will thrive. It does so by providing both financial support and management assistance to new and existing businesses. It also seeks to introduce and develop entrepreneurial talent both within the region and from areas outside the region.

Kentucky Highlands is structured to address several separate but related investment objectives.

Kentucky Highlands Investment Corporation maintains an investment portfolio ranging from microloans to lines of credit in excess of \$2.0 million.

KHIC has been designated as a *Community Development Financial Institution* by the United States Department of Treasury. It has been designated by the United States Department of Agriculture as a lender in the *Business and Industry Loan Guaranty* program. It is a core community development corporation for Rural Local Initiative Support Corporation (Rural LISC).

KHIC is an intermediary lender for two loan programs for the federal government, the *United States Department of Agriculture Intermediary Relending Program* and the *Small Business Administration Microloan Program*.

KHIC has received funding from the U. S. Department of Housing and Urban Development to offer working capital lines of credit to new and expanding companies.

Kentucky Highlands Community Development Corporation (KHCDC) is a subsidiary of KHIC and it has been designated by the U. S. Department of Housing and Urban Development as a *Tax Credit Community Development Corporation*. KHCDC received a \$2.0 million investment from Bankers Trust Corporation through the Appalachian- Wall Street Limited Partnership.

Mountain Ventures, Inc., a subsidiary of KHIC, is a *Small Business Investment Corporation (SBIC)* licensed by the Small Business Administration and makes venture capital investments in Appalachian Kentucky.

As shown above, Kentucky Highlands Investment Corporation uses many of the programs described in the President's New Markets Initiatives. It operates in a distressed rural area of Appalachian Kentucky. It is a Community Development Financial Institution (CDFI). It is involved in Microenterprise lending and technical assistance. It operates a Small Business Investment Corporation. It is a Tax Credit Community Development Corporation.

In 1994, Kentucky Highlands was chosen as lead entity for a federal *Rural Empowerment Zone*.

## Kentucky Highlands Empowerment Zone Statistics

<b>Population</b>	<b>1990</b>	<b>1998</b>	<b>% Change</b>
Clinton County	9,135	9,346	2.3%
Jackson County	11,955	12,908	8.0%
Wayne County	17,468	19,104	9.4%

  

<b>Population by Age (1990)</b>	<b>0-4</b>	<b>5-17</b>	<b>18-20</b>	<b>21-44</b>	<b>45-64</b>	<b>65+</b>	<b>Median</b>
Clinton County	549	1,720	381	3,124	1,965	1,396	35.5
Jackson County	834	2,586	590	4,160	2,207	1,578	32.5
Wayne County	1,144	3,573	786	5,997	3,529	2,439	34.0

  

<b>Population by Race (1990)</b>	<b>White</b>	<b>Non-White</b>
Clinton County	9,118	17
Jackson County	11,935	20
Wayne County	17,098	370

  

<b>Poverty Rates</b>	<b>1989</b>	<b>1993</b>	<b>1995</b>
Clinton County	38.1%	35.2%	33.9%
Jackson County	38.2%	36.1%	34.8%
Wayne County	37.3%	34.3%	32.0%
Kentucky	19.0%	19.7%	17.9%

  

<b>Total Employment</b>	<b>1990</b>	<b>1994</b>	<b>1998</b>
Clinton County	3,642	4,121	4,210
Jackson County	3,899	4,062	6,557
Wayne County	6,802	7,343	6,934

## DRAFT

### Proposed Kentucky Highlands Itinerary

- A) Company Tour(s):
- Option #1      Anneville, KY – JCR Industries, Inc.  
A very successful self-supporting 24,000 square foot job training facility operated by local, private employers in Jackson County with 103 employees. Provides employment training for the disabled, individuals transitioning from welfare to work, youth and individuals re-entering the work force after substance abuse programs or incarceration.
- Option #2      McKee, KY – Specialty Plastics Company  
A successful made-to-order business which just completed construction of a second plant next door to its original facility. Specialty Plastics is a Defense Contractor that produce items such as tents, backpacks, etc. and has X employees.
- B) Neighborhood Tour:      McKee, KY  
The county seat of Jackson County, this small rural town has a mix of distressed and renovated properties including homes, store-fronts, etc. located around a central "Court Square."
- C) Announcements:
- Ford Foundation - \$2.25 million
  - MacArthur Foundation Foundation - \$2 million
- Pending
- a \$1.2 million application under the CDFI Program.
  - a \$500,000 application under HHS's Office of Community Service
  - a \$199,000 application under USDA's Rural Business Enterprise Grant program
  - applied for SBA's New Market Lending Corporation license
- D) Round Table:                  Jackson County Court House, McKee, KY  
Convene a discussion with representatives of local (corporate and financial institutions) regional and national representatives (see list of possible attendees below).
- Regional/National CEOs
- Ashland Oil (started an SBIC in northern KY)
- EcoLab (bought out a local company)
- IBM (bought out a local company)
- Local Corporate CEOs
- John Sturgill – Fantasy Custom Yachts. A very successful houseboat manufacturer located in the Empowerment Zone. He credits KHIC with assisting him in a successful startup.

## DRAFT

Bill Deaton – Image Entry, Inc. This company converts data to different mediums; e.g. credit card receipts from paper to tape or disk. The company also is a government contractor. Very successful.

Jerry Weaver – Mid South Industries, Inc. It will be Weaver's company, Mid South Electrics that we potentially will be touring. Manufactures various "printed circuit boards", injection molded parts and electro-mechanical parts for Fortune 500 customers.

J.C. Egnew – Outdoor Venture Corporation. A premier defense contractor manufacturing large tents for the military. This is one of KHIC's earliest equity investments and has played a key role in its success over the past 26 years.

Lee Todd – DataBeam, Inc. A company that produces "white board" conferencing software that was sold to IBM in June 1998. This was an SBIC equity investment and Mountain Ventures has played a key role in its success.

Ray McGregor – Cumberland Gap Provision, Inc. A manufacturer of high quality smoked meats. KHIC invested equity in this company and "packaged" the financing for an ESOP when the company was in danger of being sold and the results would be the loss of 175 high-paying jobs. The company is thriving today and employs over 200 people.

Steve Meng – Casecraft Corporation. KHIC has an equity investment in this company and provides various types of debt tot his company. This is a classic local entrepreneur who has become successful in a very difficult geography of Eastern Kentucky.

Bob Kohlhep – Cintas Corporation. This is an example of KHIC building a manufacturing facility for a company as a method of inducing the company to come to Appalachia. KHIC still owns this manufacturing plant and leases to Cintas. Cintas has grown into a company selling over \$1 Billion annually.

Judy Schmit – This company is a high-quality injection molding company and is a start up in the Empowerment Zone.

### Regional Bankers

National City

Fifth Third Bank

### Local Bankers

Keith Smith – Citizens Bank of Broadhead. A small rural bank whose customers are local Appalachian families.

Harvey Hensley – National City Bank of Southeast Kentucky. A subsidiary of National City Bank. Hensley is a product of a smaller bank that was purchased

**DRAFT**

by National City Bank. He has a good perspective of small banks being acquired by large international banks.

Jerry Cary – Union National Bank. A very successful 65 year old, locally owned bank that provides unique financing to local businesses. Has participated with KHIC and Mountain Ventures with tough financings.

Mack Butler – Monticello Banking Company. Another locally owned bank that is a strategic partner of both KHIC and Mountain Ventures, Inc.

Aubrey Bailey – First State Bank of Middlesboro. Serves businesses in Southeastern Kentucky and is innovative in the financings that it provides. This bank is also locally owned.

**Foundations**

Ford Foundation

MacArthur Foundation

**Other**

Kerwin Tesdell, President, Community Development Venture Capital Alliance

July 2, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING  
MARIA ECHAVESTE

SUBJECT: Overview of Your New Markets Tour

The purpose of this memorandum is to provide you an overview of your New Markets trip. We will submit more detailed background material for each of your six stops before the trip begins on Monday.

As you know, you will travel to the Kentucky Highlands on July 5<sup>th</sup>, the Mississippi Delta and East St. Louis on July 6<sup>th</sup>, Pine Ridge Indian Reservation and South Phoenix on July 7<sup>th</sup>, and Los Angeles/Anaheim on July 8<sup>th</sup>. Members of Congress will accompany you on each portion of the trip. In addition, members of your Cabinet, including Secretaries Glickman, Cuomo, Slater, Herman, and Daley and Administrator Alvarez, will join you on various legs as well.

This memorandum is divided into seven sections. The first section provides a short overview of the message of the trip. The next six sections provide an overview of each stop on the tour – including the theme for each location, a tentative list of the CEOs/community leaders who will be in attendance, and the highlights of the corporate deliverables.

**I. OVERVIEW OF THE MESSAGE**

The core of your message, as you know, is that there are still too many communities in America that have not fully benefited from the economic expansion and that we are mobilizing a large and broad array of private-sector investments in our untapped domestic markets. The three overall message points for the tour are:

- **Widening the Circle of Prosperity.**
  - **Today, America is enjoying a time of remarkable economic expansion.** Because this expansion has been so strong and so sustained, the benefits of economic growth have flowed to millions of people once cut off from the economic mainstream. But there are too many communities in America where unemployment is too high and opportunity is too scarce. Now is the time to build on six years of progress and greatly increase the flow of commerce into these communities. That is why you are leading a bipartisan delegation of corporate, political, and non-profit leaders through communities in great need of outside capital and support.

