

9/14/99

Meeting on New Markets at Meri

- 2 days!

New York Times - England - Farakhan

- North Carolina, Green Hunt

- Englewood

- Farm/Rural

trade

needs to be something new

- Hartford - what's new
insurance companies

- small medium sized areas

- going back to table

September 23, 1997

MEMORANDUM TO GENE SPERLING

FROM: NATASHA BILIMORIA
LISA GREEN

CC: TOM KALIL
BEN JOHNSON
KATHLEEN AHN

SUBJECT: LAWYERS FOR ONE AMERICA

You had asked Lisa to provide you with information on the Lawyers for One America program as well as their possible participation in the President's New Markets initiative. The group has asked to meet with you and we are currently trying to schedule a meeting. We have attached their steering committee list so you have an idea of the people and organizations involved in Lawyers for One America. Eric Holder, Deputy Attorney General, has played a pivotal role in coordinating the group's efforts to date.

This memo attempts to do the following:

- Provide you with a brief description of the Lawyers for One America Program
- An example of transactional pro-bono legal services
- Ideas on how Lawyers for One America can participate in the President's New Market initiative.

Lawyers for One America

Lawyers for One America (LFOA) is a loose-knit coalition of national, state and local legal organizations committed to one or both of the following goals:

- to promote greater diversity within the legal profession
- provide pro-bono service to those who are unable to retain legal services.

On July 20, the President, in his remarks to this group, challenged lawyers to not only continue striving for these two goals, but also to take part in the his New Markets initiative. Throughout his speech, the President made numerous connections between the services lawyers provide and New Markets. He stated "You can help inner-city entrepreneurs negotiate loans to start new businesses. You can help nonprofits secure new supermarkets and merchants in under-served communities."

Community Economic Development Pro-Bono Project, Washington, DC. An Example of How Lawyers can Participate in New Markets

In 1998, the DC Bar Public Service Activities Corporation established the Community Economic Development (CED) Pro-bono project to provide a vehicle for corporate and transactional lawyers to provide pro-bono services to the community. The project is designed to deliver legal services to organizations operating in low-income and distressed communities in DC. The project works by matching large law firms with established community development organizations and other non-profits that are operating without the benefit of legal council.

The goal of the project is for lawyers to work with organizations serving a targeted area (usually a low-income or economically distressed) and provide them with corporate, real estate, tax and general business advice that they would not ordinarily have.

The group also holds clinics in economically distressed neighborhoods where community organizations or small disadvantaged businesses can get brief advice or full representation from volunteer attorneys. **An example of the group's success is the work Latham and Watkins (DC law firm) have been doing with the East River Community Development Corporation (ERCDC).** ERCDC is a community development group that is working to revitalize Ward 8 in southeast Washington, DC. While the group already has several housing development projects underway, their current plan is to try and attract a major commercial tenant to anchor a large retail center that will bring an influx of jobs to the neighborhood. ERCDC would purchase the land, develop it and then lease it to the business. Initially, Latham and Watkins attorneys reviewed ERCDC's articles of incorporation, bylaws and provided advice on what improvements were needed. Now the attorneys are providing advice on a \$200,000 local initiative loan program that focuses on buying, rehabilitating and reselling houses in the community as well as other major initiatives. An article from the DC Bar magazine on this project is attached for your convenience.

Possible Ideas on how to get Lawyers for One America involved with New Markets

Natasha spoke with Tevia Barnes, the new Executive Director of Lawyers for One America (who is very excited to participate in New Markets) on September 22nd about some of their ideas on how to become involved in the President's New Markets initiative. During their last meeting, the group devised the idea of creating a partnership between lawyers, private investors including venture capitalists and small businesses in low-income communities. Tevia said that there are a number of minorities who have small businesses or microenterprises that are having difficulty expanding for two reasons: lack of funding and sound legal advice. Lawyers for One America would coordinate their lawyers to work with small businesses by providing them legal counsel as well as connecting them with venture capital firms, private investors and other business connections to assist in the development of these businesses. Tevia is currently located in San Francisco and she feels strongly about somehow getting the Silicon Valley companies involved with this project.

The one drawback that currently exists (according to Tevia) is that most venture capital firms are not interested in working with such small businesses. Tevia believes that if the President challenges venture capital firms and larger individual investors to participate in the New Markets initiative, that more firms would participate.

Follow-up

- During their last meeting, the group decided to gather information on which venture capital firms have already targeted development in LMI communities. Tevia said she would forward this information to us as soon as possible.
- A subgroup of the steering committee would like to meet with you to discuss in detail how Lawyers for One America can participate in the New Markets Initiative. The individuals that would participate in this meeting include Eric Holder from Justice; Bill Paul, President of the American Bar Association; Jack London and Dan Kolb from Lawyers Committee for Civil Rights Under the Law.

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D.C. BAR PUBLIC SERVICE ACTIVITIES CORPORATION

What is the Community Economic Development Pro Bono Project?

The DC Bar Public Service Activities Corporation established the Community Economic Development Pro Bono Project in 1998 to provide a vehicle for corporate, transactional and business lawyers seeking non-litigation pro bono assignments. The project is designed to deliver critically needed legal services to organizations operating in and serving low income and distressed communities in the District of Columbia.

The Project receives policy guidance and direction from the Project Advisory Committee, composed of transactional attorneys and representatives of non-profit community organizations with substantial expertise and commitment to community economic development issues.

How Does the Project Serve Communities?

Through the Law Firm Partnership Program, Community Economic Development Clinic and education and information sessions the CED Pro Bono Project provides pro bono legal counsel, and education and information to organizations serving and operating in low income communities in the District.

The Law Firm Partnership program matches large law firms with established community development organizations and other mature community based non-profits that are operating without benefit of legal counsel. The goal of the program is to establish an outside general counsel relationship between the firm and the client organization, which transcends a single project or legal issue, and provides access to counsel on a range of matters that arise in the non-profit client's operations and programs.

The Community Economic Development Clinic program matches the specific expertise of individual volunteer lawyers with discrete legal issues faced by smaller or start-up non-profit organizations and small and disadvantaged businesses. The goal of the clinic is to work in partnership with an established non-profit serving a targeted area and to deliver corporate, real estate, tax, and general business law advice to organizations in the service area who otherwise would not have access to counsel.

Through the education and information component of the Project, topics related to low income community economic development are offered to interested non-profits and other community development practitioners. A seminar was held in 1998 on D.C. Enterprise Zones. PSAC's training schedule for attorneys this year includes a session on non-profit incorporation. Brown bag luncheon discussion are now being planned for Fall '99 on issues relating to non-profit partnerships and business enterprise.

How Do I Get Involved?

Law firms interested in the Law Firm Partnership program, lawyers interested in volunteering for the clinic and attorneys wishing to donate their time and expertise in education and training programs should contact Deborah Austin, Esq., Project Director on (202)737-4700 ext. 376.

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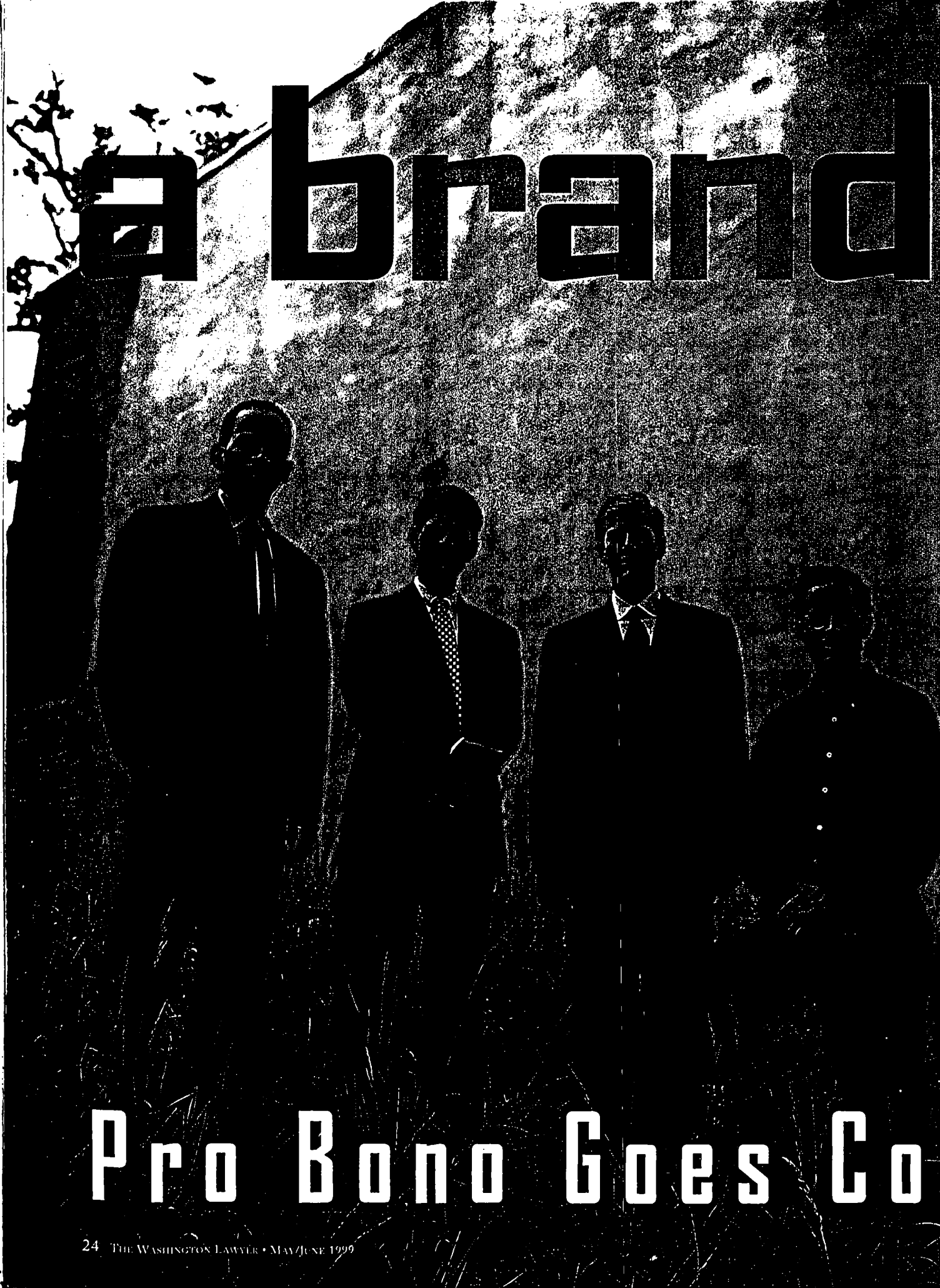
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Pro Bono Goes Cor

New World

BY LISA FINNEGAN

The words *pro bono* can make a corporate attorney's eyes glaze with visions of courtroom litigation, landlord-tenant disputes, or complicated immigration briefs. Traditionally, *pro bono* has been the province of litigators and young law firm associates eager to gain some hands-on experience. By and large, corporate and transactional lawyers have found that their skills have little relevance in the *pro bono* arena.

That is, until recently. A new program sponsored by the D.C. Bar's Public Service Activities Corporation (PSAC) is making the words *pro bono* relevant to business lawyers. Rather than matching one attorney with one individual client, the Community Economic Development (CED) Pro Bono Project finds a corporate law firm to act as general counsel for an established nonprofit CED organization. The goal is to help highly skilled transactional and corporate attorneys use their knowledge and skills to assist nonprofits that are working to rebuild local neighborhoods. The attorneys are asked to provide the same range of legal advice and expertise they offer their commercial clients—with the added benefit of being able to give back to the community.

Lisa Finnegan is a Washington-based freelance writer.

photography by Cade Martin

North Capitol's Arthur Dade with Ken Pollack, Carey Smith and Michael Goodwin of Arnold & Porter

Corporate

James W. Jones, cochair of the project's advisory committee and senior vice president of APCO Associates, says the program serves as an antidote to a problem that has long plagued a vital segment of the Bar. "One of the traditional problems with pro bono work," he says, "is there has often been inadequate opportunities for nonlitigation lawyers to become involved in pro bono work. If you look at the typical pro bono assignment, it involves representing an indigent defendant or client. While I'm not diminishing the value of that in any way, it takes some lawyers so far out of their specialties—we're talking about lawyers who haven't darkened the door of a courtroom in 30 years—that it tends to leave half of the legal profession with nothing to do in the pro bono arena."

The PSAC program provides a framework for corporate attorneys "to use their transactional and business skills to effect significant and lasting change in the District," Jones continues. "It provides an opportunity to serve a wider range of needs and to provide significant pro bono work that uses all the skills of the legal profession, while taking on the daunting task of rebuilding the city."

The idea was developed as the District's financial problems became impossible to ignore. In recent years, local nonprofits experienced a cut in federal funding for community economic development programs at a time when federal welfare reform legislation was heaping new burdens on them.

"Many local nonprofits, especially those concerned with community revitalization and development, take a broad view of their mission and seek comprehensive solutions," says CED project director Deborah Austin. "They are providing social services, producing affordable housing, carrying out job training, and lending funds to community entrepreneurs who can't get help at a bank. Yet they are also feeling the pinch of reduced federal funding and ever-increasing competition for foundation grants. To survive in this arena, they must be savvy about raising and leveraging the dollars available to them. Consequently, they are spinning off for-profit subsidiaries, forming joint ventures, managing real estate, or merging with other groups. All of these activities, which are common in the corporate world, are familiar to nonprofit directors as well. The huge problem is the community organizations don't have a budget that can pay for the legal expertise needed to help plan, structure, and implement these strategies. The skills of pro

bono business lawyers are badly needed."

PSAC screens the requests for assistance from established nonprofit community development organizations that need legal advice, and assesses their needs. Once that is done, the search commences for a corporate law firm with expertise in the relevant practice areas to meet the community group's needs.

"We couldn't do it without some help," says Donna Grigsby, director of the Washington Area Community Investment Fund. Grigsby's group has a \$3 million loan fund that is allocated to other nonprofits in the District to help them develop affordable housing, community-based day care, and homeless shelters. "We had pro bono counsel before becoming involved in the CED program, but the lawyers were pretty busy and getting their help was always hit or miss."

Since enrolling in the CED program, Grigsby has been matched with Hunton & Williams, where Rob Hawkins is the responsible partner. Grigsby says, "He has been really helpful in coordinating his time and energy and expertise." The partnership is new, but Grigsby says she is looking forward to help with a project that combines job training with affordable housing to low-income residents in the District.

"We've hit it off with them," she says of the attorneys at Hunton & Williams. "They've helped us explore the possibility of merging with other loan funds and have put forward ideas we never would have thought of. It's working out well."

