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June 4, 1999

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MEMORANDUM TO GENE SPERLING
FROM: JONATHAN KAPLAN
LISA GREEN

SUBJECT: NEW MARKETS JULY TRIP – PROPOSED SITES

I. TIMETABLE FOR SELECTING SITES

We suggest the following plan for reaching final decisions about where to visit on President Clinton's New Markets tour from July 6-8.

Friday, June 4

- Meeting with Sperling, Echaveste to review revised proposed site memo
- Confirm several of the strongest options (e.g., Kentucky Highlands, Los Angeles) and develop plans for the remaining options (e.g., Hartford OR New York City)
- Political offices conduct final vet of proposed sites

Monday, June 7

- Memo from Sperling, Echaveste, and Streett to Podesta with strong suggestions and options

Tuesday, June 8

- Discussion with Podesta on presentation to the President of suggestions and options for locations
- Memo to the President summarizing strongest options and alternative options

Week of June 9-15

- Resolve final locations before the President leaves for Europe on Tuesday, June 15

II. GEOGRAPHIC CONSIDERATIONS

Northeast

New York, NY
Hartford, CT
Philadelphia, PA
Boston, MA

Native America

Pine Ridge, SD
Window Rock, AZ

Mississippi Delta

Jackson, MS

West Coast

Los Angeles/Anaheim, CA

Midwest

Gary, IN
Denver, CO

Southwest

Phoenix, AZ

Appalachia

Kentucky Highlands

III. THEMES

CDFI's and SBICs

Kentucky Highlands, KY
Jackson, MS
Phoenix, AZ
Window Rock, AZ
Chicago, IL
Philadelphia, PA
Boston, MA

Workforce/Training Youth

Los Angeles/Anaheim, CA
Kentucky Highlands, KY

BusinessLINC

New York, NY
Chicago, IL

Investment in Rural New Markets

Kentucky Highlands, KY
Jackson, MS
Pine Ridge, SD
Window Rock, AZ

Urban EZs

New York, NY
Los Angeles, CA

Untapped Retail Potential

Gary, IN
Denver, CO

IV. OPTIONS

1. LOS ANGELES/ANAHEIM, CA: Private Sector Workforce Investments in Disadvantaged Youth and Urban EZs

Advantages

- The DOL's Kulick grant program helps to fund the Los Angeles EZ Community of Watts, and has created 700 new jobs, employing 1700 youth.

Potential Announcements and Site Visits

- Several corporations have already made pledges to the Kulick program. Additional pledges could be sought to expand the program through a collaboration, which is already being formed by Labor with the National Alliance of Business, Los Angeles Chamber of Commerce, LA Youth at Work, Mayor's Business Leaders Alliance and several foundations.
- Potential site visits where the program is currently operating include Rockwell International and Shell Oil Small Business Academy.
- To amplify our focus on disadvantaged youth, we could work with Sandy Weil at Citigroup who is prepared to hold in Anaheim the week of July 6 the National Academy Foundation's 15th Annual Institutes for Staff Development that will involve public schools and 200+ business partners. NAF focuses on intern sponsorships and other youth focused efforts and has a formal partnership with the Department of the Treasury.

New Markets Characteristic

- There are several communities within Los Angeles that are classic examples of a New Markets. These communities include Watts which is also an EZ

Disadvantages

- The Watts EZ has received negative publicity.
- There is a local community development bank funded by HUD, the LA Community Development Bank that has received a great deal of negative publicity, including a relatively recent editorial.

2. KENTUCKY HIGHLANDS, KY: Investment in Appalachia and Rural New Markets

Advantages

- Kentucky Highlands Investment Corporation (KHIC) is the lead entity for the EZ and is a certified CDFI, SBIC, SBA Micro-lender, and USDA Guaranty Lender. KHIC has invested \$50 million in over 140 enterprises that employ 1,285 employees.
- Kentucky's Governor Patton has been very supportive of the Appalachian Regional Commission Entrepreneurship Initiative and of the New Markets Initiative.

Potential Announcements and Site Visits

- We could potentially visit several businesses financed by KHIC including:
 - (1) Mid-South Electric, Inc., a small company funded by KHIC, which has grown to 800 employees and is now completing a \$5 million expansion that will add 100-150 employees.
 - (2) Sports Products, Inc., a small business that manufactures sports gear for children, raised funds in part through a CDC tax credit and received a \$2 million investment from Bankers Trust and the Appalachia Wall Street, L.P.
- Job training investment announcement coordinated with SBA and Labor connected with the existing pilot Youth Opportunity program.
- It is possible there will be new announcements to make about additional investments in KHIC (we are waiting on release of information from Treasury).
- The Appalachian Regional Commission has funded training for the Women's Initiative Networking Groups, Inc. and provided capital to create a Strategic Capital Fund managed by a non-profit, Mountain Association for Community Economic Development (MACED). We could potentially visit a businesses helped by one of these organizations.
- Kentucky Highland Enterprise Zone Development Venture Fund has been very successful with over 500 jobs created through loans to small businesses in the EZ. We could potentially visit Specialty Plastic Products of Kentucky, which plans to start construction on a second plant in early July.

New Market Characteristics

- Several agencies have confirmed that the Kentucky Highlands office as well as many of the businesses they finance (and all of the business identified above) are in Appalachia.

3. PHOENIX, AZ: Community Investment through SBICs and CDFIs

Advantages

- Arizona MultiBank Community Development Corporation (Multibank) is a non-profit CDFI and is working to create one of the first LMI SBICs.
- MultiBank has provided \$12.5 million to 200 projects throughout Arizona, including a home-based day care business and a local magazine dedicated to the arts and lifeways of Native Peoples. It is capitalized with over \$10 million from several banks including Norwest/Wells Fargo Bank, Bank of America, Bank One Arizona.
- MicroIndustry Credit Rural Organization (MICRO), based in Tucson, was a Presidential Award winner and has received funds from the CDFI Fund. MICRO is a non-profit loan fund and technical assistance provider that is one of the oldest Hispanic development organizations in the nation.

Potential Announcements and Site Visits

- MultiBank is currently trying to raise \$5 million from major banks for its new LMI SBIC. We could announce the first LMI SBIC and these new private investments.
- We could also visit a business financed by MultiBank. For example, Corella Electric, which was the SBA 1986 Minority Small Business of the Year received working capital from MultiBank in its early years. This company now has contracts with AT&T and is so successful that they gave a supplemental payment to MultiBank to make microloans to aspiring small businesses in South Phoenix.
- ~~At the same time that these announcements were being made we could also have principals throughout the country making CDFI announcements in other locations. The following are also good CDFI options that the President could visit as an alternative to the Phoenix or Mississippi Delta CDFIs. Other potential sites include:~~
 - **Philadelphia, PA:** Delaware Valley Community Reinvestment Fund
 - **Boston, MA:** Community Loan Fund
 - **Chicago, IL:** Facilities Fund in Chicago (which funds daycare facilities).All of the above CDFIs have received past funding from the CDFI fund and they are all prepared to make substantial investment announcements from the private sector.
- Another option is to bring representatives from these CDFIs to MultiBank and make a series of announcements about new investments. As an example, Fannie Mae has indicated that they may be in a position to announce new CDFI investments building upon their existing investments with several CDFIs throughout the country. In total there are potentially \$100 million in new CDFI announcements that could potentially be announced as part of the trip.

New Markets Characteristics

- The communities we would visit are racially diverse with significant Hispanic populations (25+%).

show
Other CDFI
Locations:

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4. **PINE RIDGE, SD: Private Sector Investment in Native American Communities**

Advantages

- This community is the first EZ on a reservation.
- A \$2 million investment Rural Initiatives Grant has been made to encourage mortgage lending and financial assistance for housing construction.
- A \$8.6 million NAHASDA grant is in place for housing.
- Norwest Mortgage is making about \$1.4 million in loans has provided mortgage counseling to families.

Potential Announcements and Site Visits

- Fannie Mae is working on a significant commitment that Sen. Daschle would participate in. According to recent discussions with a Fannie Mae Senior VP assigned to work with us by Frank Raines, the investment plan will involve a \$400 million commitment to the area as well as the opening of a new Partnership Office (which in addition to being responsible housing mortgage efforts will also help to coordinate equity investments from the American Communities Fund)
- Countrywide Mortgage is ready to announce a mortgage-lending program on another reservation.
- The Mortgage Bankers Association of America and the Federal Housing Finance Board have committed to bring other lenders interested in reservation-based mortgages to the table.
- Motorola and AT&T have expressed interest in Pine Ridge. An infrastructure investment announcement could be coordinated with the release of the Commerce report about the dearth of telecommunications access on reservations. (We are expecting more information from HUD on this investment by the end of this week).
- A HUD conference on economic development will draw more than 500 tribal leaders from across the country.
- The President could announce the establishment of the Board of Directors for the first-ever Empowerment Zone on an Indian Reservation.

New Market Characteristics

- Pine Ridge is very representative of the distressed conditions on reservations today.
- 60% of the residents earn \$15,000 or less and unemployment is very high.

Disadvantages

- There are few non-housing related announcements that can be made.

5. MISSISSIPPI DELTA: SBICs and Investment in Rural New Markets

Advantages

- Enterprise Corporation of the Delta (Enterprise) is a CDFI, a SBIC, and soon to be SBA 7(a) Lender – Enterprise has received past funding from the CDFI Fund.
- Enterprise is located in Jackson, Mississippi and makes investments in businesses throughout the Delta (including Louisiana, Arkansas and Mississippi)
- Several businesses that have received SBIC financing through Enterprise are success stories.
- We have received confirmation that the Governor would welcome the President's visit to Mississippi.

Potential Announcements and Site Visits

- Enterprise will become a SBA lender in June and is raising new investments from several corporations including Blue Cross/Blue Shield and Skytel. We could possibly hold a roundtable here with corporate leaders and beneficiaries of Enterprise financing from around Louisiana, Arkansas and Mississippi.
- Potential site visits could include Marianna Apparel, a minority manufacturer located in a poor Delta community.
- (Also see notes on CDFIs in Phoenix, Arizona description)

New Markets Characteristics

- At least 16 counties in the market area served by Enterprise have more than 40% of their residents living below poverty.

6. NEW YORK CITY, NY: BusinessLINC and/or Urban EZS

Advantages

- The New York EZ is one of the most successful EZs in the country.
- ACCION New York, Inc. is a recipient of CDFI funds and one of the largest microlending organizations in the United States, having made over 1,800 loans ranging from \$500 to \$25,000 to more than 900 clients.

Potential Announcements and Site Visits

- The Business Roundtable, including Chase Manhattan and McDonalds, will be prepared to make a major announcement that they will house the BusinessLINC coalition. Dana Mead, Chair of BRT, could also announce the appointment of the CEO who will run BusinessLINC.
- Chase Manhattan has a Business Center program that was recently expanded which illustrates the benefits of BusinessLINC. We could visit this site or visit the site of a business that was assisted by BusinessLINC.
- At the same time this announcement is being made, we could also make an announcement about the other BRT BusinessLINC chapters in Dallas and Chicago, which would “open” simultaneously.
- There is also the possibility of simultaneously holding a roundtable on BusinessLINC in another location that would involve local businesses and cabinet members.
- There are also numerous retail initiatives in Harlem New York that could be announced including store and business openings such as Starbucks, Walt Disney, and []/

Disadvantages

- Recent negative publicity about the New York EZ.
- In fighting among local politicians and officials regarding the zone.
- Tensions between local retailers and large chains opening in Harlem.

7. GARY, IN:

Advantages

- Gary won an EZ designation in the last funding round.
- ACE Hardware moved into Gary following a \$88,000 CDBG investment in retail space. ACE succeeded in Gary's underserved market, and the owner was quoted in the media as saying that the inner-city location outperformed his suburban store.

Potential Announcements and Site Visits:

- There are several projects nearing completion that could be ready for announcement by the end of June.
- Ten banks have made a combined commitment of \$50 million to private sector businesses in the EZ

New Market Characteristics

- Gary is a good example of untapped potential (approximately \$287 million was spent in Gary in 1992 versus an available purchasing power of \$522 million).
- Unemployment is 7.1% versus 2.8% for Indiana as a whole.

8. **HARTFORD, CT: Private Sector Efforts to Attract Capital to Underserved Urban Areas**

Advantages

- Aetna is currently involved in several major projects in the community including the MetroHartford Millennium Project, which is a comprehensive effort and collaboration to attract capital and development from outside Metro Hartford.
- There is a small woman owned business called McHugh Publishing & Design located in West Hartford that has received SBA assistance through a mentoring program for Women.

Potential Announcements and Site Visits:

- The Metro Hartford Investment Fund is being developed and with Aetna's leadership expects to raise \$50 to \$100 million from Hartford based corporations. A major announcement of corporate commitments to the fund could be made as part of the tour.

May 24, 1999

MEMORANDUM TO MARIA ECHAVESTE

**FROM: GENE SPERLING
JONATHAN KAPLAN
LISA GREEN**

**SUBJECT: NEW MARKETS JULY TRIP – PRELIMINARY SITE
RECOMMENDATIONS**

I. STRATEGY FOR SELECTING SITES

As you know, the New Markets Interagency Policy Working Group has been working to identify potential locations and deliverables for the President's trip in July which will involve visits to at least six distressed communities. Each agency has been asked to focus on sites based on the following framework:

Geographic Categories

- Rural (with particular attention to Appalachia and the Delta)
- Urban (with particular attention to Northeast possibilities)
- Native American land
- Overall interest in geographic diversity

Policy Deliverables

- Clear economic development success stories related to programs created under the Clinton Administration
- New announcements by companies agreeing to participate in public/private partnerships already in the pipeline
- New investment commitments by companies based on examples set by other companies already investing in a community
- Increased investment by companies that have existing community development programs

II. BEST PRELIMINARY OPTIONS

Out of the 20 to 30 recommendations made by the working group, several of the strongest options raised are outlined on the following pages. ***Material from each agency with additional detail about the communities is attached, and is referenced throughout the rest of this memorandum.***

1. **Pine Ridge, South Dakota** (see pages 10,11)

- FOCUS: Private Sector Investment in Poor Native American Communities and Private Sector Investment in Housing
- Pine Ridge is very representative of the distressed conditions on reservations today.
- This community is the first EZ on a reservation.
- A \$2 million investment Rural Initiatives Grant has been made to encourage mortgage lending and financial assistance for housing construction.
- A \$8.6 million NAHASDA grant is in place for housing.
- Norwest Mortgage is making about \$1.4 million in loans has provided mortgage counseling to families.

Potential Deliverables:

- Fannie Mae is working on a significant commitment which Sen. Daschle would participate in.
- Countrywide Mortgage is ready to announce a mortgage lending program on another reservation.
- The Mortgage Bankers Association of America and the Federal Housing Finance Board have committed to bring other lenders interested in reservation-based mortgages to the table.
- Motorola and AT&T have expressed interest in Pine Ridge. An infrastructure investment announcement could be coordinated with the release of the Commerce report about the dearth of telecommunications access on reservations.
- A HUD conference on economic development will draw more than 500 tribal leaders from across the country.

2. **Kentucky Highlands, Kentucky** (see pages 1-3, 17,21,22,28-30)

- FOCUS: Investment in Appalachia and Rural New Markets
- This community is an EZ located in Appalachia.
- Kentucky Highlands Investment Corporation (KHIC) is the lead entity for the EZ and is a certified CDFI, SBIC, SBA Micro-lender, and USDA Guaranty Lender. KHIC has invested \$50 million in over 140 enterprises that employ 1,285 employees. Mid-South Electric, Inc. is a small company funded by KHIC, which has grown to 800 employees and is now completing a \$5 million expansion that will add 100-150 employees.
- Kentucky's Governor Patton has been very supportive of the Appalachian Regional Commission Entrepreneurship Initiative and of the New Markets Initiative.
- The Appalachian Regional Commission has funded training for the Women's Initiative Networking Groups, Inc. and provided capital to create a Strategic Capital Fund managed by a non-profit, Mountain Association for Community Economic Development (MACED).
- Mountain Ventures (an SBIC) and KHIC financed Sports Products, Inc., a small business that manufactures sports gear for children. The funds were raised in part

through a CDC tax credit on a \$2 million investment from Bankers Trust and the Appalachia Wall Street, L.P.