- **Investing in Communities the Right Way – The Third Way.**
  - **We are meeting the new markets challenge with the momentum of the last six years and the lessons of the past.** In the 1960s we learned that the government did not have all the answers. In the 1980s, we saw that the market didn't either; our economy moved forward, but more and more Americans were left behind. On our New Markets Tour, you will demonstrate that we approach this challenge in a new way – a third way – in which government and business work together to inject new capital, new investment, and new opportunity into hard-pressed communities. This is the approach that has worked – through CDFIs, Empowerment Zones and Enterprise Communities, and a stronger CRA.
- **Mobilizing the Private Sector.**
  - **On this tour, you will mobilize a large and broad array of private-sector investments in our untapped domestic markets.** You will highlight for the nation that these investments represent wise business decisions – especially at this time of rapid economic growth, when firms are eagerly searching for new workers and new markets. And you will challenge every business to take advantage of these new markets and invest in America's future.

## **II. FIRST STOP - KENTUCKY (Afternoon of Day One, July 5)**

The Kentucky stop is your kickoff event, with much of the focus of the day being on the distressed economic conditions in Appalachia and the benefits of investing in Appalachia and rural new markets.

*Overview of Events.* You will first stop on the outskirts of Annville to highlight the distress in Appalachia by visiting the home of a local family. You will then tour Mid-South Electrics, a company located in an industrial park in Annville. The success of Mid-South Electrics is an example of how CDFIs (in this case Kentucky Highlands Investment Company) can make a difference. The company was financed through investment by KHIC and employs 900 people from throughout the surrounding areas. You will then travel to Hazard -- the heart of Appalachia -- to deliver a speech to a large crowd of 3,000 to 5,000 people. You should know that there will be little opportunity for remarks from CEOs at this stop. However, we hope to have some interaction between the CEOs and the local business owners and workers highlighted in this distressed area.

*CEOs/Community Leaders.* For this stop, some of the CEOs/community leaders who will join you include Dick Huber (Aetna), Duane Ackerman (BellSouth), Alvin Stolen (Bank One Lexington, KY), Jesse White (Appalachian Regional Commission), Al From (DLC), Sarah Gould (Ms. Foundation), David Wilhelm, and Jesse Jackson.

*Highlights of Corporate/Private Sector Announcements.* In addition to the numerous private sector announcements, there are public sector announcements that will be made at each site. Here are some examples of the commitments that CEOs or Senior Executives will make about investments in Appalachia communities:

- **\$6.6 Million From Bank One.** Bank One, represented by Bank One Lexington, KY President Alvin Stolen, anticipates investing roughly \$1 million in the Appalachian Ohio Development Fund, which will provide equity financing and technical assistance to small businesses in Southern Ohio. They will also provide \$5 million for the DCC Growth Fund, a large national Small Business Investment Company that will target investments to firms located in Low and Moderate Income communities. And they will provide \$600,000 to the Enterprise Development Corporation (EDC), one of the oldest and most productive microenterprise development organizations in the country.
- **Nearly \$3 Million From Bankers Trust.** Bankers Trust has committed to make an investment of \$2.9 million, over time, in the Kentucky Highlands Investment Corporation (KHIC).

### **III. SECOND STOP - CLARKSDALE, MISSISSIPPI (Morning of Day Two, July 6)**

The purpose of this stop is to highlight investment in the Mississippi Delta and to show the benefits that can be derived from the types of programs that will be encouraged by the New Markets Initiative, such as CDFIs and BusinessLINC.

*Overview of Events.* First, you will walk through downtown Clarksdale and see the retail disinvestment and the opportunities for new business. We are planning a roundtable at the site of Waterfields, Inc., a cabinet maker based in Clarksdale, that has received financing from the Enterprise Corporation of the Delta (ECD), a successful CDFI that serves the entire Delta region.

*CEOs/Community Leaders.* At this stop, you will be joined by a number of CEOs/community leaders. They include: Dick Huber (Aetna), Bob Cabe (Arkansas Blue Cross & Blue Shield), Wayne Leonard (Entergy), David Broszek (FDX), Craig Lynch (Greyhound), Cathy Bessant (Bank of America), Jesse Jackson, Al From, and Bill Bynum (EDC). Several of these companies are investors in ECD, such as Arkansas Blue Cross and Bank of America.

*Highlights of Corporate/Private Sector Announcements.* You should note that you will be announcing on Tuesday millions of dollars of new investments in CDFIs across the country. Here are some examples of the commitments that CEOs or Senior Executives will make about investments in the Mississippi Delta region:

- **More than \$14 Million in New Investments for the Enterprise Corporation of the Delta – the Regional CDFI.** You will be able to announce more than \$14 million in new investment for the Enterprise Corporation of the Delta. The corporate investors include two local banks – Bank of Anguila and First National Bank of Blytheville – as well as Skytel and Blue Cross/Blue Shield of Arkansas and the Ford Foundation. Prior funding of ECD has come from Wal-Mart, Bank of America and 17 banks, some of which will join you in Clarksdale.
- **National CDFI Commitments.** In conjunction with our visit to the Delta, and our focus on the Enterprise Corporation of the Delta (the local CDFI), other investments in CDFIs being announced by Administration representatives on that day include:
  - Fleet Bank is making a \$10 million investment in Boston Community Loan Fund.
  - Bank of America is making a new \$100 million commitment to support CDFIs that are already providing capital to organizations in the inner city and other underserved markets.
  - Allstate Insurance Company is making a \$5 million investment in the Illinois Facilities Fund – a CDFI – for child-care initiatives in the Chicago.
- **NextDay: Building on NetDay to Bridge the Digital Divide.** Building on the successful NetDay initiative, the same organizer is creating the NextDay Program to help EZ communities bridge the digital divide and to trigger and nurture the implementation of digital technologies in all schools. The program is a multi-year initiative that brings the connections, hardware, and software required to develop school-based learning collaboratives in the 16 round one EZ Communities, including one in Rosedale, MS.

#### **IV. THIRD STOP - EAST ST. LOUIS (Afternoon of Day Two, July 6)**

The focus in East St. Louis will be on retail investment and investment in inner cities. We will also use this event to highlight your Empowerment Zone/Enterprise Community initiative.

*Overview of Events.* You will make remarks at the recently opened Walgreens located in the largest shopping center to be built in East St. Louis since the 1950s. You will be joined by retail investors as well as companies helping to revitalize downtown areas throughout the country.

*CEO/Community Leaders.* The CEOs/community leaders who will join you for this stop include: Cathy Bessant (Bank of America), Mel Farr (automobile dealer; former Detroit Lion running back), David Bernauer (Walgreens), Dick Huber (Aetna), Joe Stroud (Jovan Broadcasting), Al From, Jesse Jackson, and Jackee Joyner Kersee.

*Highlights of Corporate/Private Sector Announcements.* Here are some examples of the commitments that CEOs or Senior Executives will make about investments in East St. Louis:

- **New Walgreens.** The company is locating an anchor store in the largest shopping center to be built in the East St. Louis area since the 1950s.
- **\$500 Million of Equity From Bank of America.** Bank of America will make a significant commitment of \$500 million of equity to support the development of community development opportunities in the New Markets of inner-city America. This new venture fund, will be known as the Bank of America Catalyst Fund and will build on the bank's track record, vision and commitment to community development across the country.
- **Mel Farr Announcement.** We may be ready with a significant inner-city announcement that Rev. Jackson has been working on with Mel Farr Automotive Group, which is based in Detroit.

#### **V. FOURTH STOP - PINE RIDGE (Morning of Day Three, July 7)**

The primary focus of the Pine Ridge stop will be on infrastructure investments in Pine Ridge specifically and in Native American communities generally. As you know, the challenges facing our Native American communities are large. You will focus on how housing and public-sector investments are building blocks and part of the foundation for successful economic development in distressed communities.

*Overview of Events.* First, you will visit with a very low income family in a distressed of the reservation. You will then travel to an construction site where new homes are being built and visit with a woman just moving into a new home. Finally, you will proceed to large field adjacent to the local high school, where you will participate in a signing ceremony with Secretary Glickman to make official the Executive Board for the first Empowerment Zone on an Indian reservation. Coinciding with your visit is HUD's Conference on Economic Development and Housing in Tribal areas with representatives and tribal leaders from nearly 500 tribes from across the country.

*CEO/Community Leaders.* Some of the CEOs/community leaders who will join you for this stop include: Franklin Raines (Fannie Mae), Bart Harvey (Enterprise Foundation), Jesse Jackson, John Utendahl (UCP), and Donald Lange (Mortgage Bankers Association).

*Highlights of Corporate/Private Sector Announcements.* Here are some examples of the commitments that CEOs or Senior Executives will make about investments in Pine Ridge:

- **Fannie Mae Will Invest Millions to Support Housing in Pine Ridge.** Fannie Mae will commit \$1 million for a Tri-Party agreement among Fannie Mae, the Ogalala Sioux and Norwest Mortgage that will enable tribal members to purchase homes on trust lands.

Fannie Mae will also commit to invest up to \$3 million over the next 5 years through its American Communities 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. Finally, 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.