Since the CED project was established in 1998, seven matches have been made, with several more on the brink of being finalized. With only a handful of other programs of this type currently operating across the nation, the CED project is being closely watched by other state and local bars that are interested in integrating nonlitigators into the pro bono workforce.

The CED project has a second component, which uses a clinic model to match individual lawyers with smaller nonprofits and disadvantaged businesses needing more discrete legal assistance. Beverly Wilbourn, a partner with Curry & Wilbourn, and cochair of the project's advisory committee, says, "This component of the project meets critical community needs and allows attorneys from all types of practice settings to join in."

The first community economic development clinic was held in the Shaw neighborhood last February. PSAC partnered with the Manna Community Development Corporation. The law students from the Small Business Clinic at George

Washington University screened requests from area start-up nonprofit organizations and disadvantaged small businesses. Attorneys from large law firms, solo practice, government agencies, and corporations all came together to provide pro bono advice on a diverse range of issues. The Bar sections were instrumental in recruiting volunteer lawyers. "Thirteen matches were made at the clinic," Wilbourn notes. "The organizations are receiving help with incorporation, commercial lease negotiations, as well as personnel and real estate issues. One client is also receiving assistance in working with the city to ameliorate the impact of construction for the new convention center on business operations, a case which will have beneficial results for similarly situated businesses along that corridor."

PSAC is planning to conduct a second clinic this summer in cooperation with East of the River Community Development Corporation. "Summer associates," Wilbourn explains, "will be used to screen the requests. We are very pleased with the clinic approach and are looking forward to a big turnout of clients and volunteer lawyers."

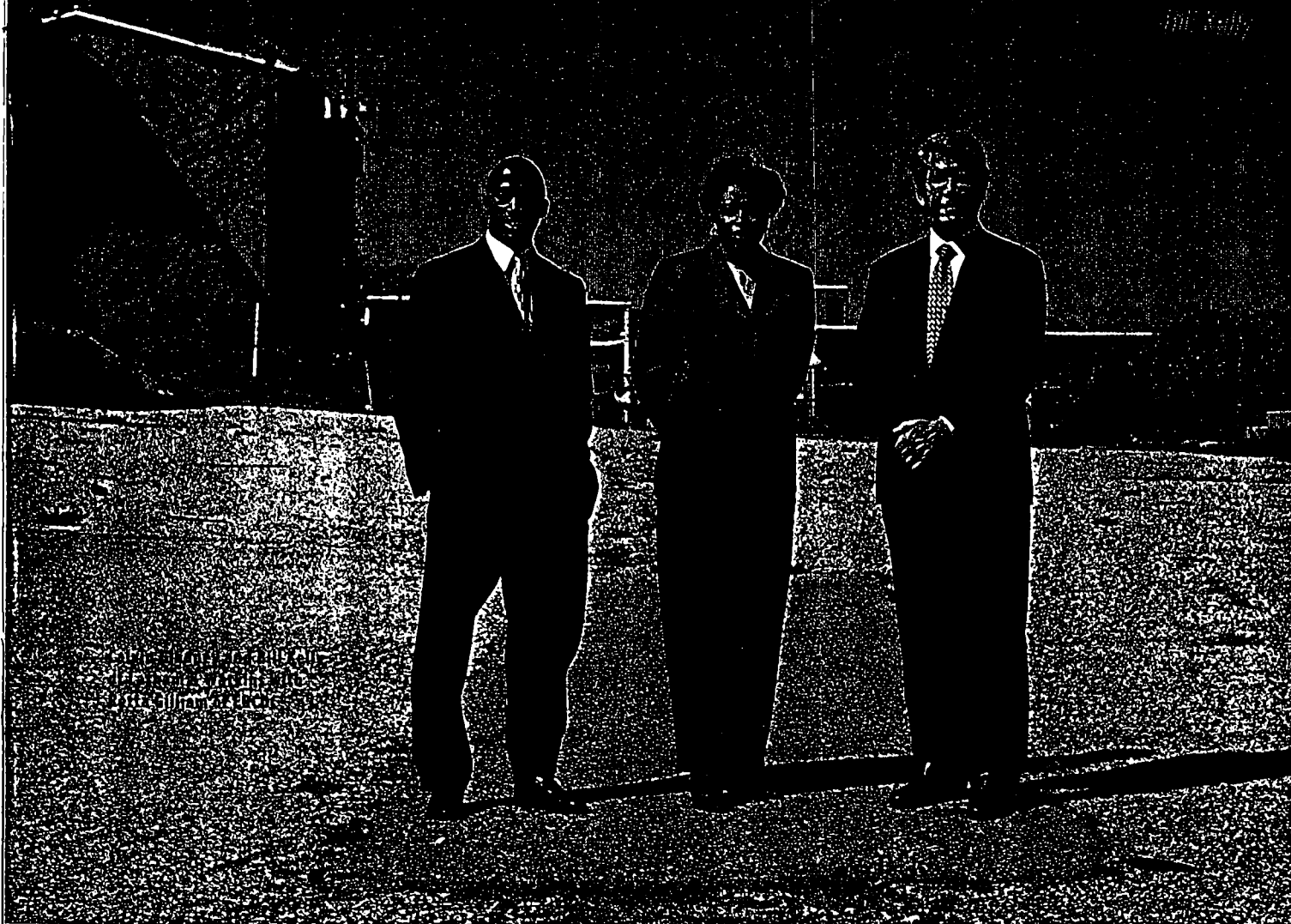
In assessing the early success of the CED Pro Bono Project, Jim Jones says, "Bar associations everywhere are struggling with the issue of how you can constructively engage the bar in the process of rebuilding cities. I think you are going to see an awful lot of long-range benefit out of the CED Pro Bono Project—even more than the benefits you get out of the individual litigation pro bono umbrella. It is a great opportunity for nonlitigators who are looking to make a contribution in the pro bono arena."

Latham & Watkins

Bill Kelly, a partner with Latham & Watkins, shares Jones's assessment. Kelly and a group of associates at Latham & Watkins have been working with East of the River Community Development Corporation (ERCDC) to help revitalize Ward 8 in southeast Washington. A 10-year-old community development organization, ERCDC has several housing development projects under way in the Washington View neighborhood and is trying to attract a major commercial tenant to anchor what it envisions as a large-scale retail center that will bring an influx of jobs to the neighborhood. The plan is to have ERCDC purchase the land, develop it,

"East of the River is receiving much needed legal counsel, and for us it's a way to contribute to the community we live and practice law in."

John Kelly



and then lease it to businesses.

"The relationship has been beneficial for all of us," says Kelly. "East of the River is receiving much needed legal counsel, and for us it's a way to contribute to the community we live and practice law in. One of the things I like about the practice of law is getting to know clients and developing a relationship with them. Right now we are doing that with East of the River, and I'm really enjoying it."

At the outset, Latham & Watkins attorneys reviewed ERCDC's articles of incorporation and bylaws, and provided advice on what improvements were needed. The relationship has continued to progress.

At present, Kelly is working with ERCDC director Retta Gilliam to attract a supermarket or large chain restaurant to the neighborhood; providing advice on a \$200,000 local initiative loan program

that focuses on buying, rehabilitating, and reselling housing in the community; and establishing a for-profit subsidiary to deal with the environmental hazards involved with refurbishing old buildings.

"A lot of old buildings have environmental problems, like asbestos," Kelly explains, "and East of the River wants to start an environmental subsidiary that will train local people to handle environmental work. We're counseling them on the potential liability of doing environmental work, and the steps they need to take in order to ensure the nonprofit and the subsidiary remain separate so they don't jeopardize their 501(c)(3) status."

Retta Gilliam says Kelly and his associates have been enormously helpful. In addition to offering practical advice, Gilliam says, the law firm is helping East of the River avoid mistakes before they occur.

"We had a situation a few years ago where we needed counsel, but didn't have it," she says. "Regulatory issues came up that we didn't know about. We approved all the plans [to build four single-family homes] and were ready to go, when an inspector came by and said we had to do A, B, and C before proceeding. It cost us an additional \$50,000 to get into compliance. If we had had legal advice, we would have taken a different route at the outset." Eventually, the homes were built, but Gilliam notes that the construction took longer and cost more than anticipated.

In addition to providing legal assistance, Gilliam feels, the Latham & Watkins attorneys give ERCDC "an air of credibility" when they meet with large corporations that are considering doing business in the neighborhood. "Their presence," she says, "accentuates the fact that

di un'isola che si trova nel Mediterraneo
non si trova in un altro mondo
ma in un altro modo di vivere



we are serious. It lets the corporate officers know that we understand the bigger issues. In doing a corporate development project, it's nice to have them by our side."

Kelly says that he looks forward to watching ERCDC grow and evolve. "I hope we can use our business judgment to help them accomplish their goals," he says. As a law firm with 800 attorneys, he believes, Latham & Watkins is uniquely positioned to help a nontraditional client. "I can e-mail all of the lawyers in the firm and ask if they've come across a particular problem before," he explains. "I can get input from lawyers who may have a creative solution to a problem East of the River might be facing."

Already, at Kelly's suggestion, ERCDC is contemplating the creation of a community development bank capable of making District-wide loans to nonprofits. "We try to help East of the River

been rewarding. He is particularly pleased by the opportunity to work with a community development organization on a pro bono basis "doing the work I am most comfortable and familiar with" rather than going to court and litigating on behalf of a single individual. "I wanted to have more of an impact, and East of the River fits the bill perfectly."

Fried, Frank, Harris, Shriver & Jacobson

Stephen Glover, a partner with the law firm of Fried, Frank, Harris, Shriver & Jacobson, has good news for law firms contemplating joining the CED program. "It is not a huge drain on time. It's not the kind commitment that is going to require lawyers to devote hun-

"It is not a huge drain on time. It's not the kind of commitment that is going to require lawyers to devote hundreds of hours. From the law firm's perspective, it is very doable, very reasonable."

—Stephen Glover

gain exposure to grants and financing they otherwise would not have," Kelly says. "A large law firm like ours is in a position to develop new strategies and find new resources to help smaller community development corporations carry out their missions. Retta Gilliam has the energy and the commitment to make things happen, and by working hand-in-hand with her we make a great team."

Calvin Gladney, a second-year associate at Latham & Watkins, has worked with ERCDC on several projects, and he points out that running a community nonprofit is not easy. As an example, he notes that he recently studied the Superfund regulations to make sure that potential liability problems with ERCDC's environmental subsidiary would not impact on the nonprofit. Additionally, while working on a bid to purchase an empty school building in Anacostia, Gladney found that there were other neighborhood groups who did not necessarily agree with what ERCDC wanted to do with the property. "I learned a lot about how hard it is for community organizations to get things done because of the variety of players they have to deal with," he says.

The experience, Gladney adds, has

dreds of hours. From the law firm's perspective, it is very doable, very reasonable."

Glover is in a position to know because his firm has been partnered with the Calvary Bilingual Multicultural Learning Center (CBMLC) since January. The center was founded in 1986 and initially was run out of the basement of a church. Since then, CBMLC has grown from a day-care center for about a dozen preschoolers to a full-blown community center that provides services to more than 200 children. Calvary provides parenting support for 40 infants and mothers in their homes, and it conducts classes to strengthen families and enhance the developmental process of young children.

In 1995 Bell Atlantic donated a 75,000-square-foot building to the center. CBMLC uses 10,000 square feet for its own programs, and is ready to renovate the rest of the building. A portion of the unused space will be developed as a gymnasium with a basketball court. Other sections will be leased to nonprofits, and Bell Atlantic will continue to lease space. CBMLC has looked to Glover for advice on potential lease arrangements and loan agreements.

"What has impressed me most," says

Glover, "is their record of success. For an organization dedicated to children, they have made enormous strides. They obtained a building and have received sponsorships from major corporations. They have grown into an organization with a budget of several million dollars, and have done so with very few resources—it's just phenomenal."

In describing his decision to sign on as counsel, Glover says, "I've felt for a long time that I haven't been doing enough pro bono work. I did litigation years ago when I was willing to draft complaints, but I reached a point where I didn't want to do that anymore. It's hard for corporate lawyers to find pro bono work that requires their expertise. But the center's needs involve corporate, tax, and business planning issues, all of which sounded great to me."

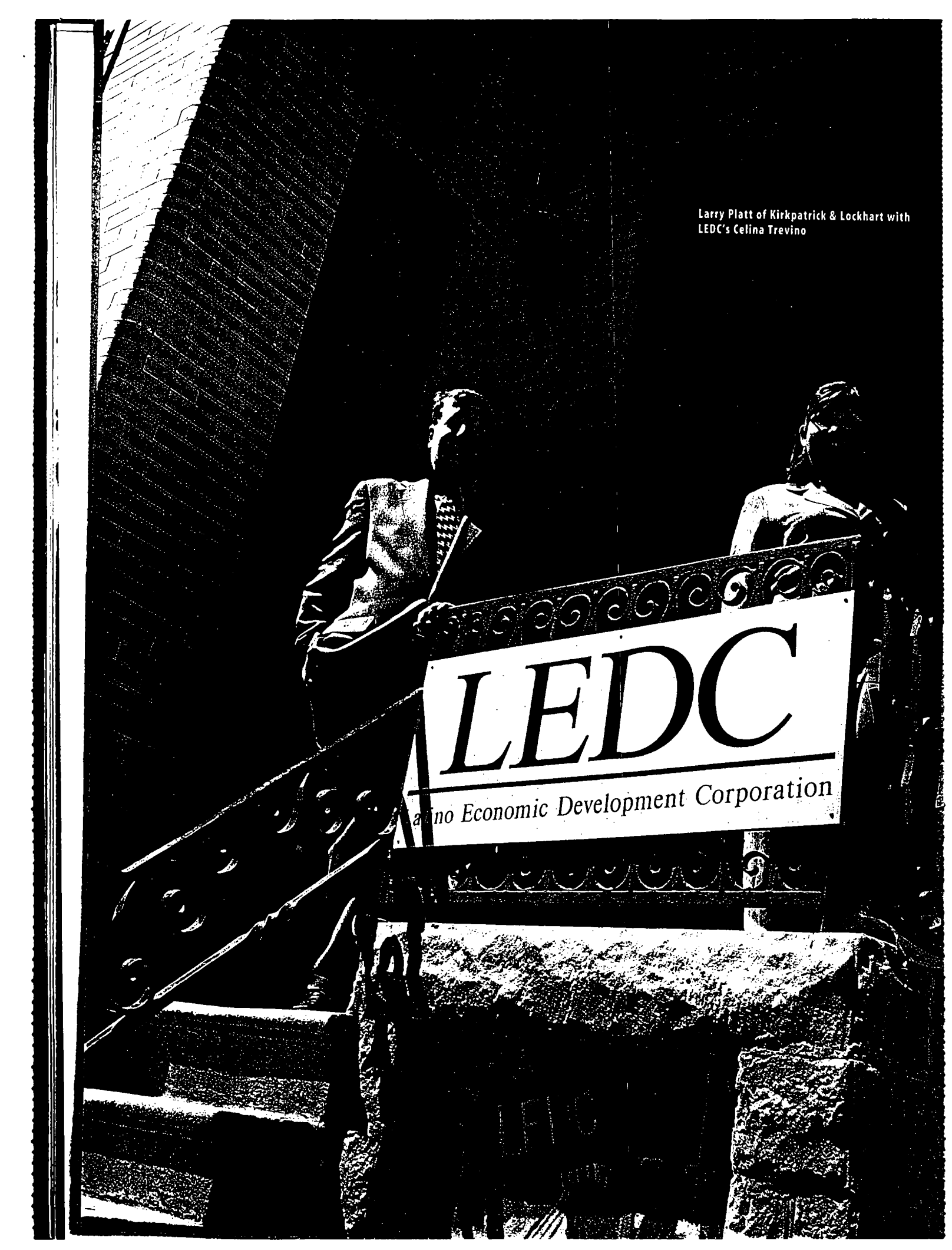
Glover's first major project with CBMLC has been to provide guidance on a two-phase \$3 million loan the center has obtained to finance building renovations. "Ownership of the building," says Gretchen Elsworth, the secretary of the CBMLC board of directors, "has thrust us into a whole new world. We have a lot of new questions: How do you meet the fiduciary responsibility that comes with owning a building? Can we develop micro enterprises? What are the tax implications of trying to do so? We really need sophisticated legal advice." But prior to being partnered with Fried, Frank, the legal help CBMLC obtained was piecemeal and inconsistent.