- Kentucky Highland Enterprise Zone Development Venture Fund has been very successful with over 500 jobs created through loans to small businesses in the EZ, including Specialty Plastic Products of Kentucky which plans to start construction on a second plant in early July.

Potential Deliverables:

- Job training investment announcement coordinated with SBA and Labor connected with the existing pilot Youth Opportunity program. (See pages 16-27)

3. **Harlem, NY** (see pages 13,14)

- **FOCUS: Private Sector Investment in Inner Cities and EZs**
- The New York EZ is one of the most successful EZs in the country.
- Harlem USA is a major retail complex being developed in the upper Manhattan EZ with approximately \$11 million in public investment leveraged by an additional \$45 million private sector commitments.
- ACCION New York, Inc. is a recipient of CDFI funds and one of the largest microlending organizations in the United States, having made over 1800 loans ranging from \$500 to \$25,000 to more than 900 clients.
- Abyssinian CDC was part of the development team for the Harlem Pathmark. This CDC has used which is Rangel's district has used nearly every urban program developed by the Administration.

4. **Los Angeles, CA** (see pages 16,18-20)

- **FOCUS: Private Sector Workforce Investments in Disadvantaged Youth**
- The DOL's Kulick grant program helps to fund the Los Angeles EZ Community of Watts, and has created 700 new jobs, employing 1700 youth.
- If we wanted to visit Oakland, Community Bank of the Bay is a certified CDFI that was capitalized through the investment of 17 banks. They have helped to finance companies such as ViaNovus, a struggling software development firm that recently added 300 new software development jobs in downtown Oakland.

Potential Deliverables

- Several corporations have already made pledges to the Kulick program. Additional pledges could be sought to expand the program through a collaboration, which is already being formed by Labor with the National Alliance of Business, Los Angeles Chamber of Commerce, LA Youth at Work, Mayor's Business Leaders Alliance and several foundations.
- Potential site visits where the program is currently operating include Rockwell International and Shell Oil Small Business Academy.

5. **CDFI Day**

- There are several good CDFI options, so we could likely find a solid CDFI to build an entire event around if we needed to visit a particular geographical location. These events would also highlight real private sector commitments.
- Potential sites include: Delaware Valley Community Reinvestment Fund in Philadelphia, Boston Community Loan Fund, Illinois Facilities Fund in Chicago, and Community Loan Fund of New Jersey.
- If we held a CDFI Day, representatives from CDFIs could be brought together in one location with the President – or the VP and Cabinet Secretaries could go on site at other CDFIs at the same time the President visits one of the CDFI cities mentioned above.

6. **Phoenix and Tucson, Arizona** (see pages 4-6)

- Arizona MultiBank Community Development Corporation (Multibank) is a non-profit CDFI and is working to create one of the first LMI SBICs.
- Multibank has provided \$12.5 million to 200 projects throughout Arizona, including a home-based day care business and a local magazine dedicated to the arts and lifeways of Native Peoples. It is capitalized with over \$10 million from several banks including Norwest/Wells Fargo Bank, Bank of America, Bank One Arizona.
- MicroIndustry Credit Rural Organization (MICRO) was a Presidential Award winner and has received funds from the CDFI Fund. MICRO is a non-profit loan fund and technical assistance provider that is one of the oldest Hispanic development organizations in the nation.

Potential Deliverables

- Multibank is currently trying to raise \$5 million from major banks for its new LMI SBIC

7. **Mississippi Delta** (see pages 7,8,28)

- Enterprise Corporation of the Delta (Enterprise) is a CDFI, a SBIC, and soon to be SBA 7(a) Lender.
- Several businesses that have received SBIC financing through Enterprise that can be considered success stories.

Potential Deliverables

- Enterprise will become a new SBA lender in June and is raising new investments from several corporations including Blue Cross/Blue Shield and Skytel.

8. Gary, IN (see pages 11, 12)

- Gary won an EZ designation in the last funding round. Ten banks have made a combined commitment of \$50 million to private sector businesses in the EZ
- Gary is a good example of untapped potential (approximately \$287 million was spent in Gary in 1992 versus an available purchasing power of \$522 million).
- ACE Hardware moved into Gary following a \$88,000 CDBG investment in retail space. ACE succeeded in Gary's underserved market, and the owner was quoted in the media as saying that the inner-city location outperformed his suburban store.

Potential Deliverables:

- There are several projects nearing completion that could be ready for announcement by the end of June.

III. NEXT STEPS

Continued Work on Sites and Deliverables. Working off of the refined list of potential sites above, as well as the other possible sites listed in the attached agency memos, we will continue to pursue new commitments so that we are able to develop a more final list of potential sites over the next week.

Outreach to Non Profits and Industry Coalitions. As with the policy teams we have set up, we have begun working with non-profit organizations and foundations regarding the July trip. We are meeting with several groups this week to ask for ideas on what economic development work is being done by non-profits in several of the locations we are considering visiting. The organizations and industry groups we are working with include:

The Enterprise Foundation	LISC (Local Initiative Support Corporation)
Ford Foundation	Ms. Foundation (focus on microenterprise)
Initiative for a Competitive Inner City	Rural Community Assistance Corp
Corporation for Enterprise Development	Association for Enterprise Opportunity
Foundation for Int'l Community Assistance	Community Development Tax Credit Coal.
American Association of Enterprise Zones	Community Development Venture Capital
Village Foundation (active in Youth Opportunities)	Alliance
National Community Reinvestment Coalition	National Congress for Community
National Ass. for Affordable Housing Lenders	Economic Development

Research/Data. A separate policy team has been assembled to focus on government analyses and research on "indicators of new market potential" that could be deliverables for the July trip.

SITE RECOMMENDATIONS

For The July **NEW MARKETS TOUR**

FROM THE INTERAGENCY WORKING GROUP

SBA.....pp 1-9

HUD.....pp 10-15

DOL.....pp 16-27

USDA.....pp 28-34

**SBA RECOMMENDATIONS
FOR
POTUS JULY NMI TOUR
(Draft 5/20/99)**

I. Small Business Investment Program

A. Kentucky Highlands Investment Corporation ("KHIC"):

(SBIC, SBA Microlender, CDFI, USDA Guaranty Lender and Intermediary Lender, Lead Entity for the Kentucky Highlands Empowerment Zone)

1. Options for Public/Private Deliverables:

a. Mid-South Electric, Inc. (Jackson County)

Deliverable: \$5m Business Expansion/100-150 new jobs

Public/Private: SBIC & USDA /EZ/Youth Job training

Founded by Jerry Weaver, a native of Jackson County, the tool and die company has grown to 800 employees and is currently completing a \$5 million expansion which will add 100-150 employees this year. The expansion of the modern plant was accomplished through SBIC funding for equipment and a USDA guarantee. The expansion and the addition of new jobs through public/private partnership could be announced in July.

b. SBA/DOJ Proposal

*Deliverable: Capital Investment by Corporate CEOs for
Additional Youth Training*

Public/Private: SBIC/EZ/Youth Training

SBA will work with the Department of Labor to direct new capital investments from large employers and financial entities into Mountain

Ventures, Inc. (an SBIC), or through a different vehicle of KHIC for additional youth job training, etc. in connection with JRC Industries.

Description of JRC Industries:

In late 1995, a nonprofit, job training workshop was opened in Jackson County as part of the Kentucky Highlands Empowerment Zone initiative. For several years, this training program struggled until it moved into a new 24,000 sq. ft. building and Jerry Weaver agreed to become General Manager. Installing a new management team, Mr. Weaver created a tool and die apprenticeship program, an electronic circuitry class and a computer laboratory. The company, JCR Industries, is now entirely self-supporting and employs 100 persons as a contract manufacturer. Training, including GED preparation, is provided for 16-24 year olds.

c. Sports Products, Inc.

Deliverable: New investments from Bankers Trust

Public/Private: SBIC/EZ/CDC Tax Credit

Mountain Ventures and Kentucky Highlands Community Development Corporation (utilizing a CDC tax credit on a \$2 million investment from Bankers Trust and the Appalachian Wall Street Limited Partnership) financed a building to house Sports Products, Inc. which manufactures sports gear for children. Additional investments will be made with the remaining investment funds from Bankers Trust.

Description of Sports Products, Inc. ("SPI")

SPI was incorporated in the Commonwealth of Kentucky in January of 1998, and started operations on February 1, 1998. Kentucky Highlands Investment Corporation along with its subsidiaries Mountain Ventures, Inc. (a SBIC) and Kentucky Highlands Community Development Corporation (a tax credit community development corporation) financed the building, equipment and working capital of this start-up company.

The Tennessee Valley Authority has also made a loan to the company for equipment.

SPI was formed to take advantage of the void in the marketplace created when Hutch Sports USA was forced into bankruptcy in August 1997. Therefore, with an available manufacturing facility, equipment and inventory repossessed from bankruptcy court and a trained labor force, it was an opportune time to start SPI. SPI currently manufactures athletic jerseys, shorts, pants, and jackets for children as well as other apparel for Premier Athletic Apparel of Lexington, Kentucky. Premier sells mostly in the Midwest and Southern United States.

2. Description of Kentucky Highlands Investment Corporation

- a. Founded in 1968 as a Community Development Corporation based in Southeastern Kentucky;
- b. Is a SBIC, SBA Microlender, a USDA Guaranty Lender and Intermediary Lender, Lead Entity for the Kentucky Highlands Empowerment Zone and a CDFI;
- c. Provides equity-type capital for new and expanding businesses;
- d. Services a 9-county area, amongst poorest in the nation (Wayne, Clinton, Jackson, Rock Castle, Clay, Bell, Whitley, McCreary and Harlan) with some lending capabilities in three (3) additional counties;
- e. Governed by a 17-member Board of Directors and has a staff of 15 employees;
- f. Administers a \$13 million venture fund as the lead entity for the Kentucky Highlands Empowerment Zone, encompassing Jackson, Clinton, and Wayne counties;

g. Provides technical and management support to businesses, entrepreneurial training and houses a small business incubator created with assistance from the ARC;

h. Has invested more than \$50 million in over 140 enterprises that employ 1,285 employees;

i. Administers the Appalachian Capital Corporation, a fund that derives its capital from the U.S. Department of Agriculture. Through this entity, competitive financing is available to viable businesses located in or which will locate in Southeastern Kentucky.

B. Arizona MultiBank Community Development Corporation

(New LMI SBIC, CDFI)

Deliverables: One of the first NMI LMI SBICs & May raise \$5 million from major banks for new SBIC for a POTUS event

Public/Private SBIC/CDFI

1. Description of Arizona MultiBank Community Development Corporation ("MultiBanks")

a. An Arizona non-profit corporation and an initiative of the Arizona Bankers Association. In addition to several initiatives throughout Arizona in urban centers, rural communities and Indian Country, MultiBank has now taken on the development of a homegrown, Arizona-based SBIC in order to better meet the equity and subordinated debt needs of Arizona's small businesses

b. Established to operate an investment pool that is funded on a long-term basis by Arizona lenders. MultiBank is certified by the U.S. Department of the Treasury as a Community Development Financial Institution ("CDFI")

c. Since 1993, MultiBank has provided \$12.5 million to 200 projects throughout Arizona. Fifty-six percent of MultiBank's loan dollars have been provided to small businesses, 28% to non-profit organizations and 16% to affordable housing projects. By subordinating its collateral interests in 30% of these projects, MultiBank leveraged another \$23 million of financing from its Investing Banks. Examples of financings that have been done, include:

- A \$500 "circle of lending" micro loan to a home-based day care business (affiliated with SBA-funded entrepreneurial program for women);
- A \$50,000 line of credit to a locally published magazine dedicated to the arts and lifeways of Native Peoples -- the official magazine of the Smithsonian Institution's National Museum of the American Indian; and
- A \$400,000 loan to a start-up, minority-owned wire manufacturer supplying a Fortune 100 company

d. In addition to providing capital to small businesses, MultiBank provides financial and technical assistance to small businesses, to low and moderate-income housing project, and to non-profit organizations.

e. MultiBank has been capitalized with over \$10 million in capital debt securities, making its initial capitalization one of the largest, if not the largest, in the nation for a non-profit community development corporation of its kind. The following institutions provided the funding:

▪ Norwest Wells Fargo Bank	\$3,600,000
▪ Bank of America	3,000,000
▪ Bank One Arizona	3,000,000
▪ Community First National Bank	140,000
▪ National Bank of Arizona	100,000
▪ Arizona Bank	50,000
▪ Johnson Bank	50,000
▪ Harris Trust Bank	50,000

▪ Northern Trust Bank	50,000
▪ Pacific Century Bank	50,000
▪ Community Bank of Arizona	25,000
▪ Heritage Bank	25,000
▪ Imperial Bank Arizona	25,000
▪ Mohave State Bank	25,000
▪ Rocky Mountain Bank	25,000

C. North Carolina - Economic Opportunities Fund

(1-5 New SBICs)

Deliverable: 1-5 New SBICs (following passage of Legislation)

Public/Private: SBIC

1. Description of North Carolina - Economic Opportunities Fund

a. The State of North Carolina is proposing a capital formation initiative to increase the availability of equity capital for high growth entrepreneurial firms in the state's economically distressed rural and urban communities.

b. To accomplish this goal, the State has proposed to establish 1-5 new SBICs with up to \$30 million in public sector investment to leverage as much as \$360 million in growth capital. The State would work in partnership with banking, institutional and corporate private investors in the state.

c. Prudent investment by the Economic Opportunities Fund may support a diversity of entrepreneurial development throughout North Carolina. Their success will produce benefits to all parties involved: financial return to the State and participating investors, growth resources for the entrepreneurial companies receiving capital, and employment gains and wealth creation to the communities in which these firms prosper.

d. State legislation is required to establish the State-owned SBICs. Governor Hunt has championed the concept to the North Carolina General Assembly which is proceeding with legislation providing for public sector participation.

D. Mississippi Delta - Enterprise Corporation of the Delta

(To-be SBA 7(a) Lender, EZ, CDFI, SBIC Investments in region)

Deliverables:

- *New Investment by Chairman of Skytel for \$500,000*
- *New Investment of Arkansas Blue Cross/Blue Shield for \$100,000*
- *2 Bank Enterprise Awards for \$50,000 total*
- *New SBA 7(a) Lender in May/June*
- *SBA has a lengthy lists of businesses located in the Mississippi Delta that have received SBIC financing.*

Public/Private: New 7(a)Lender/SBIC/EZ, etc

II. BuinessLINC Roundtable

A. Mississippi Delta

(SBIC, EZ, CDFI, Youth Training, SBA Microloans, HUBZones)

Deliverables: CEO and Local Company Commitments to rural and urban communities & Business Roundtable chaired by POTUS

Public/Private: SBIC/EZ, HUBZones, etc.

(Interagency Effort - SBA, DOT, and nine other Federal Agencies: See 3/30/99 SBA Proposal)

1. Organize Business Roundtable with POTUS, Cabinet Secretaries, Bankers, CEOs, Community Leaders, etc. (focus on private/public investment partnership, new jobs, transportation, domestic trade, etc.);
2. Request new CEO and company (local and national) commitments (including from Fortune 500 companies initially financed by SBIC's); and
3. Augment existing private sector commitments including the following:
 - Bell Atlantic will spend \$1.88 billion, through a partnership with SBA, to increase purchasing and subcontracting with minority and women-owned businesses.
 - Chase Manhattan Bank will create a new program that will connect its senior bank officers with women and minority small business owners, and a new partnership with the National Association of Black Management Consultants.
 - GE Capital will expand its Small Business Colleges, which offer business advice to entrepreneurs in distressed areas, and to open a fifth college in St. Louis and a new pilot program for women business owners in Washington, D.C.
 - Science Applications International Corporation (SAIC) will execute joint marketing agreements with small businesses and support relationships with small businesses in the new HUBZone areas.
4. Work with BRT and the new Department of Commerce Minority Business Roundtable chaired by Bob Johnson of BET (recent article in the New York Times)

Description of the BusinessLINC Initiative

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1. Launched by VOTUS, the BusinessLINC Initiative is a new partnership between the Federal government and America's business community to encourage large businesses to work with small business owners and entrepreneurs, especially in America's rural areas and inner cities.
2. Administered by SBA and Treasury, BusinessLINC, which stands for Learning, Information, Networking, and Collaboration, is designed to stimulate business-to-business relationships that will produce one-on-one technical advice and consulting, classroom and group training, peer group consulting, strategic alliances, and supplier and marketing development for small businesses.