- **PMI Mortgage Insurance Company.** PMI Mortgage Insurance Company will increase its commitment to provide mortgage insurance to Native Americans to \$55 million.
- **\$1.4 Million in Loans and Mortgage Counseling from Norwest.** Norwest in partnership with Fannie Mae is providing \$1.4 million in loans and providing mortgage counseling to families.
- **The Native American Homeownership Initiative.** The Mortgage Bankers Association will team with Countrywide, Norwest and other mortgage lenders to more than double the number of home mortgages in Indian Country for each of the next three years. This Initiative will mean 1,000 additional Native American homeowners.
- **HUD's Homeownership South Dakota Initiative.** This is a five-year, \$650 million investment plan to finance affordable housing for 7,500 families throughout the state. The investment plan is a comprehensive strategy to assist the state in addressing its housing needs by expanding the capacity for single-family, multifamily, and new construction lending.

## **VI. FIFTH STOP - PHOENIX, AZ (Afternoon of Day Three, July 7)**

This stop will bring attention to innovative programs that focus on attracting human capital or equity capital to South Phoenix and other distressed Hispanic communities. In addition, you will focus on the creation of the first Low and Moderate Income (LMI) SBIC in the country, to be known as Magnet Capital, and created by a successful CDFI and SBIC, Arizona Multibank Community Development Corporation.

*Overview of Events.* You will start this stop by touring the Chicanos Por la Causa Small Business Incubator located in the South Phoenix Enterprise Community. This incubator is operated by a community-based economic development organization that provides services to local small business. You will then proceed to La Canasta Mexican Food, Inc., a local factory that makes tortillas and where we will host a roundtable with local businesses and investors. The roundtable would focus on investment by Arizona Multibank and others in Hispanic businesses and entrepreneurs. You then would tour another local business.

*CEO/Community Leaders.* The CEOs/community leaders who will join you for this stop include Gene Humphry (Enron Development), Steven Burd (Safeway), Bill Wellborn (Bank One Arizona), Jesse Jackson, Leo Guzman (Guzman & Company), and Andrew Gordon (Arizona MultiBank).

*Highlights of Corporate/Private Sector Announcements.* Here are some examples of the commitments that CEOs or Senior Executives will make about investments in South Phoenix:

- **Bank One and Wells Fargo Will Commit \$1.5 Million Each to LMI SBIC.** Both Wells Fargo and Bank One have previously invested in Arizona MultiBank and will be making \$1.5 million new investments each in the LMI SBIC.
- **Univision.** The Phoenix-based Univision television station (Henry Cisneros is the national President, as you know) will announce that they are planning to build a state-of-the-art production facility in the heart of South Phoenix. This multi-million project will contain fully-digital technology. Univision has committed to maintain its presence in South Phoenix' Hispanic community and hopes that this major investment will stimulate other private sector commitments to the area.

## **VII. SIXTH STOP - LOS ANGELES and ANAHEIM, CA (Morning of Day Four, July 8)**

The final stop of the New Markets tour will focus on human capital, youth, and the future. The purpose of this day is to emphasize your long-held belief that America does not have a person to waste and we will use young people as symbolism for hope in the future that the economic prosperity will reach everyone.

*Overview of Events.* Your first stop will be in Los Angeles at a Youth Opportunities event that the Department of Labor has helped to coordinate involving corporate CEOs and celebrities. There are also several success stories of young people who have been helped by the Youth Opportunities program, which we will be highlighting. You will then travel to Anaheim for a pre-existing event with Sandy Weill's organization -- the National Academy Foundation (NAF). There will be approximately 1,000-1,500 business leaders, teachers, school administrators, and teachers in attendance. These remarks will be your concluding remarks for the trip.

*CEO/Community Leaders.* You will be accompanied by Sandy Weill (Citigroup), John Morgridge (Cisco Systems), Steven Burd (Safeway), numerous other CEOs, and Jesse Jackson.

*Highlights of Corporate/Private Sector Announcements.* Here are some examples of the commitments that CEOs or Senior Executives will make about investments in Los Angeles and Anaheim:

- **Youth Opportunity Movement.** The Department of Labor has created the Youth Opportunity Movement (YOM) to use celebrities and businesses to help address the problem of high unemployment among out-of-school youth. As you know, the Department has a four-year, \$1 billion new initiative -- Youth Opportunity Areas -- to provide saturation funds to high poverty/unemployment areas to help out-of-school youth. The purpose of YOM will be to obtain private-sector commitments to hire young people. The Department has received a long list of commitments, including UPS to hire 2,000 out-of-school youth by the end of the year 2000; Toyota to invest \$1 million over the next three years; Shell to double the size and scope of its Watts/South Central-based training academy with an additional \$500,000 investment; and the LA Dodgers to host a jobs fair to connect youth with employers and launch a mentoring relationship with its organization.
- **Corporate Commitments to Mentor Young People.** In Anaheim, Sandy Weill will announce that the NAF has corporate commitments of approximately \$8 million to plan and open technology academies -- schools within schools -- in high schools around the country. AT&T has pledged \$1.25 million in grants for community technology centers, with the majority going to Los Angeles. America OnLine has committed to create a "Digital Divide Grant Program," which will provide grants of \$25-\$100,000 for community technology centers to ensure that more people have access to the Internet. The Department of Commerce will also release a report on the scope of the digital divide in America.

**PRESIDENT CLINTON'S NEW MARKETS TOUR  
TAPPING AMERICA'S POTENTIAL THROUGH INVESTMENTS  
IN OUR NATION'S NEW MARKETS**

**July 5-8, 1999**

***CORPORATE AND OTHER PRIVATE SECTOR ANOUNCEMENTS IN APPALACHIA***

**Bank One**

- \$1 million for **The Appalachian Ohio Development Bank One** which will provide equity financing and technical assistance to small businesses in Southern Ohio. Others involved in the formation of this new venture capital fund include the **Appalachia Regional Commission; Kentucky Highlands Investment Corporation** and ACE-Net.
- \$5 million for the **DCC Growth Fund**, a large national Small Business Investment Company that will target investments to firms located in Low and Moderate Income communities.
- \$600,000 to the **Enterprise Development Corporation (EDC)**, one of the oldest and most productive microenterprise development organizations in the country.
- Bank One is the lead investor (\$3 million) in **Capital Across America**, the first SBIC in the nation to focus on women-owned businesses.

**First Union National Bank**

- First Union pledges to provide at least \$5 million for small business equity, micro-loans and economic development programs in 1999 and 2000 in the Appalachia region. This commitment will continue First Union's efforts to promote job training and educational programs, affordable housing and small business development.

**Sykes Enterprises**

- Sykes Enterprises Incorporated, a leader in providing vertically integrated, technology-based solutions worldwide, has announced that it will build two new technical support centers in Eastern Kentucky. The new 42,500 square foot state-of-the art call centers are expected to be fully operational in the fourth quarter of 1999. Each center will bring hundreds of jobs to Eastern Kentucky.

**Bell South**

- Bell South will announce a partnership with the Kentucky Community and Technical College System for an initiative that supports the "Youth Opportunity Movement." The program includes a commitment to ensure the placement of 100 successful participants into service technician and customer contact representative positions within Bell South, or within other companies in the state.
- Bell South will also commit to develop a curriculum for training youth in the target age groups in the Appalachian area of KY. The curriculum will focus on both cognitive skill development and life skills training.

### **Deutsche Bank/BankersTrust**

- Deutsche Bank has committed to make an investment of \$2.9 million to the Kentucky Highlands Investment Corporation. The investment, in the form of a loan and a grant, flows through the Appalachian-Wall Street Partnership. This partnership was formed for the sole purpose of allowing the investment to capture economic development tax credits specifically crafted to support CDCs.

### **Ms. Foundation**

- The Ms. Foundation will launch the third round of their Collaborative Fund for Women's Economic Development through which grantmakers will capitalize funds of at least \$4 million. Funds will go to groups such as ACEnet (Appalachia Center for Economic Networks). ACEnet, a community-based economic development organization located in rural Ohio, is a leader in the non-profit sector for creating entrepreneurial opportunities. Its goal is for people with low incomes to move out of poverty permanently through employment or business ownership. In the last year, ACEnet has created over 100 new jobs and trained more than 50 welfare recipients for jobs in the specialty food sector.

### **Appalachian Regional Commission**

- ARC is committing \$581,000 to seed two interrelated Strategic Capital Funds, which together will serve as a model to demonstrate the use of strategic equity for creative deal structuring for developing businesses in Appalachian Kentucky and West Virginia.
- ARC will give a grant of \$325,000 to Technology 2020 in Oak Ridge, Tennessee to help launch the creation of two new capital funds serving Appalachian Tennessee, including particularly the Knoxville Empowerment Zone. Technology 2020 is a public-private partnership designed to utilize East Tennessee's unique information technology resources to incubate new businesses, create private sector jobs, and improve prospects for economic growth in Appalachian Tennessee.
- ARC will award \$151,000 to three Appalachian organizations that will promote industry "cluster" opportunities on a regional basis. Focused primarily on three entrepreneurs, this program seeks to strengthen strategically important industrial sectors, or clusters, that can add to the wealth of Appalachia's distressed counties.

## ***PUBLIC SECTOR INVESTMENT ANNOUNCEMENTS IN KENTUCKY***

### **United States Department of Agriculture – Water 2000**

- USDA is planning over 100 events on July 12<sup>th</sup> to bring attention to the Administrations Water 2000 initiative which will bring water to as many rural Americans as possible by the year 200. USDA will fund over \$200 million for more than 60 water projects in 40 states.
- In Kentucky there will be more than \$7 million in investments in four projects.