"We were," Elsworth says, "kind of winging it." But winging it created complications as the organization grew. While the new resources were welcome, Elsworth explains, "We didn't want to do something that would compromise our nonprofit status." The partnership provides CBMLC an opportunity to grow without having to worry about legal complications that might prove counterproductive in the long run.

Fifth-year associate Elton F. Norman is among the Fried, Frank attorneys who have devoted pro bono time to the project, and he says the work is rewarding because you "help a worthwhile organization develop. I have enjoyed learning about their mission. I was impressed with the enthusiasm and dedication of the people involved. An entity like the Calvary center can have a huge impact on a community—especially on children."

CBMLC's Beatriz Otero says the Fried, Frank attorneys have "provided excellent advice. They prevent us from making mistakes before they happen, something we could never be sure of in the past."

Larry Platt of Kirkpatrick & Lockhart with
LEDC's Celina Trevino



LEDC

Celina Trevino Economic Development Corporation

Kirkpatrick & Lockhart

The Latino Economic Development Corporation (LEDC) was created in 1991 after the summer of civil unrest in the District's Mount Pleasant neighborhood. Originally focused on the Latino community District-wide, LEDC now targets the needs of a mix of people

"I see myself as an intellectual resource to brainstorm on issues with them. Secondly, I see myself drafting and reviewing contracts and loan agreements." —Larry Platt

in the Mount Pleasant and Adams Morgan neighborhoods, focusing on issues such as housing, hunger, and access to medical care. The corporation has a \$300,000 loan fund to help small businesses and provide support services.

Recently, the law firm of Kirkpatrick & Lockhart was partnered with the LEDC. Larry Platt, a partner with the law firm, has helped the organization fulfill its business and housing development mission by drafting a conflict-of-interest policy for the board of directors, drafting a memorandum of understanding for a potential partnering with another area nonprofit, and reviewing contracts.

"Years ago," says Platt, "I did a lot of pro bono work involving individuals. I found it discouraging, because most of the problems came down to brutal economic need, and there wasn't anything I could do about that. I found I didn't enjoy that type of pro bono work."

When the opportunity to work with a community development organization came along, Platt was elated. "It gave me the ability to use my legal skills to benefit the community," he says. "That's a good feeling." Noting that LEDC is focused on economic development, he adds, "I have a particular interest in that. Non-profits serve all kinds of needs, and it just happened that the LEDC was doing things that interested me."

LEDC director Celina Trevino says that the recent pairing of her organization with Kirkpatrick & Lockhart is already providing important benefits. In the past the LEDC received occasional pro bono assistance, but it was never consistent. The PSAC program, she says, "takes the guesswork out of who you

might get to represent you. We don't have to worry about whether a volunteer lawyer is going to be qualified. We know the lawyers at Kirkpatrick & Lockhart, and we know that they are interested in what we do."

Platt says that his role with LEDC has been twofold: "What I do as a lawyer every day is help clients talk through problems. That's something I try to do with LEDC."

I see myself as an intellectual resource to brainstorm on issues with them. Secondly, I see myself drafting and reviewing contracts and loan agreements."

For her part, Trevino says Platt is becoming an indispensable resource for the organization. It is reassuring to know that legal assistance is only a phone call away. "When things come up," she says,

"they always come up suddenly," and Platt has been very responsive in handling issues that are time sensitive. "He's a team player," she says. "His expertise is invaluable."

Arnold & Porter

When Carey Smith read an officewide e-mail at Arnold & Porter inquiring about interest in working with the North Capitol Neighborhood Development Corporation through the CED project, he immediately signed on. A fourth-year associate who does real estate and transactional law, Smith saw a great opportunity to learn while doing interesting work for a good cause. "I like working with North Capitol," he says, "because they do real estate development, which I find to be very interesting. It's gratifying to be doing real estate development in different neighborhoods, rather than strictly in the downtown office area."

Under the supervision of partners Michael Goodwin and Rob Conley, Arnold & Porter performs a general outside counsel role for North Capitol. The

Continued on page 56

The D.C. Bar Public Service Activities Corporation

The D.C. Bar's Public Service Activities Corporation (PSAC) recruits, trains, and mobilizes attorneys to provide pro bono legal services for the neediest members of our community, encourages and assists law firms seeking to expand their pro bono activities, and fosters communication between volunteer attorneys and legal service providers in need of pro bono assistance. In addition to the Community Economic Development Pro Bono Project, PSAC programs include the following:

- The Law Firm Pro Bono Clinic matches low-income clients referred by D.C. legal service providers with volunteer attorneys from 33 major D.C. law firms, the U.S. Department of Justice, and the National Labor Relations Board.
- The Pro-Se-Plus Divorce Clinic assists unrepresented individuals who want to file an uncontested divorce in the family division of D.C. Superior Court.
- The Pro Bono Bankruptcy Clinic offers seminars where volunteer attorneys describe the implications of filing personal bankruptcy and helps match clients with volunteer attorneys.
- The Advice and Referral Clinic provides individuals with brief general information and advice on a wide range of civil matters.
- The Legal Information Help Line provides the public with information recorded in English and Spanish on more than 30 topics in family, consumer, public benefits, employment, and housing law.
- The Family Law Project develops informational materials and form pleadings to help pro se litigants navigate their way through family law matters without an attorney.
- The D.C. Bar Pro Bono Partnership is a network of D.C. law firms committed to providing pro bono services that is coordinated by PSAC.

For more information on any of these programs call PSAC at 202/777-4700, ext. 293 or visit the D.C. Bar Website at www.dcbar.org.

A Brand New World

Continued from page 31

client is a 15-year-old nonprofit organization that revitalizes underserved neighborhoods, provides renovation opportunities for low-income individuals, and strives to create viable economic centers in low-income areas in and around the North Capitol Street corridor.

Arthur Dade, executive director of North Capitol, says the organization's mission also is to address the needs of local businesses in the Shaw, Mount Vernon Square, and Bloomingdale neighborhoods. Through North Capitol, local businesses can borrow up to \$25,000 for renovation of office space or equipment purchases. "We serve as another option for small businesses," says Dade. "When we review an application we are not as stringent as a loan officer in a bank. Our criteria are based on whether or not it's a viable business—not creditworthiness. We will take a risk." As an example, Dade explains that North Capitol would provide funding for a florist to purchase new vans, but it would deny funding to a liquor store. "There are enough liquor stores," Dade says, "and they are selling products we see as a problem in our community."

One project North Capitol currently has under way involves an attempt to buy land and construct affordable housing on small lots in the Mount Vernon Square and Shaw neighborhoods where buildings were torn down years ago. District planners have been hesitant to permit new construction because the lots are so small. "We believe," says Dade, "that because there used to be buildings there, we should be able to get rid of the blight by putting in some affordable housing."

To assist with this project, North Capitol is relying on Smith and Ken Pollack, another fourth-year associate at Arnold & Porter, primarily for contract review and drafting.

"Arnold & Porter has helped us on other legal issues," says Dade. "We don't have any legal expertise, so when they help us on small things, like contract reviews, it is incredibly helpful."

Pollack says that the work he does for North Capitol is similar to what he does for his paying clients. "They are different in the sense that North Capitol's main goal is community development in neglected areas of the city, whereas a paying client's goal is to maximize profit. But in terms of client contact and services provided, the work is pretty much the same."

At present, Pollack is also assisting on a project in which North Capitol is interested in purchasing a building and then leasing affordable space to start-up businesses. The goal is to have the location serve as an "economic incubator" that will encourage businesses to bring jobs and revenue to the neighborhood. "It's an interesting project," says Pollack. "Often start-up businesses don't have a lot of capital, and by providing affordable office space North Capitol might be able to give them a chance to get off the ground."

So far, Smith says the relationship has been rewarding. "There's nothing about North Capitol that I don't like. Six months ago I'd never heard of them, but now I see them as a strong force in the community. It's nice that I can help them in fulfilling their mission."

Arthur Dade is delighted. Originally, he was concerned that as a small, nonprofit, nonpaying client, North Capitol would not receive the same attention as Arnold & Porter's paying clients. But to his surprise, the lawyers have never hesitated whenever he has requested assistance. If North Capitol had to pay for the services received, he says, it could never afford them. "When we went to private developers before," he adds, "they always

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had their lawyers on retainer. Now I feel well armed with mine."

A Wonderful Example

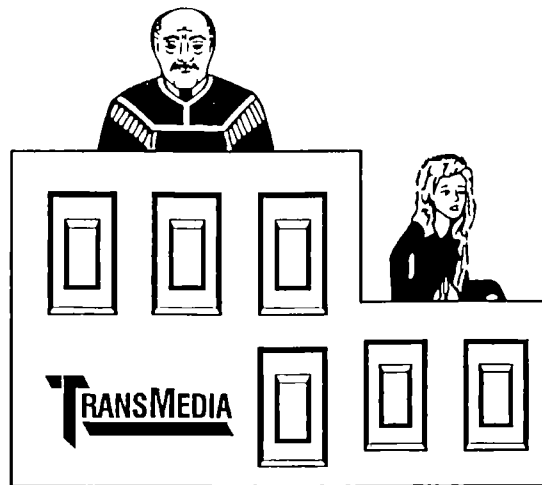
In assessing the tremendous strides the CED project has made over the past 12 months, D.C. Bar President Andrew H. Marks says, "One of my goals for my year as president has been to encourage our Bar to become more engaged in our community. The CED project is a wonderful example of the impact lawyers can have when we lend our skills and expertise to solving community problems. The lawyers and law firms who participate in the CED project are making a positive contribution that will result in new housing, new jobs, and stronger neighborhoods. The lawyers and law firms are enriched as well by working with inspiring community leaders and feeling that they are a vital part of our local community. The CED project is the newest example of the important role PSAC fulfills for this Bar—identifying unmet legal needs, filling gaps, and making it possible for all segments of our Bar to get involved in helping others in whatever way we can."

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UNIVERSITY OF OREGON
LUNDQUIST CENTER FOR ENTREPRENEURSHIP

July 9, 1999

President Bill Clinton
White House
1600 Pennsylvania Avenue
Washington DC 20502

Copy out sent to
[Signature]
Betsy Kinat SBA

President Clinton:

I applaud the concern that you expressed regarding low-income neighborhoods in your recent so-called "poverty tour" from Newark to Watts. I agree that the reasons that these neighborhoods are considered disadvantaged are because they commonly lack educational opportunities and the traditional support networks that provide skills, expertise and financial backing for business opportunities. Not only do I support this sentiment, but already I have put in motion a program which will deliver exactly those very needs to persons in these neighborhoods.

I am writing to you on behalf of the Lundquist Center for Entrepreneurship, where I am the Assistant Director. The Lundquist Center is housed at the University of Oregon School of Business. Among other programs, I recently have launched a program in Portland, Oregon to provide knowledge and expertise to low-income persons interested in starting their own businesses. Using local businesspersons and professors, starting this fall, the Lundquist Center will host seminars for a group of interested persons – all whom are current welfare recipients. ~~The aim of the seminars is to provide lessons on the basics of setting up a small business.~~ Moreover, the program will help shepherd the participants through the process of maturing a business idea into reality. This program will link participants with mentors who will help advise and direct them through the process of starting up and running their own businesses. I believe that such links between the educational institutions and those persons who often lack access to them can provide a certain empowerment.

~~I will follow up with some of the organizations with whom you visited during your tour.~~ Over the course of the upcoming year, I hope that the Lundquist Center will fashion a model for other universities to use in an effort to reach out to disadvantaged persons and help them recognize their professional potential and dreams.

Thank you for your time.

Sincerely,
[Signature]
Phil Busse

CHARLES H. LUNDQUIST COLLEGE OF BUSINESS

1208 University of Oregon · Eugene OR 97403-1208 · Telephone (541) 346-3420 · Fax (541) 346-3359

LUNDQUIST CENTER FOR ENTREPRENEURSHIP

OUTREACH TO DISADVANTAGED NEIGHBORHOODS PROGRAM:

HELPING LOW-INCOME INDIVIDUALS TO START THEIR OWN BUSINESSES

Program Description

The goal of this program is to provide knowledge and expertise to low-income persons interested in starting their own businesses. Two approaches will be taken to reach this goal. First, using professors, alumni and local businesspersons, the Lundquist Center will host a seminar-style course. This course will address relevant topics for a small business owner, such as marketing strategies, financial planning and legal issues. As a central project of the course, each participant will be encouraged to put together a business plan.

In addition, during or immediately following the course, the Lundquist Center will match interested participants with an individual consultant who will provide help and advice for starting a business.

Purpose

The term “disadvantaged” is often associated with low-income neighborhoods. This is so because these neighborhoods commonly lack educational opportunities and the traditional support networks that provide skills, expertise and financial backing to individuals. Banks, for example, hesitate to provide loans and financial backing to low-income persons, as the risk for repayment is perceived as too high. Without such infrastructure, it is an arid environment for an entrepreneur to flourish.