Description of Mississippi Delta Proposal

Through three major initiatives (the SBIC LMI Investment Program, the New Market Venture Capital Company Program and the Microloan Program), SBA will further enhance access to capital for businesses located in low and moderate-income (LMI) areas. In addition, SBA will increase federal contracting opportunities throughout this region through its HUBZone Program. To attract interest in SBA community-based capital access programs, SBA is providing a series of regional workshops to promote investment in inner cities and rural communities, including the Mississippi Delta region. Many communities of the Mississippi Delta region are located in both LMI rural areas and HUBZones, and thus, will benefit from these targeted programs.

B. Appalachia, Tribal Lands, and Urban Centers

Replicate the BusinessLINC Roundtable described above.

RECOMMENDED NEW MARKET TRAVEL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PINE RIDGE, SOUTH DAKOTA

Background/Highlights

- Pine Ridge offers a unparalleled opportunity to reflect the realities of most reservations today: high unemployment, low incomes, lack of infrastructure, etc. Pine Ridge's unemployment reaches 90%; 60% of residents make \$15,000 or less.
- HUD's Native American Housing and Economic Development Conference and the Pine Ridge Empowerment Zone (the first EZ reservation) effectively demonstrate the possibilities of a New Markets Initiative on reservations everywhere, not just on Pine Ridge. Hundreds of tribal leaders, lenders, builders, economic and housing experts will attend the HUD conference, which will highlight aspects of the New Markets Initiative and unveil the construction and purchase of 20 to 25 homes by tribal families on Pine Ridge.
- The goals of the Pine Ridge EZ fit thematically with the work of the Oglala Sioux Housing Partnership, the nonprofit recently established to oversee mortgage lending and home construction on the reservation. Combined, they provide a strong foundation for the New Markets Initiative message.
- The mortgage lending/construction activities and the EZ goals reflect the Oglala Sioux's stated needs and desires for economic growth on the reservation. It is important to respect the tribes' advocacy for "self-determination" and not dictate to them what the private sector or the federal government is willing to "do for" them.
- The first economic development project on a reservation must be housing and a finance/banking system. Pine Ridge is developing precisely the new economic models envisioned by President Clinton.
- The President's attendance at Pine Ridge offers the best opportunity to communicate the New Markets message with the greatest number of tribes, as it would coincide with HUD's conference drawing over 500 tribal leaders from across the country.
- The Pine Ridge projects build on the work of Senators Daschle and Dorgan, and the recent meeting with the President and the Plains tribes.

Recent Investments

- \$2 million Rural Initiatives Grant to encourage mortgage lending and financial assistance for housing construction.
- This \$2 million investment supports the President's One Stop Mortgage Initiative and PATH, Partnerships for Advanced Technologies in Housing.
- An \$8.6 million NAHASDA grant for housing.
- Another \$2 million and additional technical assistance from USDA for the Empowerment Zone.

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Announcements

- Following USDA and HUD's lead, private sector investment is creating jobs, job training, and low-cost housing in Pine Ridge. The federal government's initial investment is sparking at a minimum \$2.5 million in private sector activity that the President could announce:
 - ✓ • Norwest Mortgage is making about \$1.4 million in loans and has provided mortgage counseling to the families.
 - ✓ • Countrywide Mortgage is ready to announce a mortgage lending program on another reservation. The Mortgage Bankers Association of America and the Federal Housing Finance Board have committed to bring other lenders interested in reservation-based mortgages.
 - A pre-fabrication foundation company wants to franchise a business on the reservation.
 - A manufactured housing company is building and installing half of the homes and also plans to provide job training to tribal members.
 - Other homes are being constructed by Indian contractors at a modular housing facility on the reservation, providing dozens of additional jobs to tribe members.
 - Kohler, a Wisconsin fixture company, Karrier Heating, and Weather Shield are being approached about investments and job training for tribal members. These companies are providing plumbing and other fixtures at no or reduced costs for the 20 to 25 homes under construction.
 - Other private sector businesses have indicated interest in the Pine Ridge, including Motorola and AT&T, as well as companies involved in PATH. These partnerships could be aggressively explored and developed. Prospects include national supermarket and pharmacy chains.
 - The President could announce the establishment of the Board of Directors of the first-ever Empowerment Zone on an Indian Reservation.

*Emmeline
report*

GARY, INDIANA**Background/Highlights**

- Gary qualifies as "double burdened" in HUD's Now is the Time: Places Left Behind in the New Economy, meaning that it faces continued high unemployment relative to the Nation as a whole, plus either significant long-run population loss, or persistently high poverty rates, or both.
- Approximately \$287 million was spent in Gary in 1992, versus an available purchasing power of \$522 million. In other words, \$243 million left the inner-city for the suburbs or other retail markets, resulting in a huge untapped market.
- Gary has an unemployment rate of 7.1%, vs. 2.8% for Indiana as a whole.

- Gary is a vastly neglected market, with great potential. It has no national retailers, no supermarket, and no movie theater.

Government Investments

- A \$88,000 CDBG project that rebuilt sidewalks and parking created a retail space that ACE Hardware moved into. ACE met outstanding success in Gary's underserved market, and the owner was quoted in the media as saying that the inner-city location outperformed his suburban store.
- Gary won an Empowerment Zone designation in the last funding round.
- 202 and other HUD housing support the business in the Empowerment Zone.

Private Sector Investments

- ACE Hardware, as described above.
- US Steel has committed to drag the Calumet river, a \$30 million investment, in addition to \$22 million in waste-water improvements. They has also pledged to put \$120 million into plant improvements in 1999.
- Ten banks have made a combined commitment of \$50 million to private sector businesses in the Empowerment Zone.

Possible Announcements/Events

- Based on the success of the local franchise, ACE Hardware could be approached to commit to new franchises to other new markets.
- The city is putting the final touches on an application for a \$3.3 million Section 108 loan that would enable development of a planned \$30 million shopping center on 25th Street, at the heart of Gary's historically black neighborhood. The shopping center would include a movie theater, grocery store, and a car dealer.
- **CONFIDENTIAL:** The City of Gary has several confidential projects nearing completion that could be ready for announcement by the end of June.

Casino Activity

APIC side project

Other Comments:

- The cities involved in this Empowerment Zone, Gary, East Chicago, and Hammond, are working to develop a comprehensive transportation HUB that would alleviate overcrowding at O'Hare Airport and its adjacent services. This HUB would include a deep sea port, a multi-modal freight railyard, and Gary Airport, which would be a freight airport. These facilities would be within minutes of major interstates, and they would relieve freight overcrowding at O'Hare, allowing that airport to focus on consumer flights.
- Gary's proximity to successful cities like Chicago further make the case for it as an untapped market.
- The prevalence of casino activity, mostly led by Donald Trump, needs to be considered in planning this visit.

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2012-0043-S
DETERMINED TO BE AN
ADMINISTRATIVE MARKING
INITIALS: MA DATE: 12-6-11

NEW YORK CITY

Background/Highlights

- Harlem has been unable to connect their local economy to New York's regional economic boom.
- In 1994, over 50% of Harlem's adult residents did not have a high school diploma.
- Despite the fact that Harlem has a number of major institutions, including Columbia University (the third largest employer in New York City) and major hospitals, *less than 10% of Harlem's residents were employed in the business located there.*

Government Investments

- Upper Manhattan received an Empowerment Zone designation in 1995 of \$100 million from the Federal Government.
- The federal investment was matched by \$100 million from the New York City and \$100 million from New York State.

Private Sector Investments

- \$193 million in private sector commitments followed the EZ designation, **representing a 3.25 to 1 ratio of private to public dollars.** Some of these private sector projects include:
 - **Harlem USA:** This major retail complex, the largest project in the upper Manhattan EZ, has attracted **Disney, HVM** and other national outlets. Approximately \$11 million in public investment will be leveraged by an additional \$45 in private sector commitments. Construction of the complex will create 200 new jobs, while its ongoing operation is expected to result in 300 permanent jobs (with 75% of these targeted for EZ residents under tax credit provisions).
 - **Broadway Video:** Saturday Night Live producer Lorne Michaels is bringing high-tech jobs to Harlem with the opening of a \$1.1 million post-production facility called Broadway Video, creating at least 20 jobs for EZ residents. Funding comes from loans from the Upper Manhattan EZ and Citibank.
 - **Pathmark Supermarket:** The designation of the EZ attracted Pathmark supermarket to the area, the first supermarket to open there in many years.
 - **Citibank,** along with the Upper Manhattan EZ, is offering loans to the new businesses.

Possible Announcement/Events

- Numerous private companies have indicated interest in joining the Harlem revitalization, including: Sterling Optical, and Bankers Trust, with most of the activity oriented towards African-Americans.
- The area is capable of supporting still more development. Entertainment business are especially interested in joining Disney and Lorne Michaels in New York. HUD has contacts in the entertainment industry who would be interested in joining the EZ and participating in a public event.

- A HUD-funded study, completed in 1996 (or thereabouts), recommended businesses that could spark the most revenue in the area. Some of those recommendations could be ready for announcement by the end of June.

Other Comments

The Harlem renaissance has already attracted media attention and acclaim (see attached *Washington Post* article from May 5, 1999).

DELTA POSSIBILITIES

MONROE, LOUISIANA

Background/Highlights

- In 1994, statistics showed that Monroe is the third-poorest metropolitan area in the nation
- Monroe has a population over 50,000.

Government Investments

- Designated as EC in the first round, in 1995, receiving \$3 million.

Private Sectors Investments

- **Hibernia National, Central Bank and Bank One** committed \$3 million in loans to EC businesses unable to access traditional bank financing.
- A donated property is being rehabilitated and expanded as the St. Francis Medical Center's Primary Health Care Clinic (South), a **community-based nonprofit clinic**. The new facility will cost approximately \$350,000 and provide 13 jobs.
- **State Farm Insurance** is carrying out a partnership to provide job training to place EC residents in Monroe or the adjacent Parrish. There are 10 people currently placed.

Possible Announcements/Events**Other Comments**

- The EC Board was originally deemed "troubled," but has recently shown great improvement.

GREENWOOD, MISSISSIPPI

Background/Highlights

Government Investments

- Designated as Empowerment Zone in 1995.
- Received \$800,000 in small cities CDBG, \$1 million USDA.
- Received
-

Private Sectors Investments

- \$1 million in local private sector investment.
- Viking Range, manufacturer of high quality kitchen equipment, came into the Zone, and created 500 jobs.

Possible Announcements/Events

Other Comments

SECRET

Department of Labor-Recommended Presidential Events: New Markets Initiative

Los Angeles or Alternate

Once a devastated community after riots, Watts is now moving forward, and a Department of Labor Youth Opportunity pilot grant has been used to form a community-wide partnership that is giving out-of-school youth the skills they need to land good jobs, with committed private sector partners including Ultramar Petroleum, Rockwell, and others.

President Clinton, executives and role models announce Secretary Herman's Youth Opportunities Movement, with the local goal of an empowerment zone-wide "opportunity zone" with more employers pledging to hire more youths.

Visual: Visit to one of the following:

Rockwell International Reach Program - shop setting
Shell Oil Business Academy - classroom setting
Ultramar Petroleum Refinery - Chemical work site
McDonnell Douglas Plant - Vast aircraft production site

Private Industry Targets:

Rockwell Space Systems	Staples	Xerox
Pacific Bell	Hughes	Northrup-Grumman
Safeway	ARCO	Bank of America
Toyota	Disney	Universal Studios
Occidental Petroleum	PG&E	Safeway
Ralph's		

Southeastern Kentucky

The Department of Labor funds a Youth Opportunity program here, to train out-of-school youth for meaningful employment. The Small Business Administration is deeply involved in capital investment programs in this rural Empowerment Zone. SBA will work with the Department of Labor to direct new capital investments from large employers and financial entities into Mountain Ventures Inc., a Small Business Investment Corporation, or a similar vehicle to expand youth job training programs to give every youth in the region the opportunity for job training.

Kentucky business leaders answer the President's challenge, pledge \$2 million or more in annual investment.

Visual: A site visit to American Woodmark, a six-month-old, state of the art, computerized machine shop making cabinets for the nation's leading home improvement retailers.

Private Industry Targets:

American Woodmark	Bell South	Horizon Yachts
Image Entry	Fantasy Custom Yachts	Citizens National Bank
United Parcel Service		

Detroit

The Department of Labor recently awarded Detroit a Youth Opportunity grant to build a broad-based effort to provide jobs skills training to area out-of-school youth. Private sector partners in that effort include Daimler-Chrysler and Ford, who have pledged to hire some of the youth when they finish training. A New Markets event would add General Motors, the United Auto Workers and other companies to this effort.

Visual: Site visit to DetroitWorks Youth training facility.

Private Industry Targets:

Daimler-Chrysler	Ford Motor Co.
General Motors	United Auto Workers

Washington, DC

Businesses in the Washington area increase their investment in a regional consortium organized by the State of Virginia to train dislocated workers and others to fill critical shortages in the high tech industry.

Visual: Site visit to Computech facility.

Private Industry Targets:

AOL	PSINet	Computech
First Union Bank	Urban Technologies	Bell Atlantic
Maytag	CENTECH	COMSAT

5/21/99

NEW MARKETS INITIATIVE: CAPITALIZING ON YOUTH INVESTMENT

BACKGROUND

The President's New Market Initiative provides the opportunity to harness the existing untapped labor pool in our urban inner cities: out-of-school youth (OSY). There are over 10 million OSY in over 100 empowerment zones/enterprise communities (EZs/ECs). This initiative provides a strong incentive for the private sector to drive investment in our inner-cities.

The Department of Labor's Kulick grant program funds local projects to prepare inner city to enter the labor force by providing employable and work-ready skills. In Los Angeles' EZ community of Watts, this program is employing 1700 youth while creating 750 new jobs by:

- providing basic literacy, math and soft skills to Watts youth through the Bradley/Milken Center and Maxine Waters Center;
- securing corporate stakeholder commitments to hire Watts youth by McDonald Douglas, Rockwell, TWR, Ultramar and Universal Studios; and
- providing micro-enterprise training for Watts youth through the Entrepreneur Education Center and University of South California's Business Expansion Network.

Once a community devastated by urban riots, the Watts community is a model of community capitalism. The private sector has begun to become a "corporate stakeholder" in Watts.

OBJECTIVES

1. To develop the Watts community into an "opportunity zone" by having more corporations become stakeholders by hiring Watts youth and considering locating their businesses within the Watts EZ.
2. To secure private foundation funding for the Watts community in order that the Kulick project can be greatly expanded throughout the EZ.

PLAN

1. Secure corporate pledges to hire Kulick program participants working in cooperation with the National Alliance of Business, Los Angeles Chamber of Commerce, LA Youth At Work and Mayor's Business Leaders Alliance. Employers to be targeted:

**Atlantic Richfield
Circuit City
Disney Entertainment
GET
Hilton Hotels
ITT
McDonald Douglas*
MGM
Motorola
Northtrop
Pacific Bell
Rockwell International*
Shell Oil
Sony Entertainment
Telemundo
TWR Space & Electronics*
Ultramar*
Univision
Universal Studios*
Warner Brothers
Western Electric
Xerox**

*** Existing stakeholders (additional pledges sought)**

2. Secure private foundation support to fund the expansion of the Kulick program by targeting:

**Ahmanson Foundation
Atlantic Richfield Foundation
California Community Foundation
California Community Foundation
California Wellness Foundation
Getty Foundation
Keck Foundation
Parsons Foundation
Weingart Foundation**

EVENT(S)

1. Site Visit

President Clinton & Secretary Herman will visit Kulick participants:

First Choice: Rockwell International program in Jordan Downs public housing---observe classes in math, computer literacy and the sciences to prepare youth for jobs in the aerospace and technology industry.