## **Department of Housing and Urban Development**

- **Kentucky Highlands Investment Corporation** will receive \$461,854 from HUD to establish a demonstration program to exhibit how Community Development Corporations (CDC) can participate in the creation of high-skilled, high paying jobs.
- HUD will coordinate the first-ever interagency Appalachia Summit to encourage new public sector and private sector investment in Appalachia. The Summit will be held in August in Ashland KY and Huntington WV.

## ***CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN MISSISSIPPI***

### **Investments in the Enterprise Corporation of the Delta**

- New investments in the Enterprise Corporation of the Delta include nearly \$15 million in private support that the President will announce. These funds support ECD's \$200 million
- Corporate investors include two local banks – **Bank of Anguila** and **First National Bank of Blytheville** – as well as **Blue Cross/Blue Shield of Arkansas, Ford Foundation and the Rockefeller Foundation**. Prior funding of ECD has come from **Bank of America, Wal-Mart** and 17 banks, some of which will join the President in Clarksdale.
- **Bank of America** provided a \$400,000 low interest (3%) loan to ECD to expand financing to small businesses in Craighead, Jefferson, and Independence Arkansas. The bank also provided a \$100,000 equity investment in ECDI, also to support the same three counties.
- **Bank One** recently closed a \$600,000 credit facility to Enterprise Development Corporation (EDC).
- Trustmark National Bank in conjunction with the Arkansas, Louisiana and Mississippi state finance agencies have reached an agreement to underwrite and finance \$90 million in municipal bonds over the next five years.
- **Entergy** and **Wal-Mart** have committed to work with ECD to help Delta businesses participate in their vendor development programs.

### **FedEx**

- FEDEX will announce its commitment to assist with job access and job training for the transportation and distribution industries in Memphis.

### **NextDay**

- NextDay is an outgrowth of NetDay – a volunteer effort to connect classrooms to the Internet that was launched by President Clinton and Vice President Gore in March 1996.
- NextDay has established the NextDay Program to help Empowerment Zone communities bridge the digital divide and to trigger and nurture the implementation of digital technologies in all schools. The program is a multi-year initiative that brings the connections, hardware, and software and peopleware required to develop school-based learning collaboratives, including one in Rosedale, MS. Mississippi Delta West Bolivar Schools in Rosedale are using \$88,000 in E-Rate funds to connect all their classrooms to the Internet.

- Other new commitments from NextDay that will be announced today include: \$2.4 million from Cisco Systems for routing and switching technology; networking academies; and teacher training; \$1.4 million from 3M for fiber to the desktop programs; media conversion technology; and technical support.

### **National CDFI Announcements**

- In conjunction with our visit to the Delta, and our focus on Enterprise Corporation of the Delta, the local CDFI, there are other investment announcements being made today throughout the country by representatives from the Administration about investments in CDFIs. These include:
  - Fleet Bank** - \$10 million investment in Boston Community Loan Fund.
  - Bank of America** has a CDFI initiative, which leverages capital through community banks, credit unions, development corporations and micro-enterprise loan funds. At today's roundtable event, **Bank of America** will make a major announcement about additional funding for their national CDFI initiative.
  - Allstate Insurance Company** - \$5 million investment in the Illinois Facilities Fund for child care initiatives in the Chicago.
- Treasury officials will highlight a total of more than \$60 million in new CDFI investments. In addition to the CDFI's mentioned above, new investments will be made in Delaware Valley Community Reinvestment Fund, Applebank, Community Bank of the Bay, Women's Self-Employment Project, Micro Industry Credit Rural Organization and the Institute for Social and Economic Development, and Detroit Entrepreneurship Institute.

### **SEEDCO**

- SEEDCO has partnered with the Jackson State University to create a community development program linking business development, homeownership opportunities and social services through several innovative projects. The partnership has led to the establishment of a Commercial Revolving Loan Fund, capitalized at \$500,000 to provide financing to small, African American-owned neighborhood businesses.

### ***PUBLIC SECTOR ANNOUNCEMENTS IN MISSISSIPPI***

#### **United States Department of Agriculture – Water 2000**

- USDA is planning over 100 events on July 12<sup>th</sup> to bring attention to the Administrations Water 2000 initiative which will bring water to as many rural Americans as possible by the year 200. USDA will fund over \$200 million for more than 60 water projects in 40 states.
- In Mississippi there will be more than \$10 million in investments in four projects.

#### **Housing and Urban Development**

- HUD has awarded \$1.4 million in CDB funds to support the creation of an 800,000 square foot Bill's Dollar General Store distribution center in Indianola, MS. The company has 3,000 stores in 24 states and will contribute \$25 million in private funds to the facility. This center will create 200 new full-time jobs – 51% of which will be low-moderate income individuals.

## ***CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN EAST ST. LOUIS***

### **Walgreens**

- The company is locating an anchor store in the largest shopping center to be built in area since 1950. Walgreens has made investments in other inner city areas

### **Bank of America**

- Bank of America will make a significant commitment of \$500 million of equity to support the development of community development opportunities in the New Markets of inner-city America.
- This new venture fund, will be known as the **Bank of America Catalyst Fund** and will build on the bank's track record, vision and commitment to community development across the country.
- Bank of America provided more than \$3 million in construction loans to create a new Walgreens in the heart of E. St. Louis.
- A \$500,000 construction loan to E. St. Louis' CDC Development Corporation will create 18 new affordable single-family homes in the South End neighborhood of E. St. Louis.

### **Aetna-Hartford**

- Huber has agreed to commit 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. Aetna is taking a leadership role in developing the new MetroHartford Investment fund through which Hartford-based corporations will raise \$50 to \$100 million dollars to support regional economic development projects.

### **Initiative for a Competitive Inner City|CAN NOT MAKE THIS ANNOUNCEMENT IF WE HAVE NOT RECEIVED CLEARANCE FOR ICI|**

- ICI announced the formation of Inner City Ventures, L.L.C. (ICV) a private equity fund which will make investments in businesses that capitalize on the competitive advantages of America's inner cities.
- ICV has a current target of \$100 million to capitalize ICV. To date \$10 million has been raised by the founders. ICV will create jobs, income and economic opportunities by investing in growing businesses located in and hiring from inner cities. By earning good returns, ICV will demonstrate that inner cities are good places to invest.

### **Triple M Financing**

- An Affiliate of the Mel Farr Automotive Group, the Triple M Financing company finances vehicles for urban consumers in underserved markets . Until now, Triple M could only fund these loans with its own capital.
- Today Triple M is announcing that it will securitize its car loans and sell them to major investors including Bank of America, TIAA-Cref, Goldman Sachs, Bank One and Ford Motor Credit Company.

- This increased access to capital will allow the Mel Farr Automotive Group to expand its dealerships and increase employment in these markets.

**Sallie Mae [DON'T WANT TO MAKE THIS ANNOUNCEMENT BUT SENIOR EXECUTIVES FROM SALLIE MAE MAY JOIN US AT EVENT]**

- Sallie Mae will establish a college information center at a local library in East St. Louis. The center will have a full-time staff person to counsel prospective college students on their options and voluminous resources. It is modeled on the DC College Information Center and the Boston Higher Education Center. The initial cost to start the center will come from a \$50,000 grant from the Sallie Mae Trust (their charitable foundation).

***PUBLIC SECTOR ANNOUNCEMENTS IN EAST ST. LOUIS***

**Department of Housing and Urban Development**

- The HUD CDBG program has provided funds to lay the infrastructure and build roads surrounding the **Jackee Joyner Kersee Center**. The Jackee Joyner Kersee Center is a major new community center that will offer educational, social, recreational, and health services. Several companies have helped to finance development of the center, including **May Department Stores** and **Bank of America**. East St. Louis receives about \$2.4 million annually in Community Development Block Grant.
- The signing of the St. Louis/East St. Louis Empowerment Zone Agreement will be signed today. The agreement formally establishes the new Empowerment Zone and triggers the initial \$3 million in federal funds needed for the cities to implement their strategic Plan.

***CORPORATE/PRIVATE SECTOR ANNOUNCEMENTS IN PINE RIDGE***

**Fannie Mae**

- \$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.
- Fannie Mae will commit to invest up to \$3 million over the next 5 years through its American Communities Fund, which is an equity investment vehicle.
- 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.

**Norwest Mortgage**

- Norwest in partnership with Fannie Mae is providing \$1.4 million in loans and providing mortgage counseling to families.

### **Citibank**

- Citibank South Dakota announced a \$150,000 Citigroup Foundation grant to fund installation of Classroom, Inc. career simulation software in public schools throughout the state. Under the program, Classroom, Inc. software will be installed in 125 schools over the next 12-24 months. More than 200 teachers will also receive related computer training.
- With Classroom, Inc., students use custom-designed computer software to simulate “real-life” workplace experiences in a number of categories, including banking and economics, the environment, and health care.

### **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 working with HUD and **PriceWaterhouseCoopers** to create the non profit Oglala Sioux Tribe Partnership for Homeownership.

### **Gateway**

- Gateway has agreed to work with the Oglala Lakota Community College to develop a curriculum and donate materials to teach Indian students data processing and computer programming. They have committed \$50,000 to the program.

### **Microsoft**

- Microsoft has agreed to provide over \$300,000 in software and to work with the Oglala Lakota college and the Gateway program to deliver training to five reservations.

### **The Native American Homeownership Initiative**

- The **Mortgage Bankers Association** will team with **Countrywide, Norwest, Banc One, FirstStar, M&T, National Bank of Alaska, Washington Mutual, and Bank of America** and other private mortgage lenders mortgage lenders to more than double the number of government insured or guaranteed home mortgages in Indian Country for each of the next three years. This Initiative will mean 1,000 additional Native American homeowners.