The Lundquist Center has many of these very resources which disadvantaged neighborhoods lack. This program would deliver these resources to the people who most need them and who may otherwise not have access to them.

Resources

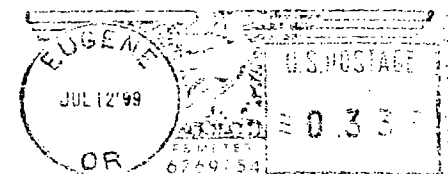
A strong network of entrepreneurs, professors and alumni provides the Lundquist Center with the human resources necessary to delivery salient teaching, training and consulting to interested parties.

One of the primary activities of the Lundquist Center over the past ten years has been to help students form effective business plans. This experience and the resources acquired to accomplish these tasks are applicable to help anyone – not just graduate students – start a business. In addition, the Lundquist Center works in conjunction with Palo Alto Software, the producer of the leading software for business plans – Business Plan Pro.

UNIVERSITY OF OREGON



Lundquist Center for Entrepreneurship
Charles H. Lundquist College of Business
1208 University of Oregon
Eugene OR 97403-1208



President Bill Clinton
White House
1600 Pennsylvania Avenue
Washington DC 20502



September 23, 1997

MEMORANDUM TO GENE SPERLING

FROM: NATASHA BILIMORIA
LISA GREEN

CC: TOM KALIL
BEN JOHNSON
KATHLEEN AHN

SUBJECT: LAWYERS FOR ONE AMERICA

LG/NB
This looks promising. We need to help them brainstorm on how to make it more of a separate org. idea. 1.4
Businessline — GS 9/23/97

You had asked Lisa to provide you with information on the Lawyers for One America program as well as their possible participation in the President's New Markets initiative. The group has asked to meet with you and we are currently trying to schedule a meeting. We have attached their steering committee list so you have an idea of the people and organizations involved in Lawyers for One America. Eric Holder, Deputy Attorney General, has played a pivotal role in coordinating the group's efforts to date.

This memo attempts to do the following:

- Provide you with a brief description of the Lawyers for One America Program
- An example of transactional pro-bono legal services
- Ideas on how Lawyers for One America can participate in the President's New Market initiative.

Lawyers for One America

Lawyers for One America (LFOA) is a loose-knit coalition of national, state and local legal organizations committed to one or both of the following goals:

- to promote greater diversity within the legal profession
- provide pro-bono service to those who are unable to retain legal services.

On July 20, the President, in his remarks to this group, challenged lawyers to not only continue striving for these two goals, but also to take part in the his New Markets initiative. Throughout his speech, the President made numerous connections between the services lawyers provide and New Markets. He stated "You can help inner-city entrepreneurs negotiate loans to start new businesses. You can help nonprofits secure new supermarkets and merchants in under-served communities."

Community Economic Development Pro-Bono Project, Washington, DC. An Example of How Lawyers can Participate in New Markets

In 1998, the DC Bar Public Service Activities Corporation established the Community Economic Development (CED) Pro-bono project to provide a vehicle for corporate and transactional lawyers to provide pro-bono services to the community. The project is designed to deliver legal services to organizations operating in low-income and distressed communities in DC. The project works by matching large law firms with established community development organizations and other non-profits that are operating without the benefit of legal council.

The goal of the project is for lawyers to work with organizations serving a targeted area (usually a low-income or economically distressed) and provide them with corporate, real estate, tax and general business advice that they would not ordinarily have.

The group also holds clinics in economically distressed neighborhoods where community organizations or small disadvantaged businesses can get brief advice or full representation from volunteer attorneys. **An example of the group's success is the work Latham and Watkins (DC law firm) have been doing with the East River Community Development Corporation (ERCDC).** ERCDC is a community development group that is working to revitalize Ward 8 in southeast Washington, DC. While the group already has several housing development projects underway, their current plan is to try and attract a major commercial tenant to anchor a large retail center that will bring an influx of jobs to the neighborhood. ERCDC would purchase the land, develop it and then lease it to the business. Initially, Latham and Watkins attorneys reviewed ERCDC's articles of incorporation, bylaws and provided advice on what improvements were needed. Now the attorneys are providing advice on a \$200,000 local initiative loan program that focuses on buying, rehabilitating and reselling houses in the community as well as other major initiatives. An article from the DC Bar magazine on this project is attached for your convenience.

Possible Ideas on how to get Lawyers for One America involved with New Markets

Natasha spoke with Tevia Barnes, the new Executive Director of Lawyers for One America (who is very excited to participate in New Markets) on September 22nd about some of their ideas on how to become involved in the President's New Markets initiative. During their last meeting, the group devised the idea of ~~creating a partnership between lawyers, private investors including venture capitalists and small businesses in low-income communities.~~ Tevia said that there are a number of minorities who have small businesses or microenterprises that are having difficulty expanding for two reasons: lack of funding and sound legal advice. Lawyers for One America would coordinate their lawyers to work with small businesses by providing them legal counsel as well as connecting them with venture capital firms, private investors and other business connections to assist in the development of these businesses. Tevia is currently located in San Francisco and she feels strongly about somehow getting the Silicon Valley companies involved with this project.

77
Legal?
The one drawback that currently exists (according to Tevia) is that most venture capital firms are not interested in working with such small businesses. Tevia believes that if the President challenges venture capital firms and larger individual investors to participate in the New Markets initiative, that more firms would participate.

Follow-up

- During their last meeting, the group decided to gather information on which venture capital firms have already targeted development in LMI communities. Tevia said she would forward this information to us as soon as possible.
- A subgroup of the steering committee would like to meet with you to discuss in detail how Lawyers for One America can participate in the New Markets Initiative. The individuals that would participate in this meeting include Eric Holder from Justice; Bill Paul, President of the American Bar Association; Jack London and Dan Kolb from Lawyers Committee for Civil Rights Under the Law.

“Law-Race Listserv” Participants as of 9/10/99. Please note changes or corrections to Susan Hackett (202/293-4103, ext. 318; hackett@acca.com)

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D.C. BAR PUBLIC SERVICE ACTIVITIES CORPORATION

What is the Community Economic Development Pro Bono Project?

The DC Bar Public Service Activities Corporation established the Community Economic Development Pro Bono Project in 1998 to provide a vehicle for corporate, transactional and business lawyers seeking non-litigation pro bono assignments. The project is designed to deliver critically needed legal services to organizations operating in and serving low income and distressed communities in the District of Columbia.

The Project receives policy guidance and direction from the Project Advisory Committee, composed of transactional attorneys and representatives of non-profit community organizations with substantial expertise and commitment to community economic development issues.

How Does the Project Serve Communities?

Through the Law Firm Partnership Program, Community Economic Development Clinic and education and information sessions the CED Pro Bono Project provides pro bono legal counsel, and education and information to organizations serving and operating in low income communities in the District.

The Law Firm Partnership program matches large law firms with established community development organizations and other mature community based non-profits that are operating without benefit of legal counsel. The goal of the program is to establish an outside general counsel relationship between the firm and the client organization, which transcends a single project or legal issue, and provides access to counsel on a range of matters that arise in the non-profit client's operations and programs.

The Community Economic Development Clinic program matches the specific expertise of individual volunteer lawyers with discrete legal issues faced by smaller or start-up non-profit organizations and small and disadvantaged businesses. The goal of the clinic is to work in partnership with an established non-profit serving a targeted area and to deliver corporate, real estate, tax, and general business law advice to organizations in the service area who otherwise would not have access to counsel.

Through the education and information component of the Project, topics related to low income community economic development are offered to interested non-profits and other community development practitioners. A seminar was held in 1998 on D.C. Enterprise Zones. PSAC's training schedule for attorneys this year includes a session on non-profit incorporation. Brown bag luncheon discussion are now being planned for Fall '99 on issues relating to non-profit partnerships and business enterprise.

How Do I Get Involved?

Law firms interested in the Law Firm Partnership program, lawyers interested in volunteering for the clinic and attorneys wishing to donate their time and expertise in education and training programs should contact Deborah Austin, Esq., Project Director on (202)737-4700 ext. 376.

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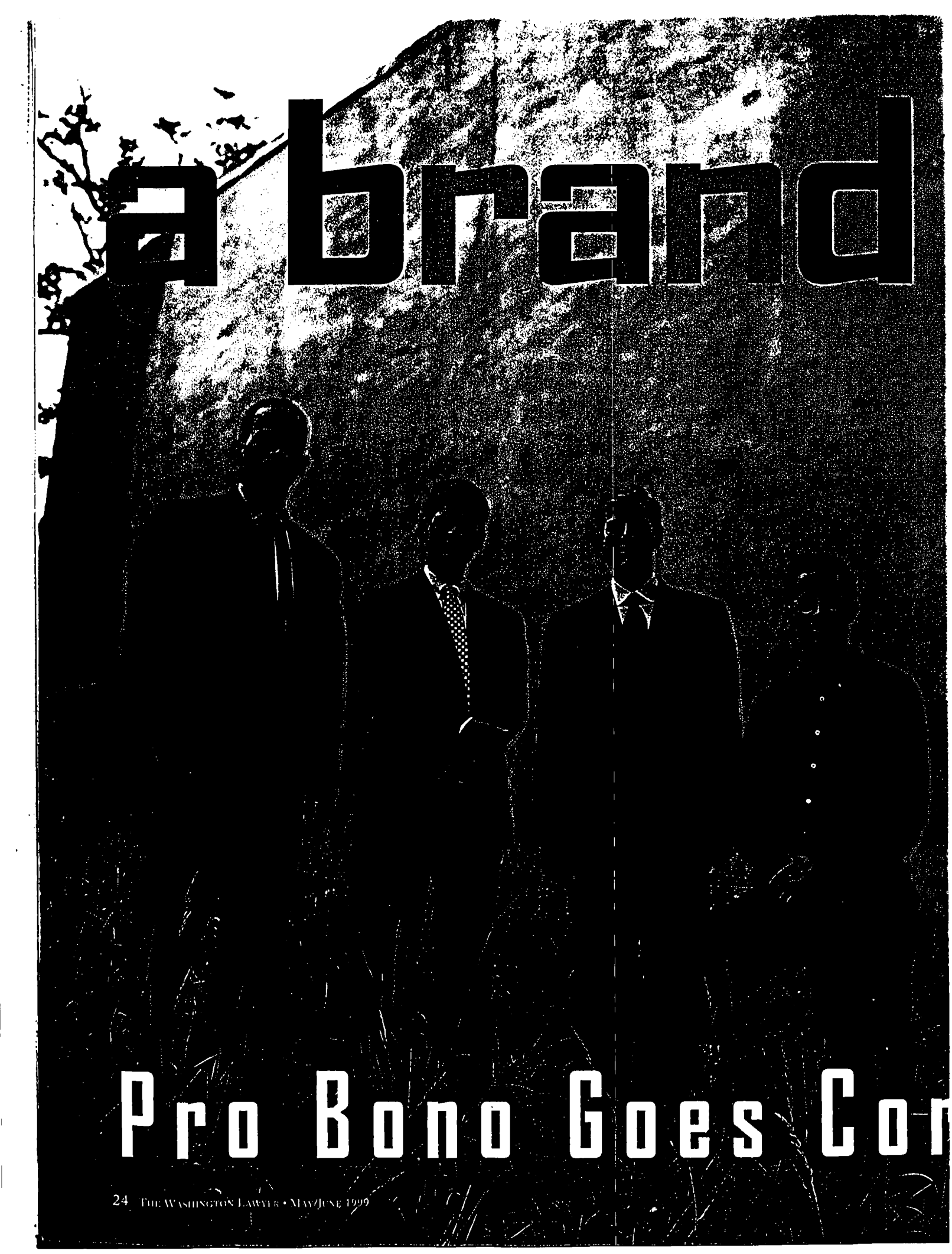
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Pro Bono Goes Cor

New World

BY LISA FINNEGAN

The words *pro bono* can make a corporate attorney's eyes glaze with visions of courtroom litigation, landlord-tenant disputes, or complicated immigration briefs. Traditionally, *pro bono* has been the province of litigators and young law firm associates eager to gain some hands-on experience. By and large, corporate and transactional lawyers have found that their skills have little relevance in the *pro bono* arena.

That is, until recently. A new program sponsored by the D.C. Bar's Public Service Activities Corporation (PSAC) is making the words *pro bono* relevant to business lawyers. Rather than matching one attorney with one individual client, the Community Economic Development (CED) Pro Bono Project finds a corporate law firm to act as general counsel for an established nonprofit CED organization. The goal is to help highly skilled transactional and corporate attorneys use their knowledge and skills to assist nonprofits that are working to rebuild local neighborhoods. The attorneys are asked to provide the same range of legal advice and expertise they offer their commercial clients—with the added benefit of being able to give back to the community.

Lisa Finnegan is a Washington-based freelance writer.

photography by Cade Martin

North Capitol's Arthur Dade with Ken Pollack, Carey Smith and Michael Goodwin of Arnold & Porter

Corporate

James W. Jones, cochair of the project's advisory committee and senior vice president of APCO Associates, says the program serves as an antidote to a problem that has long plagued a vital segment of the Bar. "One of the traditional problems with pro bono work," he says, "is there has often been inadequate opportunities for nonlitigation lawyers to become involved in pro bono work. If you look at the typical pro bono assignment, it involves representing an indigent defendant or client. While I'm not diminishing the value of that in any way, it takes some lawyers so far out of their specialties—we're talking about lawyers who haven't darkened the door of a courtroom in 30 years—that it tends to leave half of the legal profession with nothing to do in the pro bono arena."

The PSAC program provides a framework for corporate attorneys "to use their transactional and business skills to effect significant and lasting change in the District," Jones continues. "It provides an opportunity to serve a wider range of needs and to provide significant pro bono work that uses all the skills of the legal profession, while taking on the daunting task of rebuilding the city."

The idea was developed as the District's financial problems became impossible to ignore. In recent years, local nonprofits experienced a cut in federal funding for community economic development programs at a time when federal welfare reform legislation was heaping new burdens on them.

"Many local nonprofits, especially those concerned with community revitalization and development, take a broad view of their mission and seek comprehensive solutions," says CED project director Deborah Austin. "They are providing social services, producing affordable housing, carrying out job training, and lending funds to community entrepreneurs who can't get help at a bank. Yet they are also feeling the pinch of reduced federal funding and ever-increasing competition for foundation grants. To survive in this arena, they must be savvy about raising and leveraging the dollars available to them. Consequently, they are spinning off for-profit subsidiaries, forming joint ventures, managing real estate, or merging with other groups. All of these activities, which are common in the corporate world, are familiar to nonprofit directors as well. The huge problem is the community organizations don't have a budget that can pay for the legal expertise needed to help plan, structure, and implement these strategies. The skills of pro

bono business lawyers are badly needed."