Second Choice: Shell Oil Small Business Academy---observe classes in business start-up and private enterprise to prepare youth for jobs with community small businesses and micro-enterprise start-up businesses.

Third Choice: Ultramar Petroleum Refinery---observe youth working in the Wilmington plant (Los Angeles harbor; not in the EZ).

Fourth Choice: Maxine Waters Center---observe youth being prepared for interviews with potential employers and/or have employers like Rockwell, Ultramar, McDonald Douglas and others present.

The President & Secretary will be joined by celebrity-activists that have a history of investing in the Watts community: i.e., Denzel Washington (Boys & Girls Club); Oscar De La Hoya (CET), Danny Glover (One-To-One Partnership), Jimmie Smits (YES), Magic Johnson (Watts Cinema), among others.

2. Reception

President Clinton & Secretary will have a reception at the Getty Museum or Museum of Contemporary Art for CEOs who have made stakeholder pledges. They will be joined by celebrity-activists.

3. Foundation Roundtable

The Secretary will convene a roundtable meeting of private foundations which have a history of funding local community efforts:

SUPPORT

The Village Foundation will be providing general support in making this event possible. The foundation, a national grant making and operating foundation is dedicated to the development of African-American men and boys in American society. It was established as an outgrowth of the Kellogg Initiative. The foundation's Chairman is Andrew Young and President is Bobby Austin.

In Los Angeles, the foundation supports the Al Wooten Center working to address the educational and employment needs of over 162,000 African-American and Latino high school drop outs.

Proposal for a New Markets Initiative Event Monticello, Kentucky

"I'm going places not just to remind America of the plight of the Americans who live there, but to highlight their enormous economic potential, and the visionary businesses who are helping to develop it."

President Clinton
May 11, 1999

Objective

Build a broad private sector coalition to partner with local, state and federal government to enable Southeastern Kentucky's emergence as a more powerful new market area in the 21st Century, by upgrading skills and providing lifetime learning opportunity for the people in and around the rural Empowerment Zone of Clinton, Wayne and Jackson Counties.

This would be started with a Department of Labor-Small Business Administration partnership that has been developed in principal.

Background

American Woodmark Cabinetmakers is doing gangbusters business. The problem is, it *could* be doing much better. So could other businesses, large and small, on the western edge of the Appalachian mountains in Kentucky's Lake Cumberland area of the southern and eastern part of the state. They need more trained workers.

American Woodmark, a supplier of cabinets to home furnishing retail giants like Home Depot, Lowe's and Hechinger's, saw profit grow by 24 percent last year - and that was before the company opened a state-of-the-art manufacturing facility in Monticello, Kentucky, in Clinton County smack in the middle of Kentucky's Empowerment Zone and a long haul from Lexington, the nearest major city. Unemployment is high. One hundred percent of the population is considered rural. Forty percent of residents live in poverty, and more than half didn't finish high school. Per capita income averaged about \$6,838 according to 1990 census data.

Existing Project

All the trappings of an Empowerment Zone: active involvement by SBA, Commerce, Agriculture. The Department of Labor has funded a pilot Youth Opportunities grant in Clinton and part of Wayne counties that is a partnership between local government, private industry and community-based organizations to improve the

soft and hard skills of out-of-school youth ages 16-24. At present, 222 youths are enrolled in the training program. 74 have finished and been placed in jobs, 26 youths have entered an alternative school created by the project and 20 have entered an intensive construction trades program.

The Event

The Department of Labor has the Youth Opportunity program here. The Small Business Administration is deeply involved in capital investment programs here. SBA will work with the Department of Labor to direct new capital investments from large employers and financial entities into Mountain Ventures Inc., a Small Business Investment Corporation, or a similar vehicle to expand youth job training programs to give every youth in the region the opportunity for job training.

At this event, Kentucky business leaders would answer the President's challenge, pledge \$2 million or more in annual investment.

Visual: A site visit to American Woodmark, a six-month-old, state of the art, computerized machine shop making cabinets for the nation's leading home improvement retailers.

Private Industry Targets:

American Woodmark
Image Entry
United Parcel Service

Bell South
Fantasy Custom Yachts

Horizon Yachts
Citizens National Bank

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DETROIT - Youth Opportunity Site

Description of existing project:

On March 25, 1999, the City of Detroit's Workforce Development Agency was awarded \$2.25 million to implement an Out of School Youth Opportunity Demonstration Project. Working through SER Metro Jobs for Progress, Inc., the City is establishing a comprehensive community approach to provide young people in the City's Empowerment Zone with training, mentoring, and employment opportunities. Their strategy includes:

1. A neighborhood Youth Opportunity Center and Advisory Council comprised of parents, teachers, major stakeholders and faith and community leaders;
2. A CET job training program for out of school youth and young adults;
3. A school to work charter school for middle and high school-aged youth;
4. A neighborhood drop-out prevention program to offer mentoring, tutoring remediation and counseling;
5. In partnership with Detroit Works, provide pre-trades preparation and apprenticeship readiness and entry training; and,
6. Employer-to-Employer Job Ladder program with Daimler/Chrysler and Ford to create employment opportunities for youth through the creation of a job ladder of progressive skills and wage scales to provide youth with incentives to prepare for middle and upper level employment opportunities.

New Market Objective:

As part of the new market initiative we would bring General Motors into the partnership and increase the involvement and commitment by all three automakers (and potentially other private sector players in and around the EZ) to the initiative. Currently, commitments are to consider young people graduating from the programs for hire. We would look to increase participation in all aspects of the project, including mentoring, school to work commitments and most importantly in the nature and level of the employment commitment.

Who do we contact:

Daimler/Chrysler
 Ford
 General Motors
 UAW
 Joyce Foundation (funded the local job ladder initiative)

Chamber of Commerce
 Mayor's Office
 Governor's Office
 EDS

What are we asking for:

- Specific and significant hiring commitment.
- Specific investment of private resources including funding, training, mentoring, and participation in all aspects of the initiative.
- Specific commitment to broaden to auto suppliers in metro Detroit area.

What is the visual:

- Option 1:* Tour Ford Academy of Manufacturing Science ("FAMS"). This facility is in the EZ and is funded in part by Title XX EZ funds. During the school year, young people at Kettering High School (which is part of the YO program) learn work skills at FAMS. *POTUS could tour the facility and observe young people being trained in manufacturing skills.*
- Option 2:* EDS currently has a customized training program using WtW funding. 15 people at a time go through a 13-week training program at a community college. Most of the participants are women with small children between the ages of 18 and 30. Although the EDS facility where the participants are employed for approximately \$23,000 per year is not in the EZ, most of the residents live in the EZ. Visual could be the worksite or community college (will get worksite details Monday morning).
- Option 3:* Daimler/Chrysler has a partnership with Southeastern High School. Visual could either be high school program or Chrysler facility in the metro-Detroit area.

WASHINGTON, D.C. - Metropolitan Area Information Technology Employment Project

Description of existing project:

On June 30, 1998, DOL awarded a \$1.2 million grant to the Commonwealth of Virginia to undertake planning and organizing activities related to implementing a multi-state project to assist and train over 3,300 eligible dislocated workers in the Washington, D.C. metropolitan area to work in the high tech industry in the area. The project is designed to train workers in the area to fill the numerous employment vacancies which regional employers have identified in the high tech industry. Virginia is in partnership with Maryland and the District of Columbia. Upon completion of the planning phase, the operations phase would be initiated with a grant of approximately \$15.5 million as early as June 1999.

New Market Objective:

As part of the new market initiative we would identify private sector participants and jointly announce specific employment commitments. We would look to expand participation in all aspects of the project, but particularly in the nature and level of the employment commitment. (The commitments identified below have not been the subject of press stories.) As part of the New Market Initiative, we would attempt to increase the number of private sector participants and to increase the number of trainees and placements on the part of existing participants.

Company Participation/Hiring Commitments to Metro Tech Project Includes --

<u>Company</u>	<u>Job Titles</u>	<u>Commit.</u>	<u>Training</u>
Maryland:			
Compu Tech, Inc.	Programmer	4	3
Virginia:			
Bell Atlantic/BACCSI	Service Techs or Splice/ Service Tech	45	*
Washington Data Systems, Inc.	LAN Techs (non-degree) Network Engineers (degreed)	5 5	5
RHI, Inc.	PC Help Desk Technician	5	
Apex Systems	PC Help Desk Technician	5	15
Aerotek Staffing	PC Help Desk Technician	5	

Subsystem Technologies	Help Desk/LAN Techs; LAN Engineer; Computer Programmer/Operator I; Computer System Analyst I	5
Pinnacle Software**	Oracle DBA	5
Employer Consortium		15

D.C.

National Capital Planning Council	Geographic Info Systems (GIS) Programmer	5	*
Lucent Technologies	Central Office Technician	10	*
PEPCO	Network Administrator	5	*
EDS	Network Administrator	5	
Urban Technologies	Programmer/Data Base Administrators/ Advanced Desk Top Productivity Personnel	20	**

*recruiting/training classes scheduled to begin

**on hold

Who do we contact*:

AOL	VA Governor's Office
PSINet	Mayor's Office
Computech	MD Governor's Office
First Union Bank	Maryland High Technology Council
Urban Technologies, Inc.	N. Virginia High Technology Council
Bell Atlantic	Organized Labor
Other High Tech companies in region	DC Board of Trade

*contacts should be initiated through the Virginia Governor's Office for Job Training (Bill Carolson) to ensure coordination occurs with past/current project undertakings

What are we asking for:

- Specific and significant hiring commitment with company-specific (customized) available for training for workers hired
- Specific investment of private resources including funding, training, mentoring, and participation in all aspects of the initiative.

What is the visual:

Southwest Mall Tech Center (Stephanie – ETA thinks you may know some of this).

BART - now market

Creating Career-wage Types of Jobs

CommunityName Champions

I-5 Business Development Corridor (I-5 BDC), CA (CC) A private prison company has announced plans to build a \$60 million detention center in Mendota (a community in the I-5 BDC). Officials with the Nashville-based Corrections Corporation of America (CCA) estimate the 1,000 bed facility could bring more than 200 jobs to Mendota. Jobs will range in the \$8 - \$12 per hour range and most will require only a high school diploma. CCA will be providing job training locally.

Hollister, CA (CC) Corlin Motorcycles, an electronic vehicle manufacturer, has moved into its new plant in Hollister. The company brought 150 employees with it in the move, but has plans to hire approximately 75 additional employees over the course of this year.

CommunityName FL -- Jackson County EC

Ayers Corporation of Albany, Georgia, a major aircraft manufacturing company has signed a letter of intent with FEDEX to acquire 50 new Ayers Loadmaster LM200 aircraft with options for an additional 200 airplanes. The Jackson County Development Council, Inc. (JCDC) have been working with Ayres Corp. on becoming one of the locations for an assembly plant operation. Ayres plans to hire 125 assembly plant employees at a beginning salary of approximately \$9.00 per hour; during the first year. They also plan to hire a number of engineers to design the loadmaster prototype. Employment in future years could reach as high as 400. Jackson County feels one of its key attractions is its designation as a Enterprise Community with the many business/tax incentives that this makes possible. A proposal to Ayers Corporation with appropriate federal, state and local incentives valued up to \$18million will be submitted this month.

CommunityName KY -- Kentucky Highlands EZ

Specialty Plastic Products of Kentucky Inc. is proposing to construct a second plant in McKee (Jackson County) with financing from the Development Venture Fund. The need for the additional plant is driven by a 5-year, \$62 million Defense contract to produce military backpacks for the Navy. The company hopes to begin construction in early July and be operating in the building by January 1, 1998. The contract requires a total of 214 employees of which at least 175 will be in McKee.

CommunityName MS -- Mid-Delta EZ

The EZ has announced that Dollar General Stores will expand into the EZ investing some 38 million dollars in a new distribution plant that will mean 500 to 700 new jobs with a \$5 million a year payroll. This expansion of Dollar General Stores has involved the EZ, the state, and both business and the private sector. More details as they become available.

Groundbreaking for Sporting World, Inc. New business funded with USDA/RD RBEG funds are scheduled to take place soon. Washington County received a RBEG grant of \$445,000. This will save 15 jobs and add 10 new positions.

CommunityName TN/KY -- Scott/McCreary EC

In announcing its decision to locate in Scott County, Container Technologies Inc., a supplier of bins used in waste management operations, acknowledged that a major factor was the availability of loans for start-up operations in The Enterprise Community. The firm plans to have 25 workers by the end of the year, expanding to 50 by the end of 1988, with projections for 100 by the year 2000.

CommunityName TX -- Rio Grande Valley EZ

Business developers and the EZ are helping a fledgling ferry from Port Isabel to Honduras become a success. The "Regal Voyager Ferry" is viewed by the community as an economic link that can be developed to put Valley businesses in direct competition with its Houston, New Orleans and Miami counterparts. The community will work with several partners including the University of Texas/Pan American Business Opportunities Center, Foreign Agricultural Service, CEED Program, Center for Operations and Community Service, Port Authority and others to develop markets in Central America. This effort is quite an enhancement of Benchmark 1.5.

CommunityName WV -- McDowell County EC

On September 3rd, in Charleston, Governor Underwood, joined by representatives of the Greenfields Coal Co. Ltd., announced the company's \$70 million investment in a project that recovers coal fines from a McDowell County settling pond near Gary. The project, which will produce a form of coke that is used to make steel, is expected to employ as many as 60 people directly and more than 250 in associated jobs in the surrounding area. The Governor noted that not only are people put to work but environmental problems are cured as well. There are plans to expand the use of the coal recovery process to other sites in West Virginia and 240 coal impoundments have already been identified.

CommunityName KY -- Kentucky Highlands EZ

KHEZ reports that its Jackson County Rehabilitation Industries (JCRI), which opened a little over a year ago (Nov.95) has grown in its first year of operation to 33 employees. Many of them were on public assistance at the time of employment. JCRI has a backlog of contracts of \$1 million. Now that JCRI is in its new industrial building, expectations are that growth will approach 100 employees in the next eighteen months. A second sheltered workshop is scheduled to open this year for Wayne and Clinton Counties.

CommunityName CA -- Watsonville EC

EC Job Training Program: Six students from the program have been accepted into the Youth Entrepreneur Training Program offered by El Pajaro Community Development Corporation. The thirteen week training is focused around writing a business plan. Participants will learn the day to day operations of a small business, including inventory, bookkeeping, marketing and customer service. Participants will obtain "hands on" experience working with small business owners in the Plaza Vigil small business incubator.

EC Job Training Program: The eleven youths who began the 45 hour customer service and cashiering training March 3rd received certificates of participation from the Mayor of Watsonville, Al Alcalá, on Tuesday, April 22. Local employers have agreed to interview participants. Employers include a local bank (CalFed) and retailers.

CommunityName Champion

I-5 Business Development Corridor CC (CA)

The California State University - Fresno is completing a USDA Rural Development-funded Hispanic

market study. Entrepreneurial training classes, also funded by the Rural Business Enterprise Grant, are expected to begin in Kerman within the next few weeks. The classes, sponsored in part by the Kerman Chamber of Commerce, will teach business owners how to market to the large Hispanic community.

CommunityName KY -- Kentucky Highlands EZ

*5/17/98
Sued
and
settled*

As of November 30, 1996, summary of the KHEZ Development Venture Fund Loan portfolio shows investments totaling \$5.9 million in 11 enterprises with a current employment level of 252 that is projected to reach more than 1500. The employment projection does not include an additional 2-500 jobs if current negotiations are successful in bringing additional contract work to a zone firm.

In its August Newsletter, KHEZ provides some very encouraging news about the Zone's job creation success and unemployment situation. As of August 1st, 732 new jobs have been created and current projections anticipate a total of almost 2500 jobs. This includes some 1000 jobs associated with a chicken processing plant currently under construction with an anticipated completion date of a year from now. The unemployment rate in the Zone dropped below 6 per cent in June, the lowest rate in memory for each of the three Zone counties.