### **Bank One**

- **BancOne Capital Markets** and **George K. Baum & Company** have committed to underwrite \$300 million in bonds per year for the next five years to raise funds to be lent to tribes, tribal housing authorities and individual Native American homebuyers.
- This new initiative will also result in lower interest rates on mortgages in Indian Country.

### **Mortgage Insurance Companies of America's Five Year Alliance with Tribes**

- Members of the Mortgage Insurance Companies of America (MIC) will work to meet the homeownership needs of Native Americans. In all, commitments include insuring a total of \$37 million of home mortgages.
- Commitments under this initiative include:

**Republic Mortgage Insurance Company** will launch the Native American “Financial Independence” pilot project, which will begin by giving 2,000 Pine Ridge students each year the financial knowledge and tools they need to achieve their financial independence.

**The PMI Mortgage Insurance Company** recently announced that it has expanded its Native American mortgage insurance initiative nationwide and increased the amount of the commitment by \$20 million. PMI is insuring home mortgage for members of four Indian tribes and is negotiating with others. Under the initiative, PLMI agrees to insure loans that require as little as 1% downpayment from the homebuyer with flexible underwriting guidelines and risk shared between the Indian tribes and PMI. Over 76 loans have already been made and over 100 loans are in process.

**GE Capital** will start a pilot program to insure \$2 million in mortgage loans in Indian Country.

**The Mortgage Guaranty Insurance Corporation** will create homeowner education courses for the tribal colleges and develop new home financing mechanisms tailored to the specific needs of Native Americans.

#### **New \$6 Million Manufacturing Facility**

- **Champion Enterprises** has partnered with the Gila River Indian Tribe to open a new \$6 million manufactured housing facility on the Gila River Reservation in Arizona.
- When it begins operations in late July, the plant will employ approximately 300 new workers. Champion is actively recruiting members of the Gila River Tribe to fill those jobs.
- The plant will revert to the Tribe once the lease term ends.

#### **State of the Art Construction Certification Program for Tribal Colleges**

- **Owens Corning** and all of the nation’s tribal colleges will work together to bring the Certified Energy Professionals program to Indian Country. This program will offer Native Americans the chance to become certified experts in energy efficiency in homes and the latest construction technologies.
- **Owens Corning** will train instructors from every tribal college on housing technology and energy efficiency and on the best methods for teaching their students in these areas.

#### **North American Steel Framing Alliance**

- The **North American Steel Framing Alliance**, **Amity** and **Worthington Industries** will help establish job training courses in steel framing at all of the tribal colleges.
- The companies will also facilitate business relationships between other private companies in the construction industry and Native American economic development organizations.

#### **Cellular Telephones Industry Association’s Wireless Foundation**

- CTIA’s Wireless Foundation has announced its commitment to expand its three national programs to help address some of the communications challenges facing our Native American communities.
- Look to see if letter has a dollar commitment
- Over the next year the wireless industry has agreed to donate 1,000 phones and airtime through Communities on Phone Patrol(wireless phones for neighborhood watch patrols),

ClassLink(wireless phones for elementary and secondary school classrooms) and CALL to PROTECT(wireless phones for organizations combating domestic abuse), to improve safety and education at Indian reservations across the country.

### **The United States Telecommunications Training Institute**

- At the request of the FCC, the United States Telecommunications Training Institute, a non-profit venture between leading U.S. communications corporations and the federal government will provide training and advice to Native Americans. The USTTI provides tuition-free training each year to communications officials throughout the developing world.

### ***PUBLIC SECTOR ANNOUNCEMENTS IN PINE RIDGE***

#### **Federal Communications Commission**

- Informed by recent field hearings, the FCC will be announcing in August several regulatory solutions and begin a rulemaking proceeding to improve universal service support for telecommunications in underserved areas, including Native American reservations.
- The FCC is also working to secure a spectrum sharing arrangement with the Dept. of Defense that will allow underserved and unserved reservations to benefit from wireless telecommunications services.

#### **United States Department of Agriculture**

- The Department of Agriculture has designated an Empowerment Zone on Pine Ridge and 9 Enterprise Communities in Indian Country. The signing ceremony for the Empowerment Zone and Enterprise Communities will occur during the Pine Ridge Summit.
- The Rural Utilities Service (RUS) has committed to hold workshops to improve telecommunications and utility infrastructure in Indian Country. RUS is the federal government lead agency to promote reliable, affordable utility services in rural America.
- The U.S. Department of Agriculture's Water 2000 initiative seeks to bring running water and sewer systems to Indian Country. Current plans include 12 water projects in 8 states with a total of \$15.9 million in loans and grants. This month, the Department of Agriculture will devote more than \$200 million in loans and grants for 100 safe and clean water projects in 38 states. This will bring safer and cleaner water to more than 275,000 rural Americans.

#### **Commerce Report on Technology and Infrastructure on Reservations**

- The President announced a report prepared by the Department of Commerce, "Assessment of Technology Infrastructure in Native Communities," which assessed the current state of technology infrastructure in Native communities.
- Results from a survey showed that Native communities lag far behind non-Native communities in infrastructure technology such as utilities, computer and Internet access, and telephone service. For instance, of the 48 tribes responding, the survey found that only 39% of households in Native communities have telephones compared to 99% in for non-Native rural communities; approximately 25% of tribes report that they do not have 911 service; of rural Native households, only 9% have personal computers; and 61% of tribes report not having a single manufacturing facility in their community.

- The survey respondents also reported some recent technological improvements, in part because of Administration policies, such as nearly 90% of Native schools and libraries having computer and Internet access.
- The report concluded that the federal government should work to provide additional assistance to these communities and to continue to provide incentives to the private sector to invest in these communities such as the President's New Markets Initiative.

### **Department of Housing and Urban Development**

- HUD will expand Ginnie Mae's successful Targeted Lending Initiative (currently available only in Empowerment Zones and Enterprise Communities) to increase lending in Indian Country by \$1.5 billion. Targeted Lending attracts mortgage lenders by cutting the fees they pay to place their loans in Ginnie Mae securities by up to 50%.
- HUD has awarded 28 grants totaling \$8 Million to Native American run non-profits and tribes. The grants will go toward projects such as new housing, utilities, water and sewer lines, as well as economic development projects such as a revolving loan fund and partnership for economic development.
- HUD's new program, Homeownership South Dakota, a five-year, \$650 million investment plan, will finance affordable housing for 7,500 families. The plan is a comprehensive strategy to assist the state in addressing its housing needs by expanding the capacity for single-family, multifamily and new construction lending.

### **Federal Home Loan Bank of Des Moines**

- The Federal Home Loan Bank of Des Moines will award \$1.3 million in grants to the Oglala Sioux Tribe Partnership for Housing, the Rosebud Housing Authority and the Native American Advocacy Project. The Oglala Sioux will use their grant of \$499,000 to build 45 new single-family homes in Pine Ridge.

### **Construction of Lakota Sioux Heritage Culture Center**

- The National Park Service will request \$12 million to construct the Lakota Sioux Heritage Culture Center Complex to replace the current White River Visitor Center on the Southern Unit of Badlands National Park. The new Center would attract tourism and display the culture and heritage of the Tribe. The new Center would serve as a link between Mount Rushmore and Wind Cave National Park. The project also would bring revenue directly to Pine Ridge because the new visitor center will contract for its concessions services with the Oglala Sioux Tribe.
- The Departments of Labor, Defense, Transportation, Interior, and the State of South Dakota are partnering to build and repair the roads leading to the new Center. The State of South Dakota has submitted a letter of intent to apply for Public Lands Highway Discretionary funds to improve BIA Route 2. Road repair work will include gravel resurfacing and may also include paving roads if there is anticipated increased traffic. In addition, these agencies are looking into providing job training to the Oglala Sioux Tribe in construction related to the roads and visitor center as well as to build skills for the long term.

## **Department of Energy**

- The Department of Energy has selected eight projects for awards under its “Renewable Energy Technologies on Native American Lands” program. Awards will total approximately \$2 million. Individual selections include: Oneida Tribe of Indians of Wisconsin will install a solar hot water and electric system on residences in Oneida, Wisconsin. The project cost is \$220,777 with 21.46% assumed by the Tribe. Jicarilla Apache Tribal Utility Authority will install and monitor a PV system to power a tribal office building in Dulce, New Mexico. The project cost is \$139,988 with 21.57% assumed by the Tribe.
- In addition, as part of its Wind Powering America initiative, the Department of Energy will study the wind resources on tribal lands in the Dakotas.

## ***CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN PHOENIX***

### **Univision**

- Univision will announce that it is making a multi-million dollar commitment to build a new state-of-the-art broadcast facility for their local station, KTVW-33, in the predominantly Hispanic south-side of Phoenix. It will contain fully-digital technology in an attractive new building of Southwestern architecture and regional landscaping.

### **Bank One**

- Has previously invested in Arizona MultiBank, Community Development Corporation, a CDFI that plans to apply to become a new type of SBIC, targeted to low and moderate income communities, that is being created by the New Markets Initiative. **Bank One** will be making a \$1.5 million new investment in this fund to be known as Magnet Capital, that will provide growth capital in the form of mezzanine financing to small businesses in Arizona. Investments will range from \$250,000 to \$1.5 million.
- Under the SBA Microloan Program, Bank One provided a \$640,000 credit facility to PPEP Microbusiness, INC., one of the longest running and most successful microenterprise organizations in the country. Bank One also provided Chicanos Por La Causa with a \$500,000 credit facility under the SBA Microloan Program.