PSAC screens the requests for assistance from established nonprofit community development organizations that need legal advice, and assesses their needs. Once that is done, the search commences for a corporate law firm with expertise in the relevant practice areas to meet the community group's needs.

"We couldn't do it without some help," says Donna Grigsby, director of the Washington Area Community Investment Fund. Grigsby's group has a \$3 million loan fund that is allocated to other nonprofits in the District to help them develop affordable housing, community-based day care, and homeless shelters. "We had pro bono counsel before becoming involved in the CED program, but the lawyers were pretty busy and getting their help was always hit or miss."

Since enrolling in the CED program, Grigsby has been matched with Hunton & Williams, where Rob Hawkins is the responsible partner. Grigsby says, "He has been really helpful in coordinating his time and energy and expertise." The partnership is new, but Grigsby says she is looking forward to help with a project that combines job training with affordable housing to low-income residents in the District.

"We've hit it off with them," she says of the attorneys at Hunton & Williams. "They've helped us explore the possibility of merging with other loan funds and have put forward ideas we never would have thought of. It's working out well."

Since the CED project was established in 1998, seven matches have been made, with several more on the brink of being finalized. With only a handful of other programs of this type currently operating across the nation, the CED project is being closely watched by other state and local bars that are interested in integrating nonlitigators into the pro bono workforce.

The CED project has a second component, which uses a clinic model to match individual lawyers with smaller nonprofits and disadvantaged businesses needing more discrete legal assistance. Beverly Wilbourn, a partner with Curry & Wilbourn, and cochair of the project's advisory committee, says, "This component of the project meets critical community needs and allows attorneys from all types of practice settings to join in."

The first community economic development clinic was held in the Shaw neighborhood last February. PSAC partnered with the Manna Community Development Corporation. The law students from the Small Business Clinic at George

Washington University screened requests from area start-up nonprofit organizations and disadvantaged small businesses. Attorneys from large law firms, solo practice, government agencies, and corporations all came together to provide pro bono advice on a diverse range of issues. The Bar sections were instrumental in recruiting volunteer lawyers. "Thirteen matches were made at the clinic," Wilbourn notes. "The organizations are receiving help with incorporation, commercial lease negotiations, as well as personnel and real estate issues. One client is also receiving assistance in working with the city to ameliorate the impact of construction for the new convention center on business operations, a case which will have beneficial results for similarly situated businesses along that corridor."

PSAC is planning to conduct a second clinic this summer in cooperation with East of the River Community Development Corporation. "Summer associates," Wilbourn explains, "will be used to screen the requests. We are very pleased with the clinic approach and are looking forward to a big turnout of clients and volunteer lawyers."

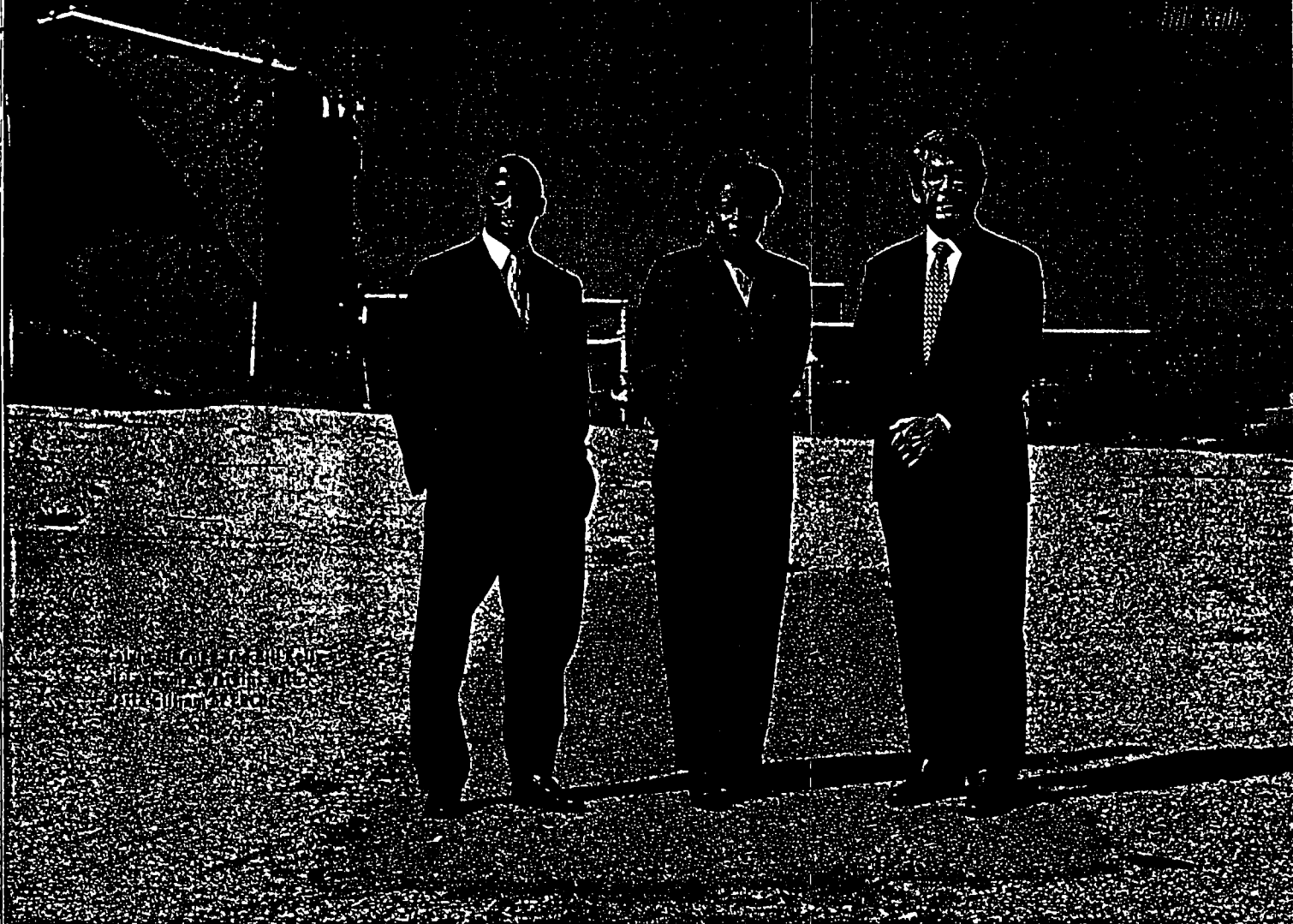
In assessing the early success of the CED Pro Bono Project, Jim Jones says, "Bar associations everywhere are struggling with the issue of how you can constructively engage the bar in the process of rebuilding cities. I think you are going to see an awful lot of long-range benefit out of the CED Pro Bono Project—even more than the benefits you get out of the individual litigation pro bono umbrella. It is a great opportunity for nonlitigators who are looking to make a contribution in the pro bono arena."

Latham & Watkins

Bill Kelly, a partner with Latham & Watkins, shares Jones's assessment. Kelly and a group of associates at Latham & Watkins have been working with East of the River Community Development Corporation (ERCDC) to help revitalize Ward 8 in southeast Washington. A 10-year-old community development organization, ERCDC has several housing development projects under way in the Washington View neighborhood and is trying to attract a major commercial tenant to anchor what it envisions as a large-scale retail center that will bring an influx of jobs to the neighborhood. The plan is to have ERCDC purchase the land, develop it,

"East of the River is receiving much needed legal counsel, and for us it's a way to contribute to the community we live and practice law in."

—Bill Kelly



and then lease it to businesses.

"The relationship has been beneficial for all of us," says Kelly. "East of the River is receiving much needed legal counsel, and for us it's a way to contribute to the community we live and practice law in. One of the things I like about the practice of law is getting to know clients and developing a relationship with them. Right now we are doing that with East of the River, and I'm really enjoying it."

At the outset, Latham & Watkins attorneys reviewed ERCDC's articles of incorporation and bylaws, and provided advice on what improvements were needed. The relationship has continued to progress.

At present, Kelly is working with ERCDC director Retta Gilliam to attract a supermarket or large chain restaurant to the neighborhood; providing advice on a \$200,000 local initiative loan program

that focuses on buying, rehabilitating, and reselling housing in the community; and establishing a for-profit subsidiary to deal with the environmental hazards involved with refurbishing old buildings.

"A lot of old buildings have environmental problems, like asbestos," Kelly explains, "and East of the River wants to start an environmental subsidiary that will train local people to handle environmental work. We're counseling them on the potential liability of doing environmental work, and the steps they need to take in order to ensure the nonprofit and the subsidiary remain separate so they don't jeopardize their 501(c)(3) status."

Retta Gilliam says Kelly and his associates have been enormously helpful. In addition to offering practical advice, Gilliam says, the law firm is helping East of the River avoid mistakes before they occur.

"We had a situation a few years ago where we needed counsel, but didn't have it," she says. "Regulatory issues came up that we didn't know about. We approved all the plans [to build four single-family homes] and were ready to go, when an inspector came by and said we had to do A, B, and C before proceeding. It cost us an additional \$50,000 to get into compliance. If we had had legal advice, we would have taken a different route at the outset." Eventually, the homes were built, but Gilliam notes that the construction took longer and cost more than anticipated.

In addition to providing legal assistance, Gilliam feels, the Latham & Watkins attorneys give ERCDC "an air of credibility" when they meet with large corporations that are considering doing business in the neighborhood. "Their presence," she says, "accentuates the fact that

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we are serious. It lets the corporate officers know that we understand the bigger issues. In doing a corporate development project, it's nice to have them by our side."

Kelly says that he looks forward to watching ERCDC grow and evolve. "I hope we can use our business judgment to help them accomplish their goals," he says. As a law firm with 800 attorneys, he believes, Latham & Watkins is uniquely positioned to help a nontraditional client. "I can e-mail all of the lawyers in the firm and ask if they've come across a particular problem before," he explains. "I can get input from lawyers who may have a creative solution to a problem East of the River might be facing."

Already, at Kelly's suggestion, ERCDC is contemplating the creation of a community development bank capable of making District-wide loans to nonprofits. "We try to help East of the River

been rewarding. He is particularly pleased by the opportunity to work with a community development organization on a pro bono basis "doing the work I am most comfortable and familiar with" rather than going to court and litigating on behalf of a single individual. "I wanted to have more of an impact, and East of the River fits the bill perfectly."

Fried, Frank, Harris, Shriver & Jacobson

Stephen Glover, a partner with the law firm of Fried, Frank, Harris, Shriver & Jacobson, has good news for law firms contemplating joining the CED program. "It is not a huge drain on time. It's not the kind of commitment that is going to require lawyers to devote hun-

"It is not a huge drain on time. It's not the kind of commitment that is going to require lawyers to devote hundreds of hours. From the law firm's perspective, it is very doable, very reasonable."

—Stephen Glover

gain exposure to grants and financing they otherwise would not have," Kelly says. "A large law firm like ours is in a position to develop new strategies and find new resources to help smaller community development corporations carry out their missions. Retta Gilliam has the energy and the commitment to make things happen, and by working hand-in-hand with her we make a great team."

Calvin Gladney, a second-year associate at Latham & Watkins, has worked with ERCDC on several projects, and he points out that running a community nonprofit is not easy. As an example, he notes that he recently studied the Superfund regulations to make sure that potential liability problems with ERCDC's environmental subsidiary would not impact on the nonprofit. Additionally, while working on a bid to purchase an empty school building in Anacostia, Gladney found that there were other neighborhood groups who did not necessarily agree with what ERCDC wanted to do with the property. "I learned a lot about how hard it is for community organizations to get things done because of the variety of players they have to deal with," he says.

The experience, Gladney adds, has

dreds of hours. From the law firm's perspective, it is very doable, very reasonable."

Glover is in a position to know because his firm has been partnered with the Calvary Bilingual Multicultural Learning Center (CBMLC) since January. The center was founded in 1986 and initially was run out of the basement of a church. Since then, CBMLC has grown from a day-care center for about a dozen preschoolers to a full-blown community center that provides services to more than 200 children. Calvary provides parenting support for 40 infants and mothers in their homes, and it conducts classes to strengthen families and enhance the developmental process of young children.

In 1995 Bell Atlantic donated a 75,000-square-foot building to the center. CBMLC uses 10,000 square feet for its own programs, and is ready to renovate the rest of the building. A portion of the unused space will be developed as a gymnasium with a basketball court. Other sections will be leased to nonprofits, and Bell Atlantic will continue to lease space. CBMLC has looked to Glover for advice on potential lease arrangements and loan agreements.

"What has impressed me most," says

Glover, "is their record of success. For an organization dedicated to children, they have made enormous strides. They obtained a building and have received sponsorships from major corporations. They have grown into an organization with a budget of several million dollars, and have done so with very few resources—it's just phenomenal."

In describing his decision to sign on as counsel, Glover says, "I've felt for a long time that I haven't been doing enough pro bono work. I did litigation years ago when I was willing to draft complaints, but I reached a point where I didn't want to do that anymore. It's hard for corporate lawyers to find pro bono work that requires their expertise. But the center's needs involve corporate, tax, and business planning issues, all of which sounded great to me."