Car. station

As of August 1st, KHEZ reported that the Development Venture Fund Loan has created 513 jobs with projections of 2,280 jobs when all firms are operating at capacity. Non Venture Capital Fund has created 172 jobs with projections for an additional eight jobs for a grand total of 685. It is projected that there will be 2,460 jobs created by the 2 funds.

Three weeks ago the first houseboat left "Thoroughbred Cruisers," a new manufacturing facility in Clinton County. Now laying claim to the title of "the houseboat manufacturing capital of the world," another KHEZ area firm, "Horizon Yachts" has completed and sold its first houseboat to a customer in Kent, Washington. The plant, which employs 58, is located in Wayne County. An office opened in January of this year with production beginning in March. Prices of the custom houseboats produced by "Horizon Yachts" range from \$75,000 to \$400,000.

The lead entity for KHEZ, the Kentucky Highlands Investment Corporation (KHIC) held an Open House on Oct 1, with more than 100 persons in attendance. Between 1:00 and 3:00 p.m. a session was held with area bankers on KHIC, the type of business development on which the company focuses and the different areas with which KHIC works, including the Empowerment Zone, SBA Microloan program and Rural Development -IRP. From 3:00 to 5:00 p.m. an open house was sponsored for all residents in the KHIC twelve county service area. Demonstrations of the teleconference center and computer laboratory were conducted and representatives from the One Stop Capital Shop and the Kentucky State Rural Development office were in attendance to answer questions.

CommunityName OH -- Greater Portsmouth EC

(Update) The Ohio Valley Regional Development Commission's (OVRDC) new Business and Industry Development Center (BIDC) is up and running to serve Ohio. The Center, which received a \$60k Business Enterprise Grant from the USDA is providing technical assistance and training to rural business and industry in the OVRDC's 12-county region. The program is designed to facilitate economic development, job creation and retention. Among other services, the BIDC's work program involves: developing and maintaining a database of businesses and industries within the district; surveying companies for information on technical assistance and training needs; and, conducting meetings with local chambers of commerce and Small Business Development Centers.

CommunityName WA -- Lower Yakima Valley EC

Sun Steel Corporation, a local manufacturer, is working closely with the EC's job training program. Sun Steel has hired graduates from the welding program and provides a skills-based pay structure and full benefits package to its employees.

CommunityName Champion

The City of Brawley recently completed a 1.5 miles wastewater extension line to their industrial par area.

The extension enabled a partnership with the Salico Company, which has begun construction on an \$8 million carrot processing facility. The facility will employ 150 people when it is completed, scheduled for April 1998. The sewer extension was financed by Enterprise Community funds and the City of Brawley, which leveraged these funds with a state Community Development Block Grant in the amount of \$300,000 for additional extension to the water and sewer systems and a road which will lead to the plant.

NADBank funds for a wastewater rate study, BECC funds for preliminary design engineering and a water/wastewater master plan, and the California State Revolving Loan Fund for Wastewater Treatment Facilities. Also as a result of the sewer extension, an established business has moved into the city's Business Park, more than tripling its workforce from 12 employees to 40 employees.

CommunityName Champion

Hollister, CA (CC): TAG Manufacturing, Inc. of San Jose, CA has announced plans to purchase a 1,900 acre ranch just west of Hollister. The ranch, previously used as an airplane manufacturing facility will be converted into a "high-tech robotic facility." If rezoning plans are approved by the county, as many as 25 jobs will be created at the new computer-related materials manufacturing plans. The company is also pursuing an option to develop an additional 60,000 square feet on the site, possibly creating even more jobs.

CommunityName KY -- Kentucky Highlands EZ

President's Budget Message. We reviewed a draft of the proposed Budget Message, particularly the section on Strengthening the American Community which has an Empowerment Zone and Enterprise Community component that highlights accomplishments in the Kentucky Highlands and Baltimore Empowerment Zones. From the \$5.6 million obligated to date from the \$11 million in the Kentucky Highlands Empowerment Zone (KHEZ) development venture capital fund KHEZ has leveraged an additional \$ 38 million for eleven new manufacturing enterprises that have already created 575 jobs and committed to another 1600.

CommunityName LA -- Macon Ridge EC

Wisner Catfish Processing Plant - 175 Jobs Saved: The second-largest employer in the Enterprise Community is a catfish processing plant, in Wisner. It is vital to economic development as Northeast Louisiana diversifies its economic base into aquaculture. The company leasing the plant announced it would close. Working with the Louisiana Department of Agriculture, Macon Ridge provided economic development expertise which saved these 175 jobs.

Raising Rural Citizens Up From Poverty to Middle Class Status

CommunityName WV -- Central Appalachian EC

The Enterprise Community which encompasses five West Virginia counties has just published its first annual report which reflects many significant accomplishments. Among them are these: CAEZ WV has leveraged over \$5.8 million in outside funds; established a Building Trades Construction program in Clay County High School; secured almost \$600,000 for a housing rehabilitation program and completed five houses in Fayette County; approved \$300,000 in funding for two Wellness Centers to be matched with \$500,000 in private funds; and developed and capitalized a revolving loan fund to assist new and expanding businesses and secured \$450,000 in outside funding.

CommunityName SC -- Williamsburg EC

The WECC formed a Housing Task Force to coordinate its housing projects. As a compliment to its housing renovation program Telamon, a nonprofit organization will guide the EC construction job training program. Rural Development signed a letter of cooperation with Telamon, for Telamon to provide to HUD in seeking a federal grant entitled Youthbuild. The grant would provide funding to Telamon and aid them in providing job training and GED training to at-risk underprivileged youth ages 18-24 in the Williamsburg Enterprise Community. This assistance would reduce the amount of assistance needed by Rural Development in providing leveraging of funds to aid in housing rehabilitation.

The WECC Board of Directors voted to create the "Youth Enterprise Camp." The Program is patterned after the "Education Designs that Generate Excellence" Youth Entrepreneurship program—one of the leading youth entrepreneurship programs in the U.S. The Youth Camp is free and will be open to 500 middle and high school students from the EC. Participating youth will not only study the concept of business but also actually start their own business. Presentation of a business plan is one of the essential elements of the program. The best business plan in each class will have access to up to \$250 from a Youth Enterprise Revolving Loan Fund, which will be capitalized with \$5,000 from the Enterprise Community's seed grant. This loan fund will provide kids with the necessary capital to turn their innovative business plans into income-generating enterprises. The Williamsburg Enterprise Community Small Business Development Center will provide guidance and assistance to businesses that participate in the Youth Enterprise Revolving Loan Fund.

CommunityName MO -- East Prairie EC

On March 27, Joan Tyler, EZ/EC Representative from the U.S. Department of Commerce/National Institute of Standards, traveled to East Prairie for a meeting with the EP Technological Development Work Group. The Goal of the team is to develop a non-traditional advanced technological training facility in East Prairie. The training would be market driven, and fuel a workforce for future technologies of the 21st Century. Team members are working with NIST and National Office staff to develop a position paper and pool potential partners.

CommunityName PA -- Lock Haven Federal EC

The Lock Haven area will have new entrepreneurs specializing in family day care services, thanks to the efforts of Clinton-Lycoming County Head Start Program. The Program received a Head Start expansion grant through the U.S. Department of Health and Human Services to implement the program. The local Head Start agency is developing a new Head Start-Family child care initiative which will offer a new network of family day care homes. Several of the past and present Head Start parents will be trained to become family child care providers. The environment of the home will be inspected and assessed to assure zoning compliance and the parent's future participation in the state licensing system. Potential providers will be screened for capacity to be successful entrepreneurs as well as quality care givers for infants, toddlers and preschoolers. Head start will coordinate and offer training and technical assistance on a vast array of topics including business planning, child growth and development, discipline, curriculum, lesson plans, nutritional means and snacks. Approximately 10 family day care sites will be established in Clinton and Lycoming areas.

CommunityName LA -- Northeast Louisiana Delta

The EC has a partnership with the Louisiana Technical College, Tallulah which provides for a nursing assistant training program with 30 adults and 23 high school seniors. The high school students will receive nursing assistant certificates upon graduation from high school allowing them to go from school to work.

CommunityName CA -- Watsonville EC

Opportunity to Work (OTW): To date, five of the ten OTW participants have successfully passed their Class B driving test. Eight of the ten have received forklift certification. On March 25, 1997, all ten were introduced to city council members and they expressed their gratefulness for the opportunity to work and learn new skills. Local contractors are being approached to set up full-time, permanent positions for OTW participants upon completion of the internship. The purpose of the OTW program is to provide high-risk youth with positive alternatives in a structured environment in which they can develop basic job skills. Ten high risk youth ages 18-21 have been hired by the City of Watsonville's Public works and Utilities Department and began work as Utility Worker Interns, February 28th. Participants will work towards their Class B drivers license and forklift certification. It is also required that participants undergo academic assessment and enroll in at least one academic class during the internship. Supportive Services will be provided by a local community based organization, Si Se Puede. Weekly attendance and group counseling and job preparation workshops is required.

The eight new participants in the Opportunities to Work program have been attending classes and will finish at the end of June, 1998. The first group is currently going through job interviews. They will have completed their program by the end of August, 1997.

The community finished its interview process for the second round of the Opportunities to Work program. They have hired ten more youths to work at the area Public Works and Utilities. The participants will earn a Class B license and learn to operate a forklift.

Watsonville has partnered with the local Job Training and Partnership Act (JTPA) provider, Career Works, and a local vendor to offer telephone skills training. The 30-hour training, which began this week, will cover professionalism, accurate message taking, customer service, and other phone skills. This class is offered as a direct result of employer requests and will help residents transition from welfare to work.

CommunityName AR -- Eastern Arkansas EC

The EC has awarded money to fund 13 youth initiative programs. The programs will emphasize

educational enrichment, leadership development, community pride, and work experience. Some programs will offer employment opportunities where youth gain an understanding of policies and procedures, collaboration, computer skills, and public speaking.

CommunityName WV -- Central Appalachian EC

The CAEZ Enterprise Community is putting finishing touches on its plan to conduct a series of ten-week courses on "How To Start a Business" in cooperation with the West Virginia State College Community and Technical College. There are five CAEZ counties and each ten-week course will be held in a different one. A September 9th self-assessment session is planned for the first in the series of classes. These classes will be held at the Clay County High School beginning September 23rd, and run from 6 to 9 p.m. A fee of \$50.00 is being charged for the classes but it is refundable contingent upon finishing the course with a completed business plan.

CommunityName OR -- Josephine County EC

The Josephine County Community Services and Josephine County Community Development Corporation have established a Rental Assistance Loan Fund to help low-income families with move-in costs. The Illinois Valley Community Response Team will provide referral services.

In mid-June, the Sunny Wolf Community Response Team produced a community business and skills directory to encourage residents to use local vendors. The directory was distributed free of charge to all residents.

CommunityName LA -- Macon Ridge EC

On Tuesday, May 6, over 425 high school juniors and senior, students at the Bastrop vocational-technical school, and the general public visited a Macon Ridge-sponsored Job Opportunity Fair in Bastrop. Some 36 businesses, organizations, and post-secondary schools had exhibit booths at the fair to meet students who are potential employees, and inform the students about job opportunities in Bastrop and Morehouse Parish after graduation. Northeast Louisiana University's Small Business Development Center (an EC partner) told students how to start their own business after graduation. Students and the public also learned information about continuing their education at the post-secondary level if they so desire. Macon Ridge, the City of Bastrop, the Morehouse Parish School Board, the Job Service Office, and private industry were leading sponsors. Every leading sponsor has been a key Macon Ridge EC partner, many from the start of the community meetings in the spring of 1994. The Opportunity Fair is the second job fair which Macon Ridge EC has held. In November 1996, Macon Ridge held its first job fair in Ferriday at the EC offices, where 200 students participated.

CommunityName MO -- East Prairie EC

This EC has christened a new adult learning program. Community businesses and individuals are taught at the new Computer Learning Center at Epworth Bootheel Family Learning Center. This program, aimed at making each adult ready for a job, is divided into four components; job skill development, work place maturity, academic achievement, and computer literacy.

CommunityName Champions

Shafter CC (CA): On Wednesday, October 22 USDA Rural Development and Self Help Enterprises, a non-profit housing organization, presented 43 families with certificates of completion for constructing their own homes through the Self-Help program. USDA Rural Development provided \$2.5 million in low-interest loans for the construction of homes for low- and very low-income families.

FIRST STOP - KENTUCKY (Afternoon of Day One, July 5)

Theme for Kentucky Stop

- Investment in Appalachia and Rural New Markets

Focus for Kentucky Stop

- This is our kickoff event, with much of the focus of the day being on the distressed economic conditions in Appalachia. The president will first tour a distressed retail area and then visit a nearby company to show as an example of how CDFIs (in this case Kentucky Highlands Investment Company) can make difference. He will then travel to Hazard to deliver a speech to a large crowd of 3-5,000 people. There will be little opportunity for remarks from CEOs. However we hope to have some interaction between the CEOs and the real people, i.e. business owners and workers, that will be highlighted at the first stop in the distressed area.

Site #1: Outskirts of Annville where President will highlight the distress in Appalachia by visiting the home of a worker from Mid-South Electrics.

Site #2: Mid-South Electrics, a company located in an industrial park Annville. The company was financed through investment by KHIC and employs 900 people from throughout the surrounding areas.

Site #3: Hazard, Kentucky, which is considered the heart of Appalachia. In the center of town, the President will deliver a speech to a large audience draw from throughout Appalachia.

CEOs/COMMUNITY LEADERS:

Travelling With President To This Stop

Richard Leyman, Bank One

Eugene Ludwig, Bankers Trust

Jesse White, Appalachian Regional
Commission

Jessee Jackson, Wall Street Project

Richard Huber, Aetna

Duane Ackerman, BellSouth

Maria Wilson, Ms. Foundation

Dick Grasso, New York Stock Exchange

Ed Crutchfield Designee, First Union

Meeting President At This Stop:

Paul Chellgren, Ashland Oil

CEO, EcoLab

Lou Gertsner, IBM

John Sturgill, Fantasy Custom Yachts

Bill Deaton, Image Entry

Jerry Weaver, Mid South Industries

JC Egnew

Ray McGregor, Cumberland Gap Provision

Steve Meng, Casecraft Corporation

Bob Kohlhep, Cintas Corporation

Judy Schmitt ?

CEO, National City Bank

CEO, Fifth Third Bank

Note: Only Confirmed participants are those in bold.

CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN KENTUCKY:

Joined by the President the following companies represented by their CEOs and Senior Executives will make announcements today about investments in Appalachia communities.

Bank One, Richard Leyman

- \$1 million for **The Appalachian Ohio Development Bank One** which will provide equity financing and technical assistance to small businesses in Southern Ohio. Others involved in the formation of this new venture capital fund include the **Appalachia Regional Commission** (represented at today's event by Chair and presidential appointee, Jessee White); **Kentucky Highlands Investment Corporation** (represented by Chairman Ray Moncrief) and **ACE-Net**.
- \$5 million for the **DCC Growth Fund**, a large national Small Business Investment Company that will target investments to firms located in Low and Moderate Income communities.
- \$600,000 to the **Enterprise Development Corporation (EDC)**, one of the oldest and most productive microenterprise development organizations in the country.

Bankers Trust, Eugene Ludwig

- Bankers has invested nearly \$3 million in the **Kentucky Highlands Investment Corporation(KHIC)**, one of the premier community development venture capital funds, through an innovative tax program.

First Union, [NEED DESIGNEE FOR CRUTCHFIELD]

Bell South, Duane Ackerman

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

Ms. Foundation, Maria Wilson

- The Ms. Foundation will launch the third round of their Collaborative Fund for Women's Economic Development which provides funds for groups such as ACEnet (Appalachia Center for Economic Networks). ACEnet, a community-based economic development organization located in rural Ohio, is a leader in the non-profit sector for creating entrepreneurial opportunities. Its goal is for people with low incomes to move out of poverty permanently

through employment or business ownership. In the last year, ACEnet has created over 100 new jobs and trained more than 50 welfare recipients for jobs in the specialty food sector.

Appalachian Regional Commission

- The ARC Entrepreneurship Initiative has approved approximately \$3.5 million of investments out of the \$15 million that it has set aside for entrepreneurial activities in Appalachia.