### **Enron**

- Has established a fund focused on investment in low and moderate income communities, 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.

### **Wells Fargo Bank**

- Wells Fargo Has previously invested in Arizona MultiBank and will be making a \$1.5 million new investment in the LMI SBIC.

### **Safeway, Inc.**

- Safeway recently opened a new 55,000 square foot store in an underserved section of South Phoenix. They invested nearly \$7 million in the facility, replacing a smaller outmoded store nearby. The location of the store on this site has helped to spur development of a shopping center on the 24 acre parcel.

#### **Capital One and Pacific Century Bank**

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

#### **Bank of America**

- Has previously contributed \$3 million to **Arizona MultiBank Community Development Corporation**.

### ***PUBLIC SECTOR ANNOUNCEMENTS IN PHOENIX***

#### **Department of Housing and Urban Development**

- The **Chicanos por La Causa Small Business Incubator**, is located in the EC and has received \$140,00 in CDBG funds. The incubator program supports the empowerment of the business community by providing computerized office support, management training workshops, and other small business related resources.
- Through the Community Development Block Grant, HUD has helped to fund the **Expansion Assistance and Development Program** (“EXPAND”). The EXPAND Program is a loan collateralization program that encourages lenders to make loans to businesses that might not have otherwise been able to secure start-up capital. The program leveraged CDBG and private funding to an amount exceeding \$3.5 million.
- Phoenix won a HUD “Blue Ribbon Best Practice” award for its Youthbuild Program. HUD also contributed \$2.2 million to Youthbuild’s Phoenix grant. Youthbuild funds programs that help young high school dropouts obtain education, employment skills, and site work experience in a construction trade.
- **[NEED TO DISCUSS WITH JON about HUD EDI grants]**

### ***CORPORATE/PRIVATE SECTOR ANNOUNCEMENTS IN LOS ANGELES***

#### **Cisco Systems**

- Cisco will expand the Cisco Networking Academy information technology training course offerings from the current level - in 15 different empowerment zones and enterprise communities - to 35 of those economically disadvantaged areas.
- The Los Angeles-based company will partner with every one of the Labor Department’s current Youth Opportunity grant communities if possible as well as selected Job Corps centers, and will also develop a web-based placement system to allow students to be matched with employers.

- Cisco will recruit employers through an information campaign to customers, partners and the general business community, with the potential to reach 65,000 people in the first two years. The estimated financial commitment from Cisco is in excess of \$630,000.

#### **Xerox Corporation**

- Xerox will provide job shadowing opportunities and paid internships for 50 Los Angeles area youth.

#### **United Parcel Service**

- UPS will commit to hire 2,000 out-of-school youth by the end of the year 2000, and become a partner with all 11 existing Department of Labor Youth Opportunity communities.

#### **Toyota Motor Sales USA**

- Toyota Motor Sales USA has pledged to make an investment of \$1 million over the next three years.

#### **Shell Oil**

- Shell will double the size and scope of its Watts/South Central-based training academy with an additional half-million dollar investment.

#### **Los Angeles Dodgers**

- The National League Baseball franchise will host a job fair to connect youth with employers and launch a mentoring relationship with the Los Angeles Youth Opportunity grant organization.

#### **KCBS-TV of Los Angeles**

- The station will commit air time to promote youth programs including extensive airing of Department of Labor Youth Opportunity Movement public service announcements.

#### **Tower Health and Pro Patient Plus**

- It will open a minimum of five clinics in inner city Los Angeles, partner with the Los Angeles Youth Opportunity grantee, and hire at least 25 youth in the next year.

#### **PDQ Staffing of Los Angeles**

- PDQ Staffing will hire 100 at-risk youth in the Los Angeles area.

#### **McDonald's**

- McDonald's will hire 200 more Los Angeles area out-of-school youth.

**State Farm Insurance of California**

- They will mentor 50 young people and hire 10-15 out-of-school youth.

**Megatoys**

- Megatoys is a small Los Angeles toy manufacturer, will hire three to five targeted youth this year as part of their new partnership with the Youth Opportunity Movement.

**Starks and Associates**

- Starks and Associates, of Upland, Calif. will hire five out-of-school youth.

**MRA Managed Health Care Solutions**

- MRA Managed Health Care Solutions of Long Beach will hire three out-of-school youth.

**BD Systems**

- BD Systems of Torrance, Calif. will hire three out-of-school youth.

**Flanigan Farms**

- Flanigan Farms of Culver City, Calif. will hire two out-of-school youth.

**The Rose Hills Company**

- The Rose Hills Company of Whittier, Calif. will hire two out-of-school youth.

**Western Badge and Trophy Company**

- The Western Badge and Trophy Company of Los Angeles will hire two out-of-school youth.

**The Enterprise Foundation and the Freddie Mac Foundation**

- The two foundations will underwrite a new \$1 million child care program for young out-of-school mothers in Los Angeles and throughout California.

**The Chase Manhattan Foundation**

- The Chase Manhattan Foundation will run a financial literacy program for at-risk youth in distressed New York City neighborhoods, with a financial commitment of more than \$250,000.

**The California Endowment**

- In partnership with the **Rockefeller Foundation**, the California Endowment will assemble a neighborhood skills program for out-of-school youth and welfare recipients statewide in California.

**The Annie E. Casey Foundation**

- The Annie E. Casey Foundation will start an Employment Skills Readiness project as part of its Neighborhoods in Transition and Jobs-First initiative, in 22 U.S. cities.

**Ms. Foundation for Women**

- The Ms. Foundation will start a national Girls Leadership and Training program.

**The Village Foundation and the Kellogg Foundation**

- The two foundations will co-host a national foundation roundtable in September on the Youth Opportunity Movement and the New Markets Initiative.

***PUBLIC SECTOR ANNOUNCEMENTS IN LOS ANGELES***

[NEED TO DISCUSS TO HUD EDA GRANTS]

***CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN LOS ANGELES/ANAHEIM:***

**LISA, LET'S MERGE WITH ABOVE PERHAPS?**

**America On Line**

- AOL will announce a "Digital Divide Grant Program" through which they will provide grants of \$25-100,000 to help close the digital divide through assistance to community technology centers.
- The company is also working on Digital Divide Symposium that they will sponsor this fall.

**AT&T, Michael Armstrong**

- AT&T is committing a total of \$1.26 million to increase access to technology for young people.
- AT&T has awarded a two-year, \$500,000 grant to the Los Angeles County Office of Education to support expansion of the Technology for Learning initiative, a collaborative effort to increase community access to technology.
- AT&T has also provided funding for the Community Technology Centers' Network, a national membership organization that seeks to advocate for equity in access to technology; the National Urban League, in support of the development of three At&T Digital Campuses; the NAACP to launch a pilot program aimed at providing access to computer technology and training in the local LA community; the Magic Johnson/AT&T Technology Center; and the Puente Learning Center.

**Synopsys**

- Synopsys Silicon Valley Science & Technology Championship is an education initiative intended to advance high school science and math education in Silicon Valley through scientific research and project-based learning. Synopsys is making a \$3 million commitment.
- The Synopsys Championship provides many corporate sponsorship opportunities, such as the Summer Teacher Institute to underwrite costs associated with enrichment programs for teachers, and the Scientific Review Committee to fund science fair personnel to attend the Intel International Science & Engineering Fair.
- Synopsys is also working to help local students learn math and science better through project-based, inquiry learning. The company has created Synopsys Silicon Valley Science and Technology Championship and is committing \$3 million over three years to increase science fair participation.

**Academy of Information Technology**

- The National Academy Foundation with the support of companies like Lucent is developing a new Academy of Information Technology. Lucent is taking a leadership role in

challenging the information technology industries to work together to develop and support a long-range and systemic solution to the digital work force challenge.

- The new IT Academy will cost approximately \$8 million to develop. Funding received in excess of the \$8 million program costs will provide direct support to participating schools for further infrastructure development.
- The President will announce at NAF's conference a major corporate commitments to this effort.

## New Markets Initiative

Q. *What is the New Markets Initiative?*

A. The objectives of the New Markets Initiative are: to spur \$15 billion of new private capital investment in businesses located in economically distressed communities, to build a network of private sector institutions focused on economic development in distressed areas, and to provide the technical assistance to these businesses that they need to grow.

The New Markets Tax Credit would help spur \$6 billion in private sector investment for business growth in low and moderate income rural and urban communities. Investors would be able to claim a credit worth, in present value terms, 25 percent of the amount invested. Investments in a range of community development investment vehicles focused on serving these communities, such as CDFIs, would be eligible for the credit. These funds, in turn, would invest in businesses in low-income communities.

### Background:

In effort to stimulate greater sector participation in economically distressed areas, President Clinton proposed the New Markets Initiative in January 1999. Components of the initiative include: a New Markets Tax Credit; private sector run investment funds – New Markets Venture Capital Firms (for smaller businesses); America's Private Investment Corporations (for larger businesses); Small Business Investment Companies (SBICs) targeted to low and moderate income areas; an expanded Community Development Financial Institutions (CDFI) Fund; increased support for micro-enterprises, including through the Prime Act; and BusinessLINC. (See background)

Q. *What is the estimated value of the new markets tax credit in terms of luring new private sector funds to economically distressed areas, i.e., what level of economic activity do you believe will be generated over and above what would have been generated without the New Markets Tax Credit?*

A. The New Markets Tax Credit will provide a tax credit on up to \$6 billion in new equity investments in qualified community development entities. Existing investments in these entities would not qualify. Given the relatively low levels of equity capital currently available to community development entities, we anticipate that the New Markets Tax Credit will generate significant new equity investments in these entities.