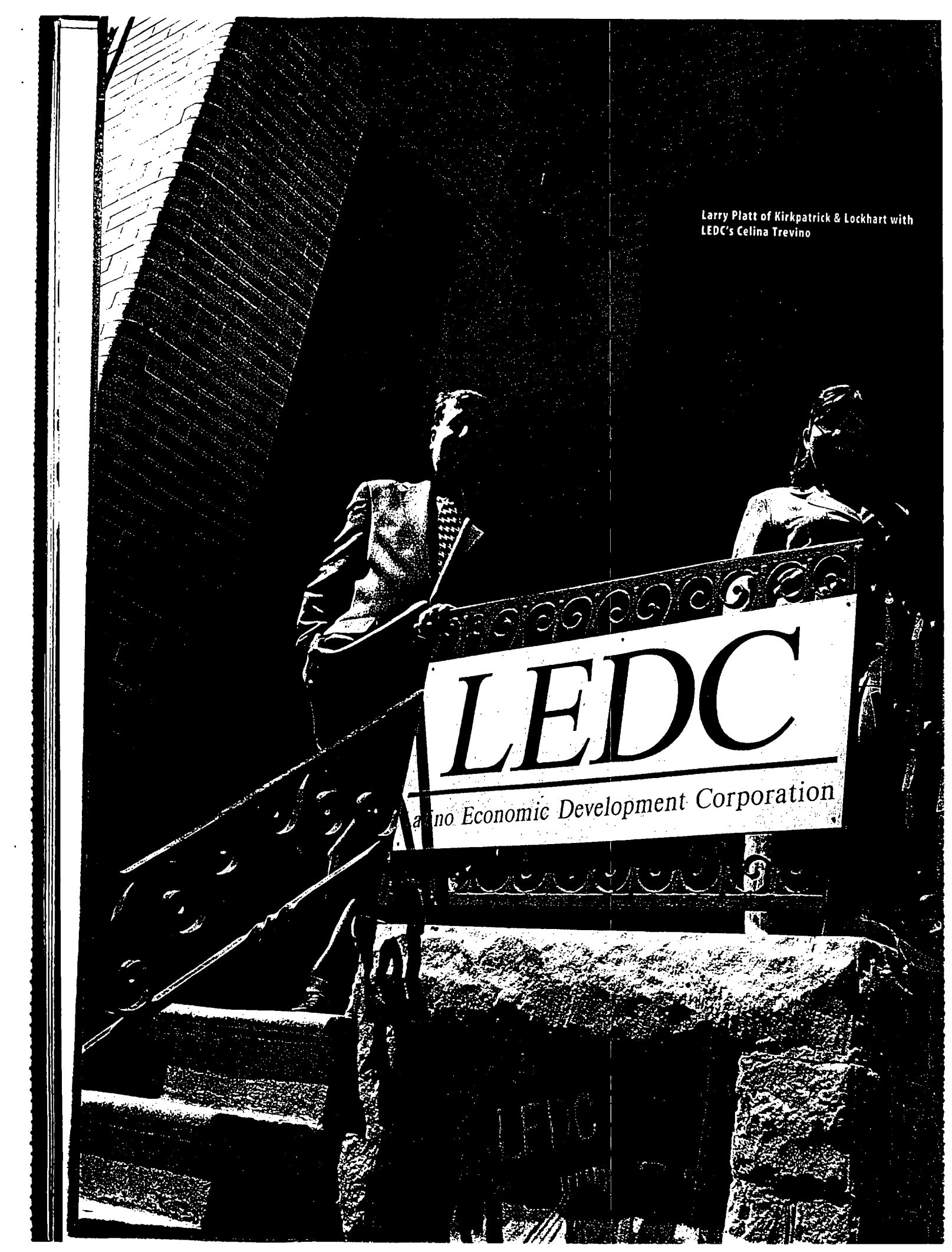
Glover's first major project with CBMLC has been to provide guidance on a two-phase \$3 million loan the center has obtained to finance building renovations. "Ownership of the building," says Gretchen Elsworth, the secretary of the CBMLC board of directors, "has thrust us into a whole new world. We have a lot of new questions: How do you meet the fiduciary responsibility that comes with owning a building? Can we develop micro enterprises? What are the tax implications of trying to do so? We really need sophisticated legal advice." But prior to being partnered with Fried, Frank, the legal help CBMLC obtained was piecemeal and inconsistent.

"We were," Elsworth says, "kind of winging it." But winging it created complications as the organization grew. While the new resources were welcome, Elsworth explains, "We didn't want to do something that would compromise our nonprofit status." The partnership provides CBMLC an opportunity to grow without having to worry about legal complications that might prove counterproductive in the long run.

Fifth-year associate Elton F. Norman is among the Fried, Frank attorneys who have devoted pro bono time to the project, and he says the work is rewarding because you "help a worthwhile organization develop. I have enjoyed learning about their mission. I was impressed with the enthusiasm and dedication of the people involved. An entity like the Calvary center can have a huge impact on a community—especially on children."

CBMLC's Beatriz Otero says the Fried, Frank attorneys have "provided excellent advice. They prevent us from making mistakes before they happen, something we could never be sure of in the past."

Larry Platt of Kirkpatrick & Lockhart with
LEDC's Celina Trevino



LEDC

El Paso Economic Development Corporation

Kirkpatrick & Lockhart

The Latino Economic Development Corporation (LEDC) was created in 1991 after the summer of civil unrest in the District's Mount Pleasant neighborhood. Originally focused on the Latino community District-wide, LEDC now targets the needs of a mix of people

"I see myself as an intellectual resource to brainstorm on issues with them. Secondly, I see myself drafting and reviewing contracts and loan agreements." —Larry Platt

in the Mount Pleasant and Adams Morgan neighborhoods, focusing on issues such as housing, hunger, and access to medical care. The corporation has a \$300,000 loan fund to help small businesses and provide support services.

Recently, the law firm of Kirkpatrick & Lockhart was partnered with the LEDC. Larry Platt, a partner with the law firm, has helped the organization fulfill its business and housing development mission by drafting a conflict-of-interest policy for the board of directors, drafting a memorandum of understanding for a potential partnering with another area nonprofit, and reviewing contracts.

"Years ago," says Platt, "I did a lot of pro bono work involving individuals. I found it discouraging, because most of the problems came down to brutal economic need, and there wasn't anything I could do about that. I found I didn't enjoy that type of pro bono work."

When the opportunity to work with a community development organization came along, Platt was elated. "It gave me the ability to use my legal skills to benefit the community," he says. "That's a good feeling." Noting that LEDC is focused on economic development, he adds, "I have a particular interest in that. Nonprofits serve all kinds of needs, and it just happened that the LEDC was doing things that interested me."

LEDC director Celina Trevino says that the recent pairing of her organization with Kirkpatrick & Lockhart is already providing important benefits. In the past the LEDC received occasional pro bono assistance, but it was never consistent. The PSAC program, she says, "takes the guesswork out of who you

might get to represent you. We don't have to worry about whether a volunteer lawyer is going to be qualified. We know the lawyers at Kirkpatrick & Lockhart, and we know that they are interested in what we do."

Platt says that his role with LEDC has been twofold: "What I do as a lawyer every day is help clients talk through problems. That's something I try to do with LEDC.

I see myself as an intellectual resource to brainstorm on issues with them. Secondly, I see myself drafting and reviewing contracts and loan agreements."

For her part, Trevino says Platt is becoming an indispensable resource for the organization. It is reassuring to know that legal assistance is only a phone call away. "When things come up," she says,

"they always come up suddenly," and Platt has been very responsive in handling issues that are time sensitive. "He's a team player," she says. "His expertise is invaluable."

Arnold & Porter

When Carey Smith read an officewide e-mail at Arnold & Porter inquiring about interest in working with the North Capitol Neighborhood Development Corporation through the CED project, he immediately signed on. A fourth-year associate who does real estate and transactional law, Smith saw a great opportunity to learn while doing interesting work for a good cause. "I like working with North Capitol," he says, "because they do real estate development, which I find to be very interesting. It's gratifying to be doing real estate development in different neighborhoods, rather than strictly in the downtown office area."

Under the supervision of partners Michael Goodwin and Rob Conley, Arnold & Porter performs a general outside counsel role for North Capitol. The

Continued on page 56

The D.C. Bar Public Service Activities Corporation

The D.C. Bar Public Service Activities Corporation (PSAC) recruits, trains, and mobilizes attorneys to provide pro bono legal services to the needy. Members of our community encourage and assist lawyers seeking to expand their pro bono services and foster communication between volunteer attorneys and legal service providers in need of pro bono assistance. The addition to the Community Economic Development Pro Bono Project, PSAC programs include the following:

- The Pro Bono Firm Pro Bono Clinic matches low-income clients referred by D.C. legal service providers with volunteer attorneys from D.C. law firms, the U.S. Department of Justice, and the National Labor Relations Board.
- The Pro-Se Plus Divorce Clinic assists unrepresented individuals who want to file an uncontested divorce in the family division of D.C. Superior Court.
- The Pro Bono Bankruptcy Clinic offers seminars where volunteer attorneys describe the implications of filing personal bankruptcy and helps match clients with volunteer attorneys.
- The Advice and Referral Clinic provides individuals with brief general information and advice on a wide range of civil matters.
- The Legal Information Help Line provides the public with information recorded in English and Spanish on more than 20 topics annually, including public benefits, employment, and housing law.
- The Family Law Project develops informational materials and form pleadings of high pro se litigants, navigates their way through family law matters without an attorney.
- The D.C. Bar Pro Bono Partnership is a network of D.C. law firms committed to providing pro bono services that is coordinated by PSAC.

For more information on any of the programs, call PSAC at (202) 777-4700, ext. 293 or visit the D.C. Bar Website at www.dcbar.org.

A Brand New World

Continued from page 31

client is a 15-year-old nonprofit organization that revitalizes underserved neighborhoods, provides renovation opportunities for low-income individuals, and strives to create viable economic centers in low-income areas in and around the North Capitol Street corridor.

Arthur Dade, executive director of North Capitol, says the organization's mission also is to address the needs of local businesses in the Shaw, Mount Vernon Square, and Bloomingdale neighborhoods. Through North Capitol, local businesses can borrow up to \$25,000 for renovation of office space or equipment purchases. "We serve as another option for small businesses," says Dade. "When we review an application we are not as stringent as a loan officer in a bank. Our criteria are based on whether or not it's a viable business—not creditworthiness. We will take a risk." As an example, Dade explains that North Capitol would provide funding for a florist to purchase new vans, but it would deny funding to a liquor store. "There are enough liquor stores," Dade says, "and they are selling products we see as a problem in our community."

One project North Capitol currently has under way involves an attempt to buy land and construct affordable housing on small lots in the Mount Vernon Square and Shaw neighborhoods where buildings were torn down years ago. District planners have been hesitant to permit new construction because the lots are so small. "We believe," says Dade, "that because there used to be buildings there, we should be able to get rid of the blight by putting in some affordable housing."

To assist with this project, North Capitol is relying on Smith and Ken Pollack, another fourth-year associate at Arnold & Porter, primarily for contract review and drafting.

"Arnold & Porter has helped us on other legal issues," says Dade. "We don't have any legal expertise, so when they help us on small things, like contract reviews, it is incredibly helpful."

Pollack says that the work he does for North Capitol is similar to what he does for his paying clients. "They are different in the sense that North Capitol's main goal is community development in neglected areas of the city, whereas a paying client's goal is to maximize profit. But in terms of client contact and services provided, the work is pretty much the same."

At present, Pollack is also assisting on a project in which North Capitol is interested in purchasing a building and then leasing affordable space to start-up businesses. The goal is to have the location serve as an "economic incubator" that will encourage businesses to bring jobs and revenue to the neighborhood. "It's an interesting project," says Pollack. "Often start-up businesses don't have a lot of capital, and by providing affordable office space North Capitol might be able to give them a chance to get off the ground."

So far, Smith says the relationship has been rewarding. "There's nothing about North Capitol that I don't like. Six months ago I'd never heard of them, but now I see them as a strong force in the community. It's nice that I can help them in fulfilling their mission."

Arthur Dade is delighted. Originally, he was concerned that as a small, nonprofit, nonpaying client, North Capitol would not receive the same attention as Arnold & Porter's paying clients. But to his surprise, the lawyers have never hesitated whenever he has requested assistance. If North Capitol had to pay for the services received, he says, it could never afford them. "When we went to private developers before," he adds, "they always

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A Wonderful Example

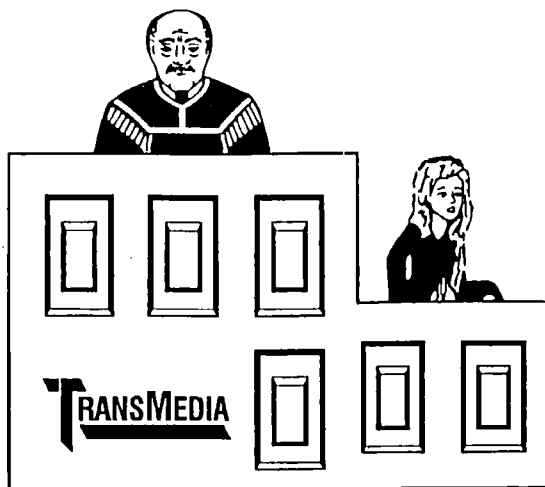
In assessing the tremendous strides the CED project has made over the past 12 months, D.C. Bar President Andrew H. Marks says, "One of my goals for my year as president has been to encourage our Bar to become more engaged in our community. The CED project is a wonderful example of the impact lawyers can have when we lend our skills and expertise to solving community problems. The lawyers and law firms who participate in the CED project are making a positive contribution that will result in new housing, new jobs, and stronger neighborhoods. The lawyers and law firms are enriched as well by working with inspiring community leaders and feeling that they are a vital part of our local community. The CED project is the newest example of the important role PSAC fulfills for this Bar—identifying unmet legal needs, filling gaps, and making it possible for all segments of our Bar to get involved in helping others in whatever way we can."

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28 Tuesday**8:30 AM** Chief of Staff's Breakfast**9:20 AM** Staff Meeting**11:00 AM** New Markets Meeting with Gene and Maria**2:00 PM** Democratic Cacus Meeting**3:00 PM** New Markets Standing Meeting**4:00 PM** Salway Meeting - Room 476**5:30 PM** New Markets Legislative Strategy Meeting

**FY 2001 GC/MED Budget Material:
7(j) Increase to \$9.5 Million**

Request:

For FY 2001, SBA requests that the 7(j) Management and Technical Assistance/Training Program receive \$9.5 million to finance fundamental 8(a) business development requirements.

Background:

The 7(j) Program derives from Section 7(j) of the Small Business Act, 15 U.S.C. 636(j)(1). It authorizes SBA to provide financial assistance to public or private organizations to pay all or part of the cost of technical or management assistance for individuals or concerns eligible for assistance under sections 7(a) (11), 7(j) (10) or 8(a) of the Small Business Act. This assistance includes and is not limited to counseling and training in the areas of financing, management, accounting, bookkeeping, marketing and operation of eligible concerns.

The 8(a) Business Development Program:

The 8(a) Business Development (8(a) BD) Program is a federal economic opportunity program open to small socially and economically disadvantaged businesses. It derives from Section 8(a) of the Small Business Act, 15 U.S.C 637(a), and is operated by the SBA's Office of Government Contracting and Minority Enterprise Development (GC&MED). The purpose for the program is to provide small disadvantaged businesses equal access to federal procurement markets and to enhance the competitive viability of these businesses. Further, the program is essential to the economic viability of America's free enterprise system because it assists in leveling the playing field of access to wealth and business opportunities.

Increase Request to \$9.5 Million:

The SBA administers and operates the 8(a) Business Development Program. The program provides a variety of business development assistance, including federal contracting opportunities, management, technical and marketing assistance and other related services. However due to limited 7(j) funding, SBA has been unable to adequately assist all program participants.

During FY 1999, there were roughly 6800 8(a) firms that required business development services and assistance. For this period, SBA was appropriated \$2.6 million to develop these firms or the equivalent of \$382.00 per participant. This is simply an inadequate amount of funding to fulfill the intent of the program or in the least provide a majority of firms in the program sufficient assistance.