PUBLIC SECTOR INVESTMENT ANNOUNCEMENTS IN KENTUCKY:

Kentucky Highlands Rural Empowerment Zone

- The Kentucky Highlands Empowerment Zone **Alternative Crop Fund** provides low interest loans (5.5%) in a subordinate position to local banks for up to \$2500 to farmers to develop non-tobacco crops or farming methods new to their operations.
- In the first four years of operation, the Kentucky Highlands Empowerment Zone has approved more than 43 Alternative Crop Financing project. Alternative projects range from ginseng to ostriches and even a web page site for selling ornamental trees.

United States Department of Agriculture – Water 2000

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

Department of Housing and Urban Development

- **Kentucky Highlands Investment Corporation** will receive \$461,854 from HUD to establish a demonstration program to exhibit how Community Development Corporations (CDC) can participate in the creation of high-skilled, high paying jobs. ✓
- **Kentucky Farmworkers Program, Inc.**, a private, non-profit corporation, which offers a full range of services to farmworkers, will receive \$209,519. KEP will use the funds to determine whether the housing needs of migrant and seasonal farmworkers are being met.
- **The Pendleton County Industrial Authority** will receive \$200,000 from HUD to create the Pendleton County Economic and Community Development Center. To assist in the continuation of recovery efforts from a devastating flood, the Center will serve as a one stop shop providing information and services.
- **Kentucky Mountain Housing Development Corporation** will receive \$200,000, and proposes to strengthen their organizational capacity in order to increase the production of affordable housing in Jackson County and to increase field production.
- HUD will grant \$482,374 to the **Federation of Appalachian Housing Enterprise**, a regional network of community-based nonprofit housing organizations. FAHE will use the funds as an equity investment in a revolving home loan fund and as a way to strengthen post-home ownership counseling.

SECOND STOP - CLARKSDALE, MISSISSIPPI (Morning of Day Two, July 6)

Theme for Mississippi Stop

- Investment in CDFIs, Investment in the Delta and BusinessLINC

Focus for Mississippi Stop

- To highlight investment in the Mississippi Delta and to show the benefits that can be derived from the types of programs that will be encouraged by the New Markets Initiative, such as CDFIs and BusinessLINC. A roundtable is being planned at the site of Waterfields, Inc. a cabinet maker based in Clarksdale, that has received financing from the Enterprise Corporation of the Delta, a successful CDFI that serves the entire Delta region. We will also do a “real people” porchside chat at the home of a worker from either Delta Laundry or Computers, Inc., two businesses that have received financing from ECD.

Site #1: Walk through of downtown Clarksdale, showing the retail disinvestment and signs of hope.

Site #2: Waterfield, Inc., a local business that has received financing from Enterprise Corporation of the Delta, a successful CDFI. Waterfield is a Tennessee based corporation doing business in Clarksdale, MS that began operations in 1998. The company produces cabinets that are marketed to retail home centers across the country. We will hold the roundtable here.

CEOs:

Travelling With President To This Stop

Dick Huber, Aetna

Craig Lynch, Greyhound

Fred Smith, FDX

Bill Harrison, CMB

Michael Porter's Designee, ICIC

John Bryant, Sarah Lee

Bob Kab, Arkansas Blue Cross/Blue Shield

Edward Rust, State Farm

Duane Ackerman, Bell South

Hugh McColl, BankAmerica

Floyd Hall, Kmart

Jerry Mauldin, Entergy

CEO, Next Day

Meeting President At This Stop

John Palmer, Skytel

CEO, Greyhound

CEO, NextDay

Bob Johnson, BET

Dana Mead, Tenneco

CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN MISSISSIPPI:

New Investments in the Enterprise Corporation of the Delta

- 
- New investments in the Enterprise Corporation of the Delta include more than \$14 million in private support that the President will announce.
 - Corporate investors include two local banks – **Bank of Anguila** and **First National Bank of Blytheville** – as well as **Skytel** and **Blue Cross/Blue Shield of Arkansas** and the **Ford Foundation**. Prior funding of ECD has come from Wal-Mart and 17 banks, some of which will join the President in Clarksdale.

Next Steps: LG to obtain full list of funders from Treasury.

Bank of Anguila

FedEx, Fred Smith

- FEDEX will announce its commitment to assist with job access and job training for the transportation and distribution industries in Memphis.
- **Next Steps:** OPL to confirm that Slater has secured this commitment and the participation of Fred Smith in the trip.

Next Day, Michael Kaufman

- NextDay has established the NextDay Program to help Empowerment Zone communities bridge the digital divide and to trigger and nurture the implementation of digital technologies in all schools.
- The program is a multi-year initiative that brings the connections, hardware, and software and peopleware required to develop school-based learning collaboratives, including one in Rosedale, MS.

NextDay is an outgrowth of NetDay – a volunteer effort to connect classrooms to the Internet that was launched by President Clinton and Vice President Gore in March 1996.

- Mississippi Delta West Bolivar Schools in Rosedale are using \$88,000 in E-Rate funds to connect all their classrooms to the Internet. They are also in the process of establishing a relationship with the Stennis Space Center and Global Positioning Solutions that are using GPS technologies in the agriculture community located near the schools.

- US Department of Education: Project coordination at the local and national levels: \$1 million.
- Cisco Systems: Routing and switching technology; Networking Academies; teacher training: \$2.4 million+.
- 3M Corporation: Fiber to the desktop; media conversion technology; technical support: \$1.4 million+

BusinessLINC

- This could be the site of a BusinessLINC roundtable. We are expecting information from Treasury this morning on what BusinessLINC announcements can be made. Treasury is also working together with Slater's office to close commitments from Wal-Mart, Entergy and

FedEx to participate in the new local Mississippi chapter of the BusinessLINC. [MORE INFORMATION FROM TREASURY – MICHAEL BARR or DON GRAVES]

Bob Johnson, BET

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

National CDFI Announcements

- In conjunction with our visit to the Delta, and our focus on Enterprise Corporation of the Delta, the local CDFI, there are other investment announcements being made today throughout the country by representatives from the Administration about investments in CDFIs. These include: [NEED TO CONFIRM LIST WITH TREASURY]
Fleet Bank - \$10 million investment in Boston Community Loan Fund.
Bank of America - Bank of America has a CDFI initiative, which leverages capital through community banks, credit unions, development corporations and micro-enterprise loan funds.
Allstate Insurance Company - \$5 million investment in the Illinois Facilities Fund for child care initiatives in the Chicago.
- Treasury officials will highlight a total of more than \$60 million in new CDFI investments. In addition to the CDFI's mentioned above, new investments will be made in Delaware Valley Community Reinvestment Fund, Applebank, Community Bank of the Bay, Women's Self-Employment Project, Micro Industry Credit Rural Organization and the Institute for Social and Economic Development, and Detroit Entrepreneurship Institute. [NEED TO CONFIRM FOR EACH CDFI the LOCATION – by going through CDFI LIST, for example Bank of Bay of Oakland, CA; ALSO CONFIRM WITH TREASURY THAT ALL CDFIs on THIS LIST CAN BE MENTIONED]

PUBLIC SECTOR ANNOUNCEMENTS IN MISSISSIPPI:

[SORT THROUGH DELTA FILE TO IDENTIFY ADDITIONAL PUBLIC SECTOR ANNOUNCEMENTS]

United States Department of Agriculture – Water 2000

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

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

Theme for East St. Louis Stop

- Investment in Urban EZs and Inner Cities

Focus for East St. Louis Stop

- The focus here will be on retail investment and investment in inner cities through venture capital funds. The president (and perhaps others will make remarks at the largest shopping center to be built in East St. Louis since the 1950s. The President will be joined by retail investors as well as companies helping to revitalize downtown areas throughout the country.

Travelling With President To This Stop

Daniel Jordnt, Walgreens
Michael Porter's Designee, ICIC
Edward Rust, State Farm
Mel Farr, ??????

Hugh McColl, BankAmerica
CEO, Prudential Insurance
Floyd Hall, Kmart
Jerry Mauldin, Entergy

Meeting President At This Stop

James Korman, Korman Property
Edward Rust, State Farm

James Coman, Coman Properties
Sy Sternberg, New York Life

Site #1: Shopping center in front of the recently constructed Walgreens for a grand opening event, that had been originally scheduled for July 11th.

CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN EAST ST. LOUIS:

Walgreens

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

Bank of America

- Bank of America will make a significant commitment of \$500 million of equity to support the development of community development opportunities in the New Markets of inner-city America.
- This new venture fund, will be known as the **Bank of America Catalyst Fund** and will build on the bank's track record, vision and commitment to community development across the country.

K-Mart

- **Next Steps:** KMart is interested in participating in the trip. They have a store here and want to be involved, however they may not be willing to participate in an event that features Walgreens, whom they see as a substantial competitor. OPL is closing a commitment to participate here or in Kentucky at the kickoff event.

New York Life

- New York Life has a certified Capital Company active in St. Louis, MO where the State recently passed a new CAPCO act whereby the money raised by a CAPCO could be used for making venture capital investments in companies located in distressed communities.
- New York Life made a new \$2 million announcement for an investment in CAPCO in mid-May.[IS THIS TOO LATE?]

Pfizer – New London, CT

- Pfizer is building a new drug development facility in New London, CT on a brownfields site. The work Pfizer has done in Brooklyn, hailed as a tremendous urban redevelopment story, will be the model for what they will do in New London. The new facility will house approximately 1,500 people.

Michael Porter, Initiative for a Competitive Inner City*

- ICI will announce the formation of Inner City Ventures, LP a private equity fund focused on high potential inner-city growth companies.
- The fund will raise approximately ??? from a number of investors including ???[NEED INFORMATION FROM JAY ON DOLLARS AND NAMES OF INVESTORS]
- [GENE NEEDS TO SPEAK TO MICHAEL]

PUBLIC SECTOR ANNOUNCEMENTS IN EAST ST. LOUIS:

Department of Housing and Urban Development

- The HUD CDBG program has provided funds to lay the infrastructure and build roads surrounding the **Jackee Joyner Kersee Center**. The Jackee Joyner Kersee Center is a major new community center that will offer educational, social, recreational, and health services. The opening of the center will be announced. ✓
- New housing and condos have recently been constructed with HUD HOME funds. One housing complex, Phoenix Court, provides transitional housing opportunities with job training, mostly for families who are moving from welfare to work. Phoenix Court offers provides Head Start for preschoolers, tutoring for older children, a 12 week job prep program for adults, and other essential support services to enable independent living. ✗
- HUD's commitment to the revitalization of the East St. Louis includes: Enterprise Community and Empowerment Zone funding; CDBG; Hope VI; and HOME. ↗

FOURTH STOP - PINE RIDGE (Morning of Day Three, July 7)

Theme for Pine Ridge Stop

- Private Investment in Native American Communities

Focus for Pine Ridge Stop

- The primary focus here is on infrastructure investments.
- The focus here will also be how housing and public sector investments are building blocks and part of the foundation for successful economic development in distressed communities.

Site #1: Homes being constructed by the new programs; visit the home of a woman just moving into the new housing

Site #2: Tour of distressed housing/Igloos?

Site #3: Pow Wow Grounds or site of new homes where the President will give a speech to the Pine Ridge community, to which the conference attendees will be invited.

Travelling With President To This Stop

Franklin Raines, Fannie Mae

Bart Harvey, Enterprise Foundation

Ted Wiatt, Gateway

Steve Case, AOL

Donald Lange, Mortgage Bankers Association

Tom Mann, GE Capital

Rich Laymann, Bank One

Roger Haughton, PMI Mortgage Insurance Company

Meeting President At This Stop

John Urbina, George Baum & Company

Glenn Hiner, Owens Corning

CEO, Synopsys

Edward Rust, State Farm

Walter Young, Champion Enterprises

CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN PINE RIDGE:

Fannie Mae

- \$1 million Tri-Party agreement among Fannie Mae, the Ogalala Sioux and Norwest mortgage that will enable tribal members to purchase homes on trust lands.
- Fannie Mae will commit to invest up to \$3 million over the next 5 years through its American Communities Fund. The American Communities Fund is an equity investment vehicle that operates in the way that an APIC or a New Market Venture Capital Fund would operate.
- A Fannie Mae Partnership Office will be opened in Sioux Falls by October 1. Part of the Investment Plan will be a partnership with the South Dakota Housing Development Authority for first time homebuyers. Fannie will commit to purchase \$35 million in mortgage revenue bonds. Of this amount, \$2 million will be set aside-exclusively for Pine Ridge residents to purchase homes at below market interest rates.

Bart Harvey, Enterprise Foundation

- The Enterprise Foundation is working with HUD on the Pine Ridge effort with the Oglala Sioux Tribe. Enterprise has also been part of a team of consultants working with HUD and **PriceWaterhouseCoopers** to create the non profit Oglala Sioux Tribe Partnership for Homeownership.

Richard Kovacevich , Norwest Mortgage

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

Gateway

- Gateway has agreed to work with the Oglala Lakota Community College to develop a curriculum and donate materials to teach Indian students data processing and computer programming.

The Native American Homeownership Initiative

- The **Mortgage Bankers Association** will team with **Countrywide, Norwest** and other mortgage lenders to more than double the number of home mortgages in Indian Country for each of the next three years. This Initiative will mean 1,000 additional Native American homeowners.

Bank One

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

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

- The seven members of the Mortgage Insurance Companies of America (MICA) will each enter into a five year alliance with a Native American Tribe to Endow a full-time Director of Homeownership counseling for their partner tribes; create homeowner education courses for the tribal colleges; and develop innovative lending criteria and new home financing mechanisms tailored to the specific needs of Native Americans.

New \$6 Million Manufacturing Facility

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

Expansion of Private Mortgage Insurance to Indian Country

- PMI Mortgage Insurance Company's will increase its commitment to provide mortgage insurance to Native Americans to \$55 million.

GE Capital

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

State of the Art Construction Certification Program for Tribal Colleges

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

North American Steel Framing Alliance

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

Republic Mortgage Insurance Company

- The Republic Mortgage Insurance Company (RMIC) has created the Native American "Financial Independence" Pilot Project. The Project will begin by giving 2,000 Pine Ridge students each year the financial knowledge and tools they need to achieve their financial independence.
- Once the pilot project has proved successful, it will be extended to all tribal colleges.

CTIA's Wireless Foundation

- Earlier this month, CTIA's Wireless Foundation announced its commitment to expand its three national programs to help address some of the communications challenges facing our Native American communities.
- Look at letter for commitment on millions
- Over the next year the wireless industry has agreed to donate 1,000 phones and airtime through Communities on Phone Patrol(wireless phones for neighborhood watch patrols), ClassLink(wireless phones for elementary and secondary school classrooms) and CALL to PROTECT(wireless phones for organizations combating domestic abuse), to improve safety and education at Indian reservations across the country.
-

PUBLIC SECTOR ANNOUNCEMENTS IN PINE RIDGE:

Bureau of Indian Affairs

- The Bureau of Indian Affairs will fund \$12.3 million in Y2K remediation work for tribal governments and upgrade up to 90 computers for the Oglala Sioux tribe.

United States Department of Agriculture

- The Department of Agriculture has designated an Empowerment Zone on Pine Ridge and 9 Enterprise Communities in Indian Country.
- The signing ceremony for the Empowerment Zone and Enterprise Communities will occur during the Pine Ridge Summit.
- Department of Agriculture's Water 2000 program will fund 12 water and sewer projects for Native American Tribes in 8 states with a total of \$15.9 million in loans and grants.
- The Department of Agriculture has awarded a \$200,000 grant to Avera-McKenna Hospital to provide remote ultra-sound services for South Dakota reservations. The Hospital will invest \$500,000 over 3 years in this effort. The program will allow centralized viewing and interpretation of ultra-sound from remote locations on the reservations to detect and treat fetal abnormalities.
- The Rural Utilities Service (RUS) has committed to hold workshops to improve telecommunications and utility infrastructure in Indian Country. RUS is the federal government lead agency to promote reliable, affordable utility services in rural America.
- Water 2000 will include two basic infrastructure projects totaling \$1 million on Pine Ridge scheduled for this summer. One project will allow utility hookups for a 30 unit housing subdivision and the second will help connect 43 homes and home sites to water utilities.
- Overall, the Department of Agriculture will devote more than \$200 million in loans and grants for 100 safe and clean water projects for 1999 in 38 states. This will bring safer and cleaner water to more than 275,000 rural Americans.