Q. *How will this credit work -- what are the eligible entities and activities?*

A. Taxpayers would be allowed a credit against Federal income taxes for qualified investments made to acquire equity interests in a selected community development entity. The credits would be allocated to selected community development entities by the Department of the Treasury, which would authorize selected community development entities to issue an aggregate of \$6 billion in new equity investment over 5 years. The credit allowed to the investor would be a six-percent credit for each year during the five-

year period after the equity interest is acquired. Substantially all of the proceeds of the investment must be used by the community development entity to make equity investments in, or loans to, businesses located in low-income communities.

*Q. Is there other relevant experience that the Department can point to in terms of the success of tax credit financing in promoting community development activities?*

A. In developing the New Markets Tax Credit, the Department took account of experience with the low income housing tax credit and the community development corporation tax credit pilot, as well as Empowerment Zone incentives, and state tax credit programs.

*Q. Do you believe non-profit community development corporations, loan funds, and Community Development Financial Institutions (CDFIs), have the track record and capacity to make good use of the New Market Tax Credit?*

A. Yes. The kinds of organizations that could be eligible for the tax credit are specialized, locally based institutions. Many such organizations have a strong track record in serving their communities, and have the capacity to use the New Markets Tax Credit effectively. In addition, we are hopeful that new entities will continue to form that can make effective use of the tax credit. To that end, in addition to the tax credit, we are proposing to bolster funding for a set of initiatives that help to build local capacity, including increased funding for the Treasury Department's CDFI Fund.

*Q. What types of investors would use such a credit -- is this targeted to institutional as well as individual investors?*

A. Both corporations and individuals may take advantage of the tax credit, and we anticipate that community development entities will seek equity investments from a wide range of investors, including individuals, banks, investment banks, insurance companies, and others.

*Q. How will the Treasury Department ensure that the credit benefits poor communities -- what are the targeting requirements for credit?*

A. Substantially all equity raised using the New Markets Tax Credit must be used to invest in, or make loans to, businesses located in low and moderate income communities. We have devised a set of rules to ensure that qualified businesses are actually doing business in a low or moderate income community. Low and moderate income communities are defined as census tracts with poverty rates of 20 percent or higher, or with median family income at or below 80 percent of metropolitan income, or if in a nonmetropolitan area, at or below 80 percent of statewide income.

## NEW MARKETS

*Q. What is the purpose of the Empowerment Zone and Enterprise Community Initiative?*

A. The purpose is to demonstrate that sustainable community and economic development is best achieved when the residents of the community are directly involved and "own" in identifying and resolving local problems. By combining flexible funding with local leadership, the program helps impoverished communities address the structural problems rather than employing "stovepipe" solutions that have been traditionally employed.

A. The Empowerment Zone and Enterprise Community (EZ/EC) Initiative is a key element of President Clinton's community empowerment agenda for America. Its purpose is to create jobs and business opportunities in the most economically distressed areas of inner cities and the rural heartland.

The EZ/EC Initiative focuses attention on certain designated urban and rural areas through a collaborative approach to community revitalization. It recognizes that the problems distressed areas face are often interrelated, and that communities know best how to tackle those problems. The foundation for this kind of collective action is community-based partnerships, which bring together residents, public and private agencies, community organizations, and local businesses. The Strategic Plan each community has developed concentrates on this unified approach to making neighborhoods viable places to live, work, and raise a family.

The EZ/EC effort provides tax incentives and performance grants to create jobs and expand business opportunities. It also focuses on activities to support people looking for work, such as job training, child care, and transportation.

What sets this Initiative apart from previous urban revitalization efforts is that the community drives the decision-making. Residents decide what happens in their neighborhoods, not federal officials in Washington. Each EZ/EC community has written quantifiable goals that determine how the money will be spent and what the results of the activity will be. (HUD)

*Q. What evidence do you have to support the success of the Empowerment Zone and Enterprise Community Program?*

A. We have been able to track the success by the number of new jobs and businesses created, the changes in the unemployment rate and poverty indices since the communities received designation as either an Empowerment Zone or Enterprise Community. For example, in the rural zones and communities we know that 10,000 jobs have been created or saved since designation and that unemployment rates have dropped significantly in these areas. The designated communities have leveraged close to \$1 billion in investment

capital from a variety of public and private sources with most of it coming from the private sector.

- A. The EZ/EC Initiative has touched the lives of many who live and work in the Zones and Communities across the nation. The EZs and ECs have used their Federal seed money and created partnerships to leverage over 10 billion dollars in public and private investment. Strategies resulting from these partnerships have generated over 20,000 jobs, provided business assistance to thousands of businesses large and small, trained over 50,000 residents, educated youth and families, improved access to childcare, healthcare, and transportation, and increased the involvement in and safety of residents in their neighborhoods.

In addition, Standard and Poor's "Report Card on Empowerment Zones" stated that successful EZ/EC efforts can contribute to the improvement of a local economy and lead to an improvement in an issuer's credit rating. (HUD)

*Q. How does the Empowerment Zone and Enterprise Community Initiative differ from the New Markets Initiative?*

- A. They actually complement each other. The New Markets Initiative will help introduce the private sector to the investment opportunities found in urban and rural areas that have endured decades of persistent poverty represent the largest untapped market available immediately to the private sector. (SBA)

- A. The EZ/EC Initiative is a key component of the New Markets Initiative. Five of the six stops on the New Markets tour are in EZs/ECs. Many EZ/ECs are located in areas that provide a competitive advantage to business which increases profits and provides a better return on investment.

One of the principles of the Empowerment Zone/Enterprise Community Initiative is economic opportunity. Empowerment Zones and Enterprise Communities develop new private sector partnerships; attract private sector investments; promote business startups and expansions; and provide jobs and job training. The initiative has promoted access to capital through vehicles such as various loan funds and the largest community development bank in the country. The initiative uses tax incentives, such as the EZ Wage Tax Credit, and Title XX Social Service Block Grant funds as flexible seed money to provide financial assistance to businesses. Through EZs/ECs across the country, the initiative works with local communities in identifying business opportunities and forms of technical assistance to promote business activities in underutilized areas. (HUD)

*Q. What is an SBIC?*

A. A SBIC is a privately managed investment firm that provides equity capital, long-term loans and debt-equity investments, plus strategic assistance to qualifying small businesses. They make these venture capital investments with their own funds plus funds obtained by borrowing at favorable rates with a SBA guaranty.

*Q. It was recently uncovered that government-backed SBICs were making political contributions. Is it appropriate for the President to use this program as a model for his new initiative?*

A. Mostly several years ago, fewer than six contributions were made to representatives of both parties. They were legal. However, the SBA concluded that they were undesirable from a policy standpoint. Therefore, the SBA has issued proposed regulations for public comment that would prohibit any such political contributions by SBICs in the future.

*Q. How is CRA connected to the New Markets initiative?*

A. Under the CRA investment test, investments in SBICs qualify for CRA credit, and the formation of LMI SBICs which would receive CRA credit is a goal of the administration. (SBA)

## **New Markets Initiative:**

President Clinton proposed the New Markets Initiative in January 1999. Components of the initiative include: a New Markets Tax Credit; private sector run investment funds – New Markets Venture Capital Firms (for smaller businesses), America’s Private Investment Corporations (for larger businesses); Small Business Investment Companies (SBICs) targeted to low and moderate income areas; an expanded Community Development Financial Institutions (CDFI) Fund; increased support for micro-enterprise, including through the Prime Act, and BusinessLINC.

### **New Markets Tax Credit**

The New Markets Tax Credit will attract \$6 billion in new equity capital to businesses located in low and moderate income communities. The credit is designed to build the capacity of institutions with business development expertise and knowledge of their local communities, and promote partnerships between skilled community development entities and mainstream sources of capital. Community development entities will apply for designation. Once designated, these entities will use the tax credit to attract investors. The community development entities will transfer a given amount of tax credit allocation to investors. Investors then claim a 6 percent tax credit on their investment for 5 years.

### **America’s Private Investment Companies (APICs)**

Modeled after the Overseas Private Investment Corporation’s investment funds, APICs – privately run investment companies – will focus on providing long-term equity and debt financing for large-scale projects located in economically distressed areas. APICs will raise \$25 million in equity from private investors and leverage the equity with up to double the amount of capital in HUD-guaranteed debt. APICs are designed to support large scale revitalization projects, including commercial real-estate projects.

### **New Markets Venture Capital Firms**

New Markets Venture Capital Firms will be SBA-licensed, community based venture capital funds that are formed to invest in companies located in low and moderate income areas. Investments will range from \$50,000 to \$300,000. The venture funds will raise \$5 million in equity, leveraged with up to double that amount in SBA-guaranteed debt. The funds will also receive SBA grants for technical assistance.

### **Small Business Investment Companies --Low and Moderate Income Areas**

An SBIC is a private company formed to invest in small businesses. The newly targeted SBICs, utilizing private sector equity, leveraged with debt guaranteed by the SBA, will make investments in small businesses located in low and moderate income communities. These targeted SBICs will be regularly licensed SBICs, with at least \$5 million in capital.