Current Progress:

To further the purpose of section 8(a) of the Small Business Act, the Office of GC&MED has developed the Business Assessment Tool (BAT). The purpose of the BAT is to identify and gauge the business development requirements of each 8(a) participant. As mentioned, there are roughly 6800 firms in the 8(a) BD program. Once SBA has identified and gauged the business needs of these concerns, it must then provide a resource to fulfill or satisfy these various business development requirements. The requirements range from one or a combination of the following: assistance in obtaining financing, developing business and long range strategic plans, effective marketing, management and technical assistance, federal contract assistance and education, legal assistance, budget planning, and personnel assistance.

New Initiative:

Kenan Institute and Americorp-Vista National Year Round Assistance Program.

Our goal is to develop an assistance program that is effective year round, merges the resources and talents of national business schools, including Historical Black Colleges and Universities and provides direct management and technical assistance to a greater number of 8(a) businesses at a reasonable cost. The Kenan Institute, as an arm of the Kenan-Flagler Business School of North Carolina at Chapel Hill, a network of other national business schools, HBCUs, MBA graduates and students and Americorp-Vista volunteers provide SBA the mechanism to accomplish this goal.

Our new 7(j) initiatives will provide greater assistance to all 8(a) participants. Through this national network educational and business institutions, we intend to provide a menu of year round direct business development assistance to 8(a) firms. The cost of this program is estimated at \$1400 per participant.

Conclusion:

During a period of great American economic prosperity, all individuals should have the equal opportunity to participate and achieve economic success. Small businesses owned and controlled by socially and economically disadvantaged individuals are essential to maintaining a level economic playing field. Due to discrimination, these businesses have been isolated from equal opportunities in education, employment, business opportunities and access to capital. Only with the 8(a) Business Development and 7(j) programs can these businesses receive the skills and opportunities to grow and become competitive in the free market system.

Therefore for the proposed FY 2001 budget, SBA requests that the 7(j) Management and Technical Assistance/Training Program receive \$9.5 million to finance fundamental 8(a) business development requirements.

Proposal: 7(j) Business Development Pilot

I. Project Overview

This pilot program is designed to enhance the competitiveness and profitability of 8(a) firms. The proposed program is modeled on the highly successful MBA Enterprise Corps and Urban Enterprise Corps programs of the Frank Hawkins Kenan Institute of Private Enterprise, an arm of the Kenan-Flagler Business school at the University of North Carolina at Chapel Hill. The programs recruit recently graduated but experienced MBAs from the top forty U.S. business schools to consult with small and medium-size enterprises in the privatizing economies of eastern Europe (MBA Enterprise Corps) and in economically distressed urban communities in the U.S. (Urban Enterprise Corps.).

Talented undergraduate and graduate business majors will be recruited from the schools accredited by the American Association of Collegiate Schools of Business (AACSB) to provide technical and managerial assistance to SBA 8(a) firms to help them survive, grow, and expand their markets – both domestically and internationally. These teams would be supplemented with AmeriCorp*VISTA volunteers. At each participating school, a key faculty or staff person at these schools will serve as the local project representative. This representative will assist with the recruitment of undergraduate and graduate business majors and serve as a local resource for the teams. With an eye toward replicating this proposal nationally, the proposal will focus initially on 8(a) firms in the developmental and transitional stages of the program in 14 regions (see attached list).

II. Background

For many years, 8(a) was considered only a contracting program offering little other business development resources. During this time, the major complaint about the management and delivery of the 8(a) program was lack of direct assistance, e.g., training, marketing, or any other form of developmental resources. This was primarily a result of the size of the portfolio and the inability of the staff to provide one-on-one assistance.

On a limited basis, some district offices took steps to address these shortcomings by conducting contract opportunity fairs, seminars on special initiatives, regulations, and other pertinent issues. In addition, SBA has attempted to fill this void by

providing funding for executive education programs (EEP) at several colleges. All of the SBA EEP schools provide either: the basic minority business executive or an advanced minority business executive program. All of the sessions are one-week programs. The various programs include: strategic planning, strategic marketing, cash flow management, cost control, information technology, accounting and taxation, team building, human resource management, and other subject areas. In addition to these subjects, the firms also have the opportunity to network and form alliances with each other. Since 1994, approximately 888 firms have attended one of these sessions at a cost of \$4,000 per participant.

To fully grasp the importance of the proposed 7(j) business development pilot, it is important to first understand the universe we serve. The types of firms approved for the 8(a) program generally fall into three basic categories. First, there are firms owned and operated by somewhat seasoned managers who have experience in both federal and private sector contracting. These firms usually have a strong technical background with some business management experience and the company maintains a moderately strong asset base. This group represents less than 25 % of the firms approved. The next group is made up of technically astute owners who have limited business management skills/experience, little to no federal contracting experience, and a relatively small asset base. The final group consists of owner/managers who have some technical skills, very little management experience, very little contracting experience outside of subcontracting, and minimal assets. The distribution between these two final groups is evenly divided, skewed slightly toward the latter group.

Upon entry into the 8(a) program, we treat each group the same. That is, we request a business plan and once that plan is completed, we require them to self-market. Generally speaking, the first group, because of experience, networks/relationships, will begin to have some successes after a few months. The next group will expend time and resources for several years before they benefit from lessons learned. The third group will be virtually lost. They will attempt to market in a very ineffective manner and will ultimately become totally disenchanted with the entire process. As a consequence of their struggles, lack of success and general frustration, the latter two groups will view the SBA and the 8(a) program as a useless vehicle that caused their businesses to suffer financially and otherwise impeded their ability to accomplish personal goals. In the end, the SBA becomes the enemy, particularly the district offices. As a result, they strike out at the employees, the program, and the Agency. This has happened countless times.

III. Structure of the Pilot Project: Direct Business Development Assistance

The Frank Hawkins Kenan Institute of Private Enterprise, the business development and outreach arm of the Kenan-Flagler Business School, will be principally responsible for project oversight, design, marketing, management, and monitoring of the direct business development assistance program. Staff from the Institute will serve as overall project managers for various pilot sites. Business School Faculty/Staff Support in each project target site will supervise the local business teams consisting of MBA students and AmeriCorps*VISTA volunteers

IV. Organization of the Training

A four-phase program of assistance will be provided to the participating 8(a) firms. While firms can not be compelled to participate, it will be strongly recommended.

- ❑ Phase One: Business Audit. Using evaluation tools developed in the Frank Hawkins Kenan Institute of Private Enterprise and the SBA (i.e., the Business Assessment Tool), the strengths and weaknesses of participating 8(a) firms will be analyzed and a needs assessment will be prepared. The objective of the audits are twofold: (1) to gain a clear understanding of the history and current status of the 8(a) firms and (2) to gather the requisite information to evaluate their business systems.
- ❑ Phase Two: Strategic and Long Range Plan Development. The data collected during Phase One will serve as the basis for the development of a strategic plan to enhance the viability and profitability of each 8(a) firm. The plans will identify the strengths and weaknesses and propose a comprehensive business development strategy that builds upon firm strengths and seeks to overcome shortcomings.
- ❑ Phase Three: Individualized/Customized Technical and Managerial Assistance. Graduate and undergraduate business school managers will function as management teams to prioritize and implement recommendations developed in Phase Two. With assistance and guidance from participating business school faculty, they will be responsible for launching a customized organizational change process that is designed to foster growth and development for each of the participating

8(a) firms. Below is a list of the types of technical and managerial assistance services that will be provided by the management teams:

- ✓ Modify internal management systems.
 - ✓ Scan the environment to establish meaningful business alliances
 - ✓ Develop a strategic plan that establishes measurable goals and action steps.
 - ✓ Conduct in-depth market research of the industry and competitive analysis.
 - ✓ Conduct financial analysis: balance sheet, income statement, and cash flow projections.
 - ✓ Build a financial reporting system and periodically review financial statements.
 - ✓ Assess the feasibility of diversifying or rationalizing product lines.
 - ✓ Identify new market(International and Domestic) opportunities for existing services or products
 - ✓ Manage human resources to maximize use of current employees.
 - ✓ Analyze operations and implement procedures that address quality and efficiency.
- Phase Four: Workshops on Core Business Competencies. While the management teams are attempting to reengineer the 8(a) firms to ensure their success in the marketplace, workshops in the core functional areas of business will be offered in an effort to build the managerial capacity of 8(a) firm owners. Sessions will involve both face-to-face classes and distance learning. Workshops will cover the following topics:
- ✓ General Management – motivating employees, standardizing procedures, and analyzing current operations and implementing procedures that meet or surpass customer expectations with regard to quality and delivery time in an efficient and cost-effective manner.
 - ✓ Strategic Planning & Management – identifying and fine-tuning the mission, goals, and core competencies of businesses to enhance competitiveness and profitability in the international marketplace in the 21st century.
 - ✓ Financial and Managerial Accounting – providing budgeting, asset management, cash flow, and financial-planning analysis to ensure proper accounting controls and effective use of resources.

- ✓ Marketing and Business Communications – creating and delivering effective presentations, and methods of corresponding with clients, vendors, and the public as well as evaluating existing marketing strategies and identifying untapped markets, both domestically and internationally, to determine pricing and other strategies that meet customer needs and expectations.
- ✓ Legal Issues – including government and other forms of procurement contracts, personnel policies, regulatory and insurance issues.
- ✓ Human Resource Management – evaluating and refining recruitment, hiring, compensation, and promotional policies to enhance the firm's internal interpersonal dynamics as well as customer-client relationships.
- ✓ Federal contracting – understanding the new federal market place and various procurement programs that promote the development and growth of small businesses. including small business set-asides, HUBZone empowerment contracting program, women-owned small business program, programs that encourage the development and growth of SDBs, small business subcontracting program, locating subcontracting opportunities, small business innovation research program, certificate of competency program, making the most of new procurement streamlining programs, electronic commerce, General Service Administration schedule contracts, micro-purchases, simplified acquisitions, multiple-award task order contracts.

By providing this type of in-depth core business training, we will be able to provide much needed guidance and support to a large number of firms, something that is difficult to accomplish in this office because of the size of the portfolio.

By establishing this initiative, we will truly be able to deliver a quality business development program that is direct, national and accessible on a year round basis.

V. Recruitment and Training Sites

Developmental and transitional stage 8(a) firms in each of the project target areas will be eligible for the pilot program. The local MED staff will identify eligible firms and refer them to the designated project training sites.

To provide the technical and managerial assistance to the selected 8(a) firms, MBA and undergraduate students will be recruited from the accredited business schools in each of the program target areas. Ideally, the management teams assigned to work with the 8(a) firms will comprise of four individuals: one first-year MBA student, one second-year MBA student, one advanced undergraduate business major, and one AmeriCorps*VISTA volunteer (preferably a business school graduate with a BBA and/or MBA). During a two-month period during the summer, the management teams will be augmented by additional Summer AmeriCorps*VISTA volunteer.

The training will be offered through the SBA's system of Small Business Development Centers and the Offices of the Frank Hawkins Kenan Institute of Private Enterprise in Chapel Hill, Charlotte, and Washington, DC.

VI. Reporting and Evaluation

To provide an adequate assessment of the program, an internal report on each of the participating firm's progress will be made at the end of six month and after one year of program operation.

SBA will also conduct a separate evaluation to determine the impact of the program and whether the proposed program should be replicated nationally.

Appendix A: Business Assessment Tool (BAT)

The Business Assessment Tool was developed to support the requirements of the District Offices to conduct the Business needs assessment for 8(a)/SDB participants. The specific objectives guiding the development of the tool were as follows:

- ❑ Identify indicators which help to assess the 8(a) firm's individual capabilities and needs
- ❑ Develop a checklist of needs which could be monitored by the BD staff
- ❑ Match Firm Needs and Requests with SBA resource partners and other service providers
- ❑ Measure the business development progress made by 8(a) firms as they grow

The basic concept of the tool is as follows:

- ❑ gathers specific information from each firm, through responses to the assessment questionnaire in the 4 business functions: business planning, finance, accounting and marketing
- ❑ processes the responses via a logic and scoring unit to determine the needs for training and counseling
- ❑ recommends training and counseling and allows the BOS to add additional training or counseling sessions
- ❑ Allows the BOS to construct a referral list of SBA business partners or service providers offering the training or counseling
- ❑ Provides a status and history of the training and counseling sessions for each firm.

The BAT has been field tested at the Washington District Office with a selected group of BOSs. Additional field tests are scheduled with 13 district office who have volunteered to help further develop the system. The participating District include: Boston, MA, Newark, NJ., Richmond, VA, Birmingham, AL, Minneapolis, MN, Indianapolis, IN, Oklahoma City, OK, Kansas City, MO, Sioux Fall, SD, Fresno, CA., Phoenix, AZ, Anchorage, AK, and Portland OR.