Commerce Report on Technology and Infrastructure on Reservations

- The Department of Commerce will issue a report regarding technology and infrastructure on reservations.

Department of Housing and Urban Development

- HUD will expand Ginnie Mae's successful Targeted Lending Initiative (currently available only in Empowerment Zones and Enterprise Communities) to increase lending in Indian Country by \$1.5 billion. Targeted Lending attracts mortgage lenders by cutting the fees they pay to place their loans in Ginnie Mae securities by up to 50%.
- HUD has established the Oglala Sioux Tribe Partnership for Housing through a \$2 million grant. The Partnership will provide financial assistance and homeownership counseling to help tribal families become homeowners on an ongoing basis.
- HUD will work with the partnership to build a total of 50 homes on Pine Ridge by early 2000 and to fund two years of technical assistance to the new not-for-profit by PricewaterhouseCoopers.

- HUD has awarded 28 grants totaling \$8 Million to Native American run non-profits and tribes. The grants will go toward projects such as new housing, utilities, water and sewer lines, as well as economic development projects such as a revolving loan fund and partnership for economic development. ✓
- HUD will award five rural housing grants totaling \$1.6 million to Native American run non-profits and Tribes in South Dakota. The tribes and non-profits will use the money to develop single-family homes, convert military housing to low and moderate income housing, establish an Economic Development Corporation and expand affordable housing opportunities.
- HUD will link Pine Ridge to HUD's information superhighway through a HUD Next Door Kiosk on the reservation. The kiosk will give Pine Ridge the easiest, most direct way to get information on the full range of HUD programs. This will be the first HUD Next Door Kiosk in Indian Country.

Small Business Administration

- The Small Business Administration's Small Business Development Center helped the Long Creek Store in Wanblee, SD (Pine Ridge) write their initial business plan that allowed them to secure a guaranteed loan from the SBA through First National Bank.

Department of Energy

- The Department of Energy will include Indian Country in its *Wind Powering America* Initiative.
- The Department of Energy also will announce the winner of their \$1.8 million contract to develop and field validate the use of renewable energy systems on reservations and other tribally-owned lands for a variety of uses. ✓ *let them do*

Federal Home Loan Bank of Des Moines

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

The White River Visitor Center *Change to for*

- The White River Visitor Center at Badlands National Park will be expanded to accommodate and attract more visitors. The new visitor center will contract with the Oglala Sioux Tribe for concessions services. The Departments of Labor, Defense, Transportation and Interior are partnering to build and repair roads leading to the new White River Visitor Center. These agencies will provide job training to the Oglala in road and facility construction techniques. ✓

The CDFI Fund

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

FIFTH STOP - PHOENIX, AZ (Afternoon of Day Three, July 7)

Theme for Phoenix Stop

- Access to Capital in Hispanic Neighborhoods and Investment in Small Business Investment Companies

Focus for Phoenix Stop

- This stop will bring attention to innovative programs that focus on attracting human capital or equity capital to distressed Hispanic communities. In addition, we will focus on the creation of the first LMI SBIC in the country, to be known as Magnet Capital, and created by a successful CDFI and existing SBIC, Arizona Multibank Community Development Corporation.

Site #1: La Canasta Mexican Food, Inc. a local eatery where we may host a roundtable. The roundtable would focus on investment by Arizona Multibank and others in Hispanic businesses and entrepreneurs

Site #2: Tortilla Factory or Botas Juarez Western Wear?

Travelling With President To This Stop

Steve Burd, Safeway

Franklin Raines, Fannie Mae

Ted Waitt, Gateway

Richard Kovacevich, Norwest

Ed Whitacre, SBC Communications

Gene Humphries, Enron Development

Richard Huber, Aetna

Ed Whitacre, SBC Communications

Paul Hazen, Wells Fargo

Meeting President At This Stop

Andrew Gordon, Arizona MultiBank

US Hispanic Chamber of Commerce

John Corella, Corella Electric

CEO, Sears National Bank

Bank One

CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN PHOENIX:

Aetna-Hartford, Dick Huber

- Huber has agreed to commit \$10 million to the new MetroHartford Investment Fund which will be somewhat modeled after the type of SBIC based funds that the New Markets Initiative will support.

SBC Communications

- In 1998-99, SBC replaced an outdated network between San Antonio and Laredo with state-of-the-art fiber optics. Expenditures on new equipment have exceeded \$1,700,000, and SBC anticipates spending \$700,000 more in other Border cities over the next two years.

- SBC has invested more than \$22 million in their Digital Switching Improvement Program to modernize service to all customers in the Texas Rio Grande Valley. By the year 2000, 100% of SBC's Rio Grande customers will have digital technology.
- SBC has made many investments in the border city of Laredo, including: a more than \$10 million investment in digital technology; the addition of a \$500,000 ATM data switch; a \$3.2 million in new fiber optic and digital equipment. SBC's investments give Laredo a premier telecommunications infrastructure for customers and businesses.

Enron

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

Bank One

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

Wells Fargo Bank, Paul Hazen

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

Norwest

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

Capital One and Century Pacific Bank

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

Bank of America, Hugh McColl

- Has previously contributed \$3 million to **Arizona Multibank Community Development Corporation**, and has been targeted as a potential investor for the new LMI SBIC. [NEED TO CONFIRM INVESTMENT COMMITMENT WITH SAUNDERS AT SBA]

PUBLIC SECTOR ANNOUNCEMENTS IN PHOENIX:

Department of Housing and Urban Development

- HUD has given funding to the **Chicanos por La Causa Small Business Incubator**, located in the EC. The incubator program supports the empowerment of the business community by providing computerized office support, management training workshops, and other small business related resources.
- 

- Through the Community Development Block Grant, HUD has helped to fund the **Expansion Assistance and Development Program** (“EXPAND”). The EXPAND Program is a loan collateralization program that encourages lenders to make loans to businesses that might not have otherwise been able to secure start-up capital. The program leveraged CDBG and private funding to an amount exceeding \$3.5 million. ✓
- Phoenix won a HUD “Blue Ribbon Best Practice” award for its Youthbuild Program. HUD also contributed \$2.2 million to Youthbuild’s Phoenix grant. Youthbuild funds programs that help young high school dropouts obtain education, employment skills, and site work experience in a construction trade. ✓

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

Theme for Los Angeles, CA Stop

- Workforce Investment in Disadvantaged Youth

Focus for Los Angeles, CA Stop

- This is the last stop on the tour and the focus here is on youth and the future. We can use young people as symbolism for hope in the future that the economic prosperity will reach everyone.
- We are trying to grow businesses and encourage investment in New Markets in order to provide opportunities for these young people. No one should be left behind.
- The first three days of the trip have been focussed on investment in financial capital while today's events are focused on investments in human capital that are the other important component to successful economic development.
- We will try for the visual in Los Angeles and the remarks with announcements in Anaheim.

Travelling With President To This Stop

Sandy Weill, Citigroup

Steven Burd, Safeway

Richard Huber, Aetna

Rich McGinn, Lucent

Michael Armstrong, AT&T

John Morbridge, Cisco Systems

Jim Kelly, UPS

Philip Carrol, Shell Oil

Meeting President At This Stop

CEO, Synopsys

Keyshaun Johnson, Wide-receiver for NY Jets

Edward James Olmos, Actor

Diego Serrano, Actor

Esai Morales, Actor.

Jenny Gago, Actress

John Mackey, Tight-end for Baltimore Colts and former President of NFL Players Assoc.

Lou Johnson, Former Los Angeles Dodger

Bob Johnson, CEO of Black Entertainment Television

The following entertainers cannot attend today's event, but have signed on as Youth Opportunity Movement Champions:

Starr Jones, TV talk show host, The View

Rosie Perez, Actress

Eriq La Salle, Actor

Giselle Fernandez, TV News Anchorwoman; Co-anchor of Access Hollywood

Debbie Allen, Actress; choreographer

Steadman Graham, Entrepreneur; Author of a book on disadvantaged youth

Kevin Sorbo, Actor

Site #1: Los Angeles where we have a ready made pre-existing event that Labor has been working on which will involve Celebrities and several corporate CEOs that are already committed to attend. There are also several success stories of young people who have been helped by the Youth Opportunities program, which will highlight in Los Angeles.

Site #2: In Anaheim we have another ready-made pre-existing event with Sandy Weill's organization the National Academy Foundation. This stop would more than likely involve a concluding speech with several significant corporate announcements related to NAF as well as a major investment commitment from AT&T for Community Technology Centers.

Anaheim where the National Academy Foundation will be hosting a conference with hundreds of

CORPORATE/PRIVATE SECTOR ANOUNCEMENTS IN LOS ANGELES/ANAHEIM:

Cisco Systems

- Cisco will expand the Cisco Networking Academy information technology training course offerings from the current level - in 15 different empowerment zones and enterprise communities - to 35 of those economically disadvantaged areas.
- The Los Angeles-based company will partner with every one of the Labor Department's current Youth Opportunity grant communities if possible as well as selected Job Corps centers, and will also develop a web-based placement system to allow students to be matched with employers.
- Cisco will recruit employers through an information campaign to customers, partners and the general business community, with the potential to reach 65,000 people in the first two years. The estimated financial commitment from Cisco is in excess of \$630,000.

United Parcel Service

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

Toyota Motor Sales USA

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

Shell Oil

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

Los Angeles Dodgers

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

KCBS-TV of Los Angeles

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

Tower Health and Pro Patient Plus

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

PDQ Staffing of Los Angeles

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

McDonald's

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

State Farm Insurance of California

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

Megatoys

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

Starks and Associates

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

MRA Managed Health Care Solutions

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

BD Systems

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

Flanigan Farms

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

The Rose Hills Company

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

Western Badge and Trophy Company

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

Xerox Corporation

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

The Enterprise Foundation and the Freddie Mac Foundation

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

The Chase Manhattan Foundation

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

The California Endowment

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

The Annie E. Casey Foundation

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

Ms. Foundation for Women

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

The Village Foundation and the Kellogg Foundation

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

Check (Dana 5/24/11)

Gene:

Attached are the following documents we have worked on today and want to discuss with you. I am not sure that these are exactly right just yet.

- Plan for deciding the New Markets tour locations
- Non-profit outreach plan for the New Markets trip
- Legislative outreach plan for the New Markets trip (to be redrafted based on today's meeting)
- CEO outreach plan for the New Markets trip (we still need to add the most important information to this, which Lisa and I will do tonight)

Please note that we are also working on a memo to be distributed in Friday's 2:00 pm meeting with Maria that will highlight the best site options we have for the President's trip.

Kaplan

LS
6/3/11

Plan for Deciding New Markets Tour Locations

I suggest the following plan for reaching final decisions about where to visit on President Clinton's New Markets tour from July 6-8.

Thursday, June 3

- NEC working group meeting with agency/White House staff to review options and fill in blanks
- Key information we are seeking includes:
 - details on best CDFI options from Treasury
 - Hartford ideas from all agencies
 - more details on visuals (i.e., specific businesses to visit or neighborhoods to tour)
 - information from Fannie Mae on Pine Ridge
- NEC drafts revised proposed site memo for Friday meeting

Friday, June 4

- Meeting with Sperling, Echaveste to review revised proposed site memo
- Try to reach conclusion on several strong suggestions (e.g., Kentucky Highlands, Los Angeles) and develop options for the remaining sites (e.g., Hartford OR New York City)
- Political offices conduct final vet of proposed sites
- Draft POTUS memo with strong suggestions and options from Sperling, Echaveste, and Streett for Sperling review over weekend

Monday, June 7

- Finalize POTUS memo with other White House offices

Tuesday, June 8

- Discussion in 8:30 am meeting on presentation to the President of suggestions and options for locations
- Final memo to the President laying out the several suggestions and remaining options

Week of June 9-15

- Resolve final locations before the President leaves for Europe on Tuesday, June 15

Friday, June 25

- Advance team to locations to assess sites

Non-Profit Outreach Plan for New Markets Trip

Over the next week, we need to reach out to a number of non-profit organizations to discuss the New Markets Trip in early July.

Purpose: The non-profits are able to help in at least three key ways.

- (1) Public-private efforts. Working with their existing private partners to develop new announcements/new investments.
- (2) Expanding technical assistance. Thinking through the possibilities of creating support/technical assistance efforts through some of the intermediaries for the New Markets Initiative. (For example, there is a collaboration with Ford, Enterprise, and LISC called the National Community Development Initiative which has focused primarily on affordable housing development. Could NCDI be expanded to focus more on venture capital and small business or microenterprise activities?)
- (3) Other new announcements or investments. Making their own organizational announcements/new investments related to the New Markets Initiative.

Next Steps:

- We propose that we call the individuals listed below beginning June 4.
 - We will divide the individuals below into different call sheets for Gene, Lisa, others
- We also propose that we invite the individuals listed below to a Sperling meeting at the White House early next week (June 7-9).
- In both our calls and meeting, we want to ask each group for input on announcement ideas and other proposals in the likely locations we have selected. We would also ask about their interest in participating on the trip.

Lisa has relationships with about half of the people on the list and has already started making calls to let them know there ~~will be a meeting some~~ time next week. Also, several of these individuals have been involved with the Administration on the New Markets legislation. Many of them also know about the trip and are already working on putting together proposals. We are enlisting Treasury and HUD's help on making these calls as well.

List of of External People to Invite:

- Appalachian Regional Commission (or other groups they may recommend) - Thomas Hunter (✓)
- ✓ The Enterprise Foundation - Alan Greenlee and Ben Hecht ✓
- ✓ LISC (Local Initiative Support Corporation) - Stephanie O'Keefe and Buzz Roberts
- ✓ Ford Foundation - Roland Anglin, Frank Degiovanni, or Designee

- Corporation for Enterprise Development - Bob Friedman or Designee 415-495-2333
- ✓ Initiative for a Competitive Inner City - Anne Habiby 617-292-2363
- The Rockefeller Foundation - Julia Lopez, Jim Pickman or Designee
- ✓ Fannie Mae Foundation (separate from the company) - Jim Carr or Designee 274-2060
- Economic Development Assistance Corporation
- Rural Community Assistance Corp - Bill French
- Association for Enterprise Opportunity - Welthy Soni
- ✓ Social Compact - Lynn Whiteside 215-923-9751
- Shorebank Advisory Services - Helen Dunlap or Designee
- ✓ Community Development Tax Credit Coal. - Mark Pinsky, and Rapoza 202-424-5150
- ✓ National Ass. for Affordable Housing Lenders - Judy Kennedy
- Ms. Foundation (focus on microenterprise) - Ana Wadia
- Community Development Venture Capital Alliance - Kerwin Tesdell
- Village Foundation (active in Youth Opportunities) - Seth Harris is getting a contact name
- National Congress for Community Economic Development - Roy Priest
- Community Reinvestment Fund - Frank Altman
- National Cooperative Bank - Robert Angus
- National Council of Nonprofit Associations - Audrey Alvarado
- Independent Sector - Matt Hamill
- OMB Watch (very involved in Community Technology Centers) - Gary Bass
- National Committee for Responsive Philanthropy - Kate Conover
- Council for Urban and Economic Development ?
- The Wall Street Project?

People from Administration to Participate:

Gene Sperling, NEC
 Jon Kaplan, NEC
 Lisa Green, NEC
 Victoria Lynch, OPL
 Michael Barr, Treasury
 David Graves, Treasury
 Xavier Brings, HUD
 Joe Hacala, HUD

Training - Tony Zucker

Frank Pore

Subcommittee on HUD - center of west

708-747569

Cliff Kellogg
 677-4442

WE WILL
REDRAFT BASED
ON TODAY'S MEETING

Legislative Outreach Plan for New Markets Trip – DRAFT

GOAL

We need to reach out to members of Congress shortly to invite them to participate in part of the New Markets trip on July 6-8. Obviously, how we interact with members regarding the trip will impact how some of them deal with us on the legislative front.