### **Micro-Enterprise Lending and Technical Assistance**

Under the President’s FY 2000 budget, funding for micro-enterprise across the federal government would be increased by 159 percent, from \$32 million to \$83 million, including \$15 million for the Program for Investments in Micro-Entrepreneurs (PRIME), and a doubling of technical assistance and lending in the SBA Micro-Loan Program. PRIME authorizes the CDFI

Fund to provide technical assistance and training to micro-enterprise development organizations and micro-entrepreneurs.

The House banking committee voted out (on voice vote) the CDFI Fund reauthorization and the PRIME Act on May 26.

**BusinessLINC**

BusinessLINC is designed to encourage large businesses to work with small businesses located in economically distressed areas to improve their competitiveness. BusinessLINC helps small firms obtain technical advice, financing, market place credibility, subcontracts and joint ventures, and enhance management development.

**Community Development Financial Institutions Fund (CDFI Fund)**

The CDFI Fund promotes access to capital and local economic growth by directly investing in and supporting community development financial institutions (CDFIs) and expanding financial service organizations' lending, investment and services within underserved markets. CDFIs include community development banks, community development credit unions, non-profit loan funds, micro-enterprise loan funds and community development venture capital funds. The Fund builds the financial capacity of CDFIs by providing equity investments, grants, loans or deposits. The Fund also provides technical assistance to build the skills and capacity of less experienced CDFIs.

**DRAFT**  
**New Markets:**  
**Day to Day**

**DAY ONE:**

**Kentucky Highlands**

*Theme:* We have a responsibility to seize this historic opportunity to bring all Americans into the economic mainstream. This 4<sup>th</sup> of July, the President is kicking off a tour of the nation to shine a spotlight on the potential of these communities and help direct the flow of opportunity and investment into some of the most stubborn pockets of poverty in the nation.

*Link:* KHIC

*Deliverable:* Bank One investing in CDFI's?  
First Union investing in Appalachian Fund.

**Events/Pictures:**

1) Town TBD: The President, in casual clothes, touring a residential neighborhood with CEOs and reaching out and talking with a few local folks in “front porch” type setting.

The President introduces a CEO and listens to a local business owner and his family whose business has prospered as a result of this Administration’s economic policies. This business could be located on a block with dilapidated stores and other pictures of poverty. Picture demonstrates the problems facing this community and the optimism of its residents.

2) MidSouth Electric: The President tours MidSouth Electric, and has informal conversation with employees. MidSouth Electric has received KHIC funding and employs about 900 people.

3) Hazzard, Kentucky: The President, on a platform in front of a town building (law offices) with red-white-blue bunting, addresses 3-5,000 people. The President talks about widening the circle of opportunity, mobilizing the private sector, and investing in communities the right way – the third way. The President also refers to the poverty and the potential he saw earlier in the day. The town is holding an annual July 4<sup>th</sup> “fish fry” that day which will help draw a big crowd and contribute to the Independence Day, celebratory atmosphere.

**DAY TWO:**

**Clarksdale, Mississippi – The Delta**

*Overall Theme:* The Mississippi Delta faces one of the highest poverty rates in the nation. For

too long, private investment and economic prosperity has passed these communities by. However, over the last 6 years, seeds of progress have been planted, and more are being planted today.

**Link:** CDFI?? ECD??

**Deliverables:** Bank of America \$500 million fund to invest in untapped markets?

**Event/Pictures:**

- 1) Clarksdale: The President, dressed in casual clothing, walks through commercial area of Clarksdale with the Mayor and CEO's. He stops in front of a prospering business, surrounded by dilapidated businesses, and speaks with the small business owner.
- 2) Tour of the Waterfield Cabinet Company: The President tours the cabinet company which was once on the verge of bankruptcy but now is a growing business thanks to ECD/CDFI investments. The company employs 68 workers, many from Welfare-to-Work and worker training programs.

Roundtable: The President does a roundtable discussion -- in front of an audience of roughly 500 -- with CEOs who have invested in the Delta region and small businesses that have benefited from that investment.

Other: The President could bring CEO's from the Delta to demonstrate success stories. For example, Fred Smith of FedEx, who may be with us in Clarksdale, is from Marks, MS, less than 15 miles from Clarksdale.

**East St. Louis – Retail Investments**

**Theme:** Investing in the nation's untapped markets creates opportunities for both American families – and corporate America. Corporate America has an obligation – and an opportunity – to invest in these communities that for too long have been left behind.

**Link:** Enterprise Zones

**Deliverables:**

**Event/Picture:** The President visits Walgreens – the 1<sup>st</sup> new retail store in East St. Louis in roughly 40 years – to demonstrate progress in the face of poverty. The President speaks to a crowd outside of Walgreens, or somewhere in a commercial area. Note: picketers likely outside Walgreens.

**DAY THREE:**

## **Pine Ridge Indian Reservation**

**Theme:** As a nation, we have an obligation to invest in our Indian Reservations and bring these communities into the economic mainstream. These untapped markets hold potential not only for the residents of the reservations but also for the American businesses that invest in them.

**Focus:** public investment

**Deliverable:**

**Events/Pictures: (not locked down yet)**

- 1) Tour of current housing complex: The President tours the “igloos” – a block of small, dilapidated housing units that were former military housing. This is a picture of extreme poverty. The residents of the “igloos” are the poorest of the poor, none will ever qualify for a mortgage. The Tribe is insisting the President tours this area. (Question: do any of the deliverables help these people?)
- 2) Tour of New Housing Construction: The President joins a new homeowner, Joan Smith, on a tour of new housing construction. Joan, a single mom, secured a mortgage with HUD’s assistance. She can show the President where her new home will be. This is a picture of new optimism and new hope.
- 3) Speech to Tribal Conference and/or Tribal community:
  - The President is scheduled to speak to HUD’s tribal conference, which is a gathering of 600 tribal leaders from across the nation. There is pressure from the Tribe for the President to speak to the larger community. HUD may be willing to open the conference up for the President’s remarks.

## **Phoenix (not finalized)**

**Overall theme:** The economic health of the nation’s communities depends on thriving and prospering small businesses. We need to focus and expand private sector investment in America’s small businesses.

**Link:** SBA investment?

**Deliverables:**

**Pictures/Events:**

- 1) Tour of Retail Strip: The President, joined by CEO’s and local officials, walks down the main retail strip in South Phoenix to demonstrate to the CEOs the market potential in the

Hispanic community.

- 1) Visit to Small Business: The President tours La Canasta Mexican Food Products, a female-owned, minority business with 140 employees. Unlike other businesses that have moved from the area due to economic decline and local crime, La Canasta has stayed and prospered in this South Phoenix neighborhood. The La Canasta factory is located near small houses and vacant lots, including a 10-acre lot across the street with a concrete shell of a building on it.
- 2) Roundtable/Discussion: The President conducts a roundtable with Hispanic business leaders and CEOs at La Canasta.

#### **DAY FOUR:**

##### **Los Angeles**

*Theme:* Investing in the future – training at risk youth

*Focus:* Job training.

*Deliverables:*

*Events/Pictures:*

- 1) Watts: The President walks same streets he walked in 1992 with CEOs and local officials to view progress in redeveloping and revitalizing Watts' neighborhoods. (need to check on progress)
- 2) Youth Training Facility: The President tours a youth training facility and meets with at-risk youth. The President gives brief remarks.

##### **Anaheim**

*Theme:* Challenging Corporate America to enter new markets and take responsibility for expanding the circle of opportunity.

*Focus:* The President will wrap-up the tour in Anaheim, and talk about the success of the week and challenge corporate America.

*Event/Picture:* The President at podium flanked by CEOs giving keynote address to CEO conference.



**Millicent.Hodge@sba.gov**

06/30/99 04:35:38 PM

Record Type: Record

To: Lisa Green/OPD/EOP, Laura A. Graham/WHO/EOP  
cc: saunders.miller@sba.gov, Michele.Kriess@sba.gov  
Subject: FW: Phoenix New Markets - Information on Botas Juarez

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FYI

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

From: Hodge, Millicent Y.  
Sent: Wednesday, June 30, 1999 8:32 PM  
To: 'June\_Shih@who.eop.gov'  
Subject: RE: Phoenix New Markets - Information on Botas Juarez

The following is the information that we have on Botas Juarez:

Botus Juarez Western Wear  
4231 South Central Avenue  
Located in retail commercial strip in heart of South Phoenix.  
(Located in an EC)

EVENT: Clutch and Presentation of cowboy boots, hat, etc. to the President  
Walk through of commercial retail strip

RATIONALE FOR THIS SITE:

Botas Juarez Western Wear is a South Phoenix retailer that was assisted by Chicanos Por La Causa (a CDFI) through an SBA-supported technical assistance program.

If we have anything else, I'll forward it to you as soon as I receive it.

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

From: June\_Shih@who.eop.gov [mailto:June\_Shih@who.eop.gov]  
Sent: Wednesday, June 30, 1999 7:24 PM  
To: Millicent.Hodge@sba.gov  
Subject: RE: phoenix new markets - Background on La Canasta

do you have stuff on botas juarez, too?



- att1.htm

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. list	Aircraft Manifests; RE: USSS (21 pages)	07/04/1999	P6/b(6), b(7)(C), b(7)(E), b(7)(F)

### COLLECTION:

Clinton Presidential Records  
Policy Development  
Lisa Green  
OA/Box Number: 20588

### FOLDER TITLE:

[New Markets July Trip] [1]

2012-0043-S

ms240

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

#### Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]