Table 1: Program Implementation Regions and Pilot Test Sites

Implementation Region	Pilot Test Site	Enrollment Code	No. of Sites (Pilot)	No. of Sites (Total)
1	Boston, MA	0101	72	9
	New York City, NY	0202	109	11
	Newark, NJ	0299	150	4
SUBTOTAL REGION 1			331	24
2	Richmond, VA	0304	168	2
	Washington, D.C.	0353	961	8
SUBTOTAL REGION 2			1,129	10
3	Atlanta, GA	0405	208	8
	Charlotte, NC	0460	64	5
SUBTOTAL REGION 3			272	13
4	Chicago, IL	0507	153	10
	Kansas City, MO	0709	77	3
SUBTOTAL REGION 4			230	13
5	El Paso, TX	0677	45	1
	Phoenix, AZ	0988	45	6
	Denver, CO	0811	176	3
SUBTOTAL REGION 5			266	10
6	San Francisco, CA	0912	186	4
	Portland, OR	1086	49	5
SUBTOTAL REGION 6			235	9
TOTAL			2,463	79

Table 2: Breakdown by Race

Program Implementation Region and Pilot City Site	SB/AB/T/Transit Implementation Region and Pilot City Site	Black	% Black	Hispanic	% Hispanic	Asian	% Asian	Native Am.	% Native Am.	Other	% Other	Total	Total %
Region 1:													
Boston, MA	72	16	22.2%	14	19.4%	32	44.4%	8	11.1%	2	2.8%	72	100%
New York City, NY	109	45	41.3%	29	26.6%	32	29.4%	1	0.9%	2	1.8%	109	100%
Newark, NJ	150	41	27.3%	38	25.3%	67	44.7%	1	0.7%	3	2.0%	150	100%
Total Region 1	331	102		81		131		10		7		331	
Region 2:													
Richmond, VA	168	91	54.2%	29	17.3%	39	23.2%	6	3.6%	3	1.8%	168	100%
Washington, D.C.	961	459	47.8%	144	15.0%	321	33.4%	26	2.7%	11	1.1%	961	100%
Total Region 2	1129	550		173		360		32		14		1129	
Region 3:													
Atlanta, GA	208	163	78.4%	16	7.7%	25	12.0%	4	1.9%	0	0.0%	208	100%
Charlotte, NC	64	43	67.2%	4	6.3%	11	17.2%	6	9.4%	0	0.0%	64	100%
Total Region 3	272	206		20		36		10		0		272	
Region 4:													
Chicago, IL	153	80	52.3%	32	20.9%	39	25.5%	1	0.7%	1	0.7%	153	100%
Kansas City, MO	77	44	57.1%	12	15.6%	10	13.0%	9	11.7%	2	2.6%	77	100%
Total Region 4	230	124		44		49		10		3		230	
Region 5:													
El Paso, TX	45	2	4.4%	42	93.3%	1	2.2%	0	0.0%	0	0.0%	45	100%
Phoenix, AZ	45	8	17.8%	23	51.1%	4	8.9%	8	17.8%	2	4.4%	45	100%
Denver, CO	176	40	22.7%	87	49.4%	24	13.6%	20	11.4%	5	2.8%	176	100%
Total Region 5	266	50		152		29		28		7		266	
Region 6:													
San Francisco, CA	186	72	38.7%	44	23.7%	58	31.2%	12	6.5%	0	0.0%	186	100%
Portland, OR	49	6	12.2%	25	51.0%	12	24.5%	6	12.2%	0	0.0%	49	100%
Total Region 6	235	78		69		70		18		0		235	
Total Pilot Cities	2463	1110	45.1%	539	21.9%	675	27.4%	108	4.4%	31	1.3%	2463	100%
Total All Cities	5154	2139	41.5%	1279	24.8%	1225	23.8%	415	8.1%	96	1.9%	5154	100%

Note: Asian includes Asian Pacific American and Subcontinent Asian American

Other includes Caucasian, Native Hawaiian and Other

Table 3: Breakdown by Gender

Program Implementation Regions and Pilot Cities	SBA 8(a) Firms in Implementation Regions and Pilot Cities	# Female	% Female	# Male	% Male	Total #	Total %
Region 1:							
Boston, MA	72	13	18.1%	59	81.9%	72	100.0%
New York City, NY	109	19	17.4%	90	82.6%	109	100.0%
Newark, NJ	150	30	20.0%	120	80.0%	150	100.0%
Total Region 1	331	62		269		331	
Region 2:							
Richmond, VA	168	33	19.6%	135	80.4%	168	100.0%
Washington, D.C.	961	244	25.4%	717	74.6%	961	100.0%
Total Region 2	1129	277		852		1129	
Region 3:							
Atlanta, GA	208	49	23.6%	159	76.4%	208	100.0%
Charlotte, NC	64	13	20.3%	51	79.7%	64	100.0%
Total Region 3	272	62		210		272	
Region 4:							
Chicago, IL	153	52	34.0%	101	66.0%	153	100.0%
Kansas City, MO	77	25	32.5%	52	67.5%	77	100.0%
Total Region 4	230	77		153		230	
Region 5:							
El Paso, TX	45	6	13.3%	39	86.7%	45	100.0%
Phoenix, AZ	45	13	28.9%	32	71.1%	45	100.0%
Denver, CO	176	38	21.6%	138	78.4%	176	100.0%
Total Region 5	266	57		209		266	
Region 6:							
San Francisco, CA	186	39	21.0%	147	79.0%	186	100.0%
Portland, OR	49	12	24.5%	37	75.5%	49	100.0%
Total Region 6	235	51		184		235	
Total Pilot Cities	2463	586	23.8%	1877	76.2%	2463	100.0%
Total All Cities	5154	1082	21.0%	4072	79.0%	2463	100.0%

Note: Asian includes Asian Pacific American and Subcontinent Asian American

Other includes Caucasian, Native Hawaiian and Other

Table 4: Breakdown by Stage

Program Implementation Regions and Pilot Test Sites	SBA 8(a) Firms in Implementation Regions and Pilot Test Sites	Developmental	% Developmental	Transitional	% Transitional	Total Stage	Total %
Region 1:							
Boston, MA	72	37	51.4%	35	48.6%	72	100.0%
New York City, NY	109	53	48.6%	56	51.4%	109	100.0%
Newark, NJ	150	91	60.7%	59	39.3%	150	100.0%
Total Region 1	331	181		150		331	
Region 2:							
Richmond, VA	168	93	55.4%	75	44.6%	168	100.0%
Washington, D.C.	961	507	52.8%	454	47.2%	961	100.0%
Total Region 2	1129	600		529		1129	
Region 3:							
Atlanta, GA	208	118	56.7%	90	43.3%	208	100.0%
Charlotte, NC	64	25	39.1%	39	60.9%	64	100.0%
Total Region 3	272	143		129		272	
Region 4:							
Chicago, IL	153	77	50.3%	76	49.7%	153	100.0%
Kansas City, MO	77	40	51.9%	37	48.1%	77	100.0%
Total Region 4	230	117		113		230	
Region 5:							
El Paso, TX	45	27	60.0%	18	40.0%	45	100.0%
Phoenix, AZ	45	29	64.4%	16	35.6%	45	100.0%
Denver, CO	176	90	51.1%	86	48.9%	176	100.0%
Total Region 5	266	146		120		266	
Region 6:							
San Francisco, CA	186	111	59.7%	75	40.3%	186	100.0%
Portland, OR	49	26	53.1%	23	46.9%	49	100.0%
Total Region 6	235	137		98		235	
Total All Cities	2463	1324	53.8%	1139	46.2%	2463	100.0%
Total All Cities	5154	2885	56.0%	2269	44.0%	2463	100.0%

Note: Asian includes Asian Pacific American and Subcontinent Asian American

Other includes Caucasian, Native Hawaiian and Other

Table 6: Accredited Business Schools in Targeted Pilot Sites

Region	MBA Enterprise Corps Contacts	Other Contacts
Region I: Boston, MA	Harvard University Kim B. Clarke, Dean Graduate School of Business Administration Soldiers Field Boston, Massachusetts 02163 617-495-6550 FAX: 617-495-0316 Babson College Thomas Moore, Dean E. W. Olin Graduate School of Business Olin Hall Babson Park, Massachusetts 02457-0310 781-239-4317 FAX: 781-239-4194 EMAIL: moore@babson.edu Massachusetts Institute of Technology Richard Schmalensee, Interim Dean Sloan School of Management 50 Memorial Drive Cambridge, Massachusetts 02142-1347 617-253-2957 FAX: 617-258-6617	Northeastern University Ira R. Weiss, Dean College of Business Administration 101 Hayden Hall, 360 Huntington Avenue Boston, Massachusetts 02115-5096 617-373-3239 FAX: 617-373-2056 EMAIL: irweiss@neu.edu
New York City, NY	Columbia University Meyer Feldburg, Dean Graduate School of Business 3022 Broadway 101 Uris Hall New York, NY 10027-6902 212-854-6083 FAX: 212-932-0545 New York University George Daly, Dean Leonard N. Stern School of Business 44 West Fourth Street, Mg Education Ctr, 11-60 New York, NY 10012-1118 212-998-0900 FAX: 212-995-4212 EMAIL: gdaly@stern.nyu.edu	Baruch College Sidney I. Lirtzman, Dean The City University of New York The Zicklin School of Business 17 Lexington Avenue, Box E-0933 New York, NY 10010-5585 212-802-6550 FAX: 212-802-6555 Pace University Lubin School of Business Arthur L. Centonze, Dean 1 Pace Plaza New York, NY 10038 212-346-1487 Medgar Evers College of the City Univ of NY Allen J. Singleton, Acting Assistant Dean School of Business and Public Administration 1650 Bedford Avenue Brooklyn, New York 11225-2201 718-270-5063 FAX: 718-270-4915
Newark, NJ		Rutgers—The State University of New Jersey Rosa Oppenheim, Interim Dean Faculty of Management

Table 6 (continued): Accredited Business Schools in Targeted Pilot Sites

	81 New Street Newark, New Jersey 07102 973-353-5128 FAX: 973-353-1345 EMAIL: roppenhe@6smack.rutgers.edu
Region 2 Richmond, VA	University of Richmond J. Randolph New, Dean E. Claiborne Robins School of Business University of Richmond, Richmond, VA 23173 804-289-8550 FAX: 804-287-6544 EMAIL: jnew@richmond.edu Virginia Commonwealth University Howard P. Tuckman, Dean School of Business 1015 Floyd Avenue, P.O. Box 844000 Richmond, Virginia 23284-4000 804-827-0072 FAX: 804-828-1600 EMAIL: htuckman@busnet.bus.vcu.edu
Washington, D.C.	Georgetown University Christopher P. Puto, Dean School of Business 207 Old North, 37th and O Streets, N.W. Washington, D.C. 20057-1008 202-687-3883 FAX: 202-687-2017 The George Washington University Susan M. Phillips, Dean School of Business and Public Management 710 21st St., N.W. Washington, D.C. 20052 202-994-6380 FAX: 202-994-6382 EMAIL: sbpmdean@gwu.edu Catholic University Ernest Zampelli, Chair Department of Business and Economics 620 Michigan Avenue NE Washington, D.C. 20064 202-319-6683 FAX: 202-319-4426 Howard University Dean School of Business 2600 Sixth Street, N.W. Washington, D.C. 20059 202-806-1508 FAX: 202-797-6393 University of Maryland Howard Frank, Dean The Robert H. Smith School of Business 2416 Van Munching Hall College Park, Maryland 20742-1815 301-405-2308 FAX: 301-314-9120 EMAIL: hfrank@rhsmith.umd.edu

Table 6 (continued): Accredited Business Schools in Targeted Pilot Sites

Region 3 Atlanta, GA	Emory University Thomas S. Robertson, Dean Roberto C. Goizueta Business School 1300 Clifton Road Atlanta, Georgia 30322-2710 404-727-6377 FAX: 404-727-0868	Clark Atlanta University Edward L. Davis, Acting Dean School of Business Administration 223 Brawley Drive at Fair Street, S.W. Atlanta, Georgia 30314 404-880-8454 FAX: (404) 880-8458 EMAIL: eldavis43@aol.com Oglethorpe University Wilt Straley, Director MBA Program 4484 Peachtree Road N.E. Atlanta, Georgia 30319-2797 404-364-8353 Georgia Institute of Technology Lloyd L. Byars, Acting Dean The DuPree School of Management 755 Ferst Drive Atlanta, Georgia 30332-0520 404-894-8713 FAX: 404-894-1552 EMAIL: lloyd.byars@mgt.gatech.edu
Charlotte, NC		Georgia State University Sidney E. Harris, Dean College of Business Administration 35 Broad Street, Room 718 University Plaza Atlanta, Georgia 30303-3083 404-651-2604 FAX: 404-651-2804 EMAIL: sidneyharris@gsu.edu The University of North Carolina at Charlotte Claude Lilly, Interim Dean The Belk College of Business Administration 9201 University City Boulevard Charlotte, North Carolina 28223-0001 704-547-2165 FAX: 704-547-4014 EMAIL: cclilly@email.uncc.edu The University of North Carolina at Chapel Hill Robert S. Sullivan, Dean Kenan-Flagler Business School Campus Box 3490, McColl Building Chapel Hill, North Carolina 27599-3490 919-962-3232 FAX: 919-962-7732 EMAIL: rss@unc.edu Queens College Marcia Stefan, Interim Dean McColl School of Business 1900 Selwyn Avenue

Table 6 (continued): Accredited Business Schools in Targeted Pilot Sites

Charlotte, North Carolina 28274
704-337-2224
FAX: 704-337-2521

**Region 4:
Chicago**

Northwestern University
Donald P. Jacobs, Dean
Kellogg Graduate School of Management
2001 Sheridan Road
Leverone/Andersen Complex
Evanston, Illinois 60208-2001
847-491-3300

University of Chicago
Robert S. Hamada, Dean
Graduate School of Business
1101 East 58th Street
Chicago, Illinois 60637-1563
773-702-7743
FAX: 773-702-0458

Kansas City, MO

University of Missouri—Kansas City
William B. Eddy, Dean
Henry W. Bloch School of Business And Public Ad
5110 Cherry Street
Kansas City, Missouri 64110-2499
816-235-2204
FAX: 816-235-2206

Rockhurst College
Wallace E. Walker, Dean
School of Management
1100 Rockhurst Road
Kansas City, Missouri 64110
816-501-4200
FAX: 816-501-4650

**Region 5:
El Paso, TX**

The University of Texas at El Paso
Frank Hoy, Dean
College of Business Administration
El Paso, Texas 79968-0545
915-747-5147
FAX: 915-747-5147
EMAIL: fhoy@utep.edu

Phoenix, AZ

University of Arizona
Mark A. Zupan, Dean
The Eller College of Business and Public Admin
McClelland Hall
The University of Arizona
Tucson, Arizona 85721
520-621-2125
EMAIL: mzupan@bpa.arizona.edu

Denver, CO

University of Denver
James R. Griesemer, Dean

Table 6 (continued): Accredited Business Schools in Targeted Pilot Sites

		Daniels College of Business 2020 South Race Street, #437 Denver, Colorado 80208-3411 303-871-2249 FAX: 303-871-2156 EMAIL: jgriesem@du.edu
Region 6 San Francisco, CA	University of California at Berkeley Laura D'Andrea Tyson, Dean Haas School of Business 545 Student Services Bldg, #1900 Berkeley, California 94720-1900 510-642-1425 FAX: 510-643-9428	University of San Francisco Gary G. Williams, Dean McLaren School of Business 2130 Fulton Street San Francisco, California 94117-1040 415-422-2508 FAX: 415-422-2502 EMAIL: williams@usfca.edu
Portland, OR	University of Washington Business School Yash Gupta, Dean MacKenzie Hall, Box 353200 Seattle, Washington 98195-3200 206-543-4750 FAX: 206-685-9392	

*Relationships to be established

Table 7: Pilot Program Implementation and Evaluation Design

Category of Firm	Number of Firms	% of Total
All SBA 8(a) Firms in 14 Sites	2,463	100%
SBA 8(a) Firms Targeted for Assistance	500	20.3%
SBA 8(a) Firms Participating in Core Business Competency Workshops	238	9.7%
SBA 8(a) Firms Assigned a Management Team	157	6.4%
SBA 8(a) Firms Participating in Workshops and Assigned a Management Team	105	4.3%
SBA 8(a) Control Group Firms	1,963	79.7%