One issue we need to resolve is whether we can begin calling the members before we have made the final selections on where we will be going on the trip (this is a concern that Legislative Affairs has raised). One solution may be simply to hold off on making initial calls to those members who have requested that we visit their districts or states – that will allow us to move ahead beginning early next week.

Below is a draft list of priority calls that need to be made over the June 7-18 timeframe. These calls should be made by Stein, Sperling, Echaveste, and others as recommended by Legislative Affairs and the NEC.

NEXT STEPS

- Review list of members of Congress and add those who are missing on Thursday, June 3
- Assign calls to key principals or staff on Friday, June 4
- NEC and Legislative Affairs draft talking points on Friday, June 4
- Begin making these calls on Monday, June 7

DRAFT LIST OF MEMBERS OF CONGRESS TO CONTACT

Democratic Members Who Have Expressed Interest in Being Lead Sponsors on Legislation

Rep. Rangel – NY

- Ways and Means, Ranking – Tax Credit

Rep. Velazquez - NY

- Small Business, Ranking – NMVC for lead
- Banking and Financial Services - APIC

Sen. Rockefeller – NY

- Finance – Tax Credit

Sen. Sarbanes – MD

- Banking, Housing and Urban Affairs, Ranking – APIC

Sen. Kerry – MA

- Small Business, Ranking – NMVC for lead
- Banking, Housing and Urban Affairs – APIC for co-sponsorship

Sen. Edwards – NC

- Small Business - NMVC

Sen. Wellstone – MN

- Small Business – NMVC

Congressional Black Caucus

Rep. Roybal Allard – CA

- Small Business Appropriations – NMVC

Congressional Hispanic Caucus

Rep. Clyburn – SC

Key Democratic Leadership

Rep. Gephardt – MO

Sen. Daschle - SD

Rep. LaFalce – NY

- Banking and Finance, Ranking – APIC
- Small Business Appropriations - NMVC

Sen. Moynihan – NY

- Finance, Ranking – Tax Credit

Other Democrats Who Have Expressed in Interest in Co-Sponsoring the Legislation

Sen. Byrd – WV

- Small Business Appropriations, Ranking – NMVC

Sen. Stevens – AK

- Appropriations – APIC

Rep. Hooley – OR

- Banking and Financial Services – APIC

Rep. Kanjorski – PA

- Banking and Financial Services – APIC

Rep. Baker – LA

- Banking and Finance, SubComm Ranking – APIC

Democratic Members Who Have Expressed Interest in Our Coming to their District/State

Sen. Robb -- VA

- Finance – Tax Credit

Rep. Bennie Thompson – MS

Rep. Harold Ford – TN

Republicans Who Have Expressed Interest in the Legislation

Sen. Jeffords – VT

- Finance – Tax Credit

Rep. Lewis – KY

- Ways and Means – Tax Credit

Rep. Amos Houghton – NY

- Ways and Means – Tax Credit

Other Republicans We Need to Contact

Speaker Hastert – IL

Rep. Leach – IO

- Banking and Financial Services, Chair – APIC

Rep. Talent

- Small Business, Chair – NMVC

Rep. Watts – OK

Rep. Hal Rogers - KY

NEW MARKETS JULY TRIP
PRIORITY CALLS FOR PRINCIPALS

Principal <i>Assigned</i>	CEO/ Headquarters	Contact with Administration	Current Investment/Commitments	Potential Deliverables to Discuss on Call
	Arthur Blank CEO Home Depot Atlanta, GA	770-443-8211 Letter sent 5/28 <i>in 65</i>	Home Depot was mentioned in an ABC News story cited for retail stores investing in inner cities.	ADDING INFO NOW ↓
	Jack Futterman CEO Pathmark	717-761-2433	Abyssinian CDC was part of the development for the Harlem Pathmark. It is the first supermarket in the area for several years.	
	Howard Schultz CEO Starbucks Seattle, WA	206-442-7720	Schultz has received positive coverage for his work with Magic Johnson in bringing Starbucks to urban areas, including Harlem.	
	David Glass CEO Wal-Mart Bentonville, AR	501-273-5000 Sent letter 5/19	Wal-Mart was mentioned in an ABC News story citing their investment in Los Angeles.	
	Dick Huber CEO Aetna Hartford, CT	860-273-0123 Letter sent 5/19 Huber participated in 5/11 trip	Huber has been personally involved in revitalizing Hartford.	
	Hugh McColl CEO BankAmerica Charlotte, NC	704-386-5000 Letter sent 5/28	BankAmerica contributed \$3M to Multibank, a CDC in Arizona.	
	Frank Newman CEO Bankers Trust New York, NY	212-250-2500 Letter sent 5/11 Newman	Bankers Trust has been active in both rural & urban areas, contributing capital heavily to the Kentucky Highland Investment Corp.	

		participated in 5/11 trip	& the upper Manhattan EZ. - Bankers Trust also has set up the Neighborhood Franchise Project to create economic opportunities in communities.	
	Walter Shipley CEO Chase Manhattan New York, NY	212-270-6000 Letter sent 5/19	Is creating a new program in the Mississippi Delta connecting senior bank officers with women & minority small business owners.	
	Franklin Raines CEO Fannie Mae Washington, DC	202-752-7000 Letter sent 5/19 Participated in 5/11 meeting on New Markets	Pine Ridge	
	Ed Crutchfield CEO First Union Charlotte, NC	704-364-6161 Letter sent 5/19		
	Dan Amos CEO AFLAC Columbus, GA	706-323-3431 Participated in 5/11 trip to Atlanta		
	Chris Galvin CEO Motorola Schaumburg, IL	847-576-8500 Letter sent 5/28	Has talked with HUD about investing in Pine Ridge.	
	Sandy Weill Co-CEO Citigroup New York, NY	212-559-1000 Letter sent 5/19 Weill participated in	Sandy Weill is very hot to participate fully in the Initiative. He is anxious to discuss the National University program in Los	

		5/11 trip to Atlanta	Angeles. • Citigroup, along with the upper Manhattan EZ, is offering loans.	
	Michael Armstrong CEO AT&T Basking Ridge, NJ	212-847-5400 AT&T Wirless CEO Dan Hesse participated in 5/11 trip to Atlanta	• AT&T has contributed \$3M to empowerment zones. • AT&T recently contributed a second \$750K to LA organization to promote majority-minority partnerships.	
	Michael Eisner CEO Walt Disney Companies Burbank, CA	818-560-1000 Sent letter 5/29	• Disney is very active in Harlem USA, the largest project in the Manhattan EZ. • Their work was highlighted in an ABC News story on underserved areas.	
	John McCoy CEO Bank One Columbus, OH	312-732-4000 Sent letter 5/29		
	Paul Hazen CEO Wells Fargo San Francisco, CA	415-396-5408		
	Robert Johnson CEO BET Holdings Washington, DC	202-608-2442 Sent letter 5/19 Debra Lee, COO of BET, participated in 5/11 trip to Atlanta		
	John Welch CEO General Electric	203-373-2211 Sent letter 5/19	• In the Mississippi Delta, GE will expand its Small Business College to lend	

	Fairfield, CT		advice to small businesses owners in distressed areas.	
	Ivan Seidenberg CEO Bell Atlantic New York, NY	212-395-2122	Will spend \$1.88 M with the SBA to increase purchasing & subtracting with minority & women-owned businesses in the Mississippi Delta.	
	Richard Notebaert CEO Ameritech Chicago, IL	800-257-0902 Sent letter 5/19		

NEW MARKETS JULY TRIP CEO & COMPANY UNIVERSE

Priority	Company	Last Name	First Name	Phone	Washington Contact	DC Phone	DC Fax
	Ace Hardware	Hodnik	David	630-990-6652	n/a	n/a	n/a
X	Aetna	Huber	Dick	860-273-0123	Parven, Scott	202-223-2821	202-331-4205
X	AFLAC	Amos	Daniel	706-323-3431	Mason, Keith	202-624-1200	202-624-1298
	AIG	Greenberg	Maurice	212-770-7000	Johnson, Oakley	202-783-5690	202-783-6811
	Allied Signal	Bossidy	Larry	973-455-6551	Cole, Kenneth	202-662-2650	202-662-2674
	AllState	Liddy	Edward	847-402-5200	Bruse, Charles	202-835-8126	202-835-8227
	American Airlines	Carty	Donald	817-963-1234	Ris, Will	202-496-5666	202-496-5660
	American Express	Chenault	Kenneth	212-640-2000	Davis, Tim	202-624-0761	202-624-0775
X	Ameritech	Notebart	Richard	800-257-0902	Walsh, Dorothy	202-326-3800	202-326-3826
X	AT&T	Armstrong	Michael	212-387-5400	Wilner, Carol	202-457-7435	202-457-2258
X	Bank Boston	Gifford	Charles	617-434-8225	Phillips, Deidra	617-434-5810	617-434-8905
X	Bank One	McCoy	John	312-732-4000	n/a	n/a	n/a
X	BankAmerica	McColl	Hugh	704-386-5000	Wackerle, Rex	202-383-3430	202-383-3475
X	Bankers Trust	Newman	Frank	212-250-2500	Jankowsky, Joel	202-887-4000	202-887-4288
	Bell Atlantic	Seidenberg	Ivan	212-395-2122	Eve, Eric	202-336-7830	202-887-9195
X	BET	Johnson	Robert	202-608-2442	Bush, Antoinette	202-371-7000	202-393-5760
	Black Enterprise Fund	Graves	Earl	212-242-8000	Caraway, Yolanda	n/a	n/a
	Boeing	Condit	Phil	206-655-2121	Hansen, Chris	703-465-3602	703-558-9674
	Broadway Video	Michaels	Lorne		n/a	n/a	n/a
	Burger King	Malimatinas	Dennis	305-378-3143	Wexler, Anne	202-662-3709	202-638-7045
X	Chase Manhattan	Shipley	Walter	212-270-6000	McConnell, Robert	202-955-8500	202-467-0539
	Chevron	Derr	Kenneth	415-894-7700	Cavanaugh, Phil	202-408-5800	202-408-5845
	Cigna	Taylor	Wilson	215-761-1000	Harris, AJ	202-296-7174	202-296-2521
X	Citigroup	Weill	Sandy	212-559-1000	Andrews, Michael	202-879-6180	202-783-4460
	Coca-Cola	Ivester	Douglas	404-676-2121	Anderson, Bryan	202-973-2663	202-466-2262

*Other Relevant
Contacts*

Carol Pamy

	Compaq	Pfeiffer	Eckhard	281-370-0670	Tasker, Joseph	202-962-3830	202-962-3838
	ConAgra	Rohde	Bruce	402-595-4000	Baglien, Brent	202-223-5115	202-223-5118
	Costco	Sinegal	James	425-313-8100	Graves, Robert	206-828-8100	206-828-2106
	CSX	Snow	John	804-782-1400	Havens, Arnold	202-783-8124	202-783-5929
	Daimler Chrysler	Eaton	Robert	248-576-5741	Liberatore, Rob	202-414-6747	202-414-6716
	Dayton Hudson	Ulrich	Robert	612-370-6948	Hale, James	612-370-6908	612-370-6565
X	Disney	Eisner	Michael	818-560-1000	Cooke, John	818-560-7700	n/a
	Dollar General	Turner	Cal	615-783-2000	n/a	n/a	n/a
	Edison International	Bryson	John	626-302-1212	Liebman, Murray	202-383-2628	202-383-2505
	El duPont	Holiday	CO	302-774-1000	Johnson, Nancie	202-728-3600	202-728-3649
	Enron	Lay	Kenneth	731-853-6161	Hillings, Joseph	202-828-3360	202-828-3372
	Exxon	Raymond	Lee	972-444-1000	Rouse, James	202-862-0200	202-862-0269
X	Fannie Mae	Raines	Franklin	202-752-7000	n/a	202-752-7000	202-752-4013
X	First Union	Crutchfield	Ed	704-364-6161	Dunn, Tom	704-374-4593	n/a
	FMC	Burt	Robert	312-861-5822	Russell, Harold	202-956-5200	202-956-5235
	Ford Motors	Ford	Bill	313-322-3000	Mullins, Janet	202-962-5408	202-962-5417
	General Electric	Welch	John	203-373-2211	Walter, Susan	202-637-4450	202-637-4164
	General Mills	Sanger	Stephen	612-540-2311	Bird, Robert	202-737-8200	202-638-4914
	General Motors	Smith	John	313-667-3545	Dingell, Debbie	202-775-5092	202-775-5045
	Goldman Sachs	Corzine	Jon	212-902-8281	Costello, Ann	202-637-3700	202-637-3773
	Hewlett-Packard	Platt	Lewis	650-887-1501	Tisdale, Eben	202-884-7000	202-884-7070
	HMV						
X	Home Depot	Blank	Arthur	770-443-8211	Brennan, John	202-347-0773	202-347-0785
	Honeywell	Bonsignore	Michael	612-951-1000	Rochford, Susan	202-857-9800	202-857-9858
	IBM	Gerstner	Louis	914-499-1900	Caine, Chris	202-515-5000	202-515-5113
	Intel	Barrett	Craig	408-765-8080	Maibach, Michael	202-628-3838	202-628-2525
	International Paper	Dillon	John	914-397-1660	Withey, Lyn	202-628-1223	202-628-1368
	JC Penny	Oesterreicher	James	972-431-1000	Gill, Rick	202-862-4011	202-862-4829
	Johnson & Johnson	Larsen	Ralph	732-524-0400	Walden, Susan	202-408-9482	202-408-9490
	Johnson Publishing	Johnson	John	312-322-9220	Palmero, Della	312-322-9220	312-322-9200
	Kmart	Hall	Floyd	248-643-1000	Wakem, Fran	202-296-8222	n/a
	Kroger	Piehler	Joseph	513-762-4000	Partridge, Jack	513-762-4000	513-762-1400
	Lockheed Martin	Coffman	Vance	301-897-6000	Overstreet, Jack	703-413-5600	703-413-5617

	Loews Corporation	Tisch	James	212-521-2000	n/a	n/a	n/a
	Lucent Technologies	McGinn	Richard	888-530-7000	Bradford, Martina	202-530-7000	202-530-7005
	Merck	Gilmartin	Raymond	908-423-1000	Oliver, Teel	202-638-4170	202-638-3670
	Merrill Lynch	Komansky	David	212-449-1000	Kelly, John	202-661-7117	202-661-7110
	Met Life	Bensmosche	Robert	212-578-2211	lucalano, Russell	202-296-2361	202-659-1026
	MJH	Johnson	Earvin				
	Mobil	Noto	Lucio	703-846-3000	Corso, Anthony	202-862-1300	202-862-1350
	Morgan Stanley	Purcell	Philip	212-761-4000	McNamara, Kelly	202-326-3920	202-326-3970
	Mortgage Bankers	Reid	Paul	202-861-6500	n/a	n/a	n/a
X	Motorola	Galvin	Christopher	847-576-8500	Piccolo, Joann	202-371-6900	202-842-3578
X	New York Life	Sternberg	Sy	212-576-7000	O'Donnell, Tom	202-457-6106	202-293-4556
X	Pathmark	Futterman	Jack	908-409-3535	n/a	n/a	n/a
	Pfizer	Steere	William	212-573-3116	Bowler, Kenneth	202-783-7070	202-347-2044
	Procter & Gamble	Jager	Dirk	513-983-1100	Fawcett-Hoover, Janet	202-393-4000	202-393-4606
	Prudential	Ryan	Arthur	973-802-6000	Griffin, Janice	202-463-0060	202-293-1658
	Ralph's	Burkle	Ron	310-789-7200	Swiller, Ari	310-789-7200	n/a
X	Rite Aid	Grass	Martin	717-761-2433	Titleman, Bill	717-975-3740	717-975-3760
	Rockwell International	Davis	Donald	714-429-4200	Garcia, Raymond	703-412-6900	703-412-6811
	Ryder Systems	Burns	Anthony	305-593-3496	Rickard, Lisa	202-789-0062	202-789-4006
X	Safeway	Burd	Stephen	925-467-3000	Donald, Jim	301-386-6500	301-918-6806
	SBC Communications	Whitacre	Edward	210-821-4105	Barry, Thomas	202-326-8800	202-408-4796
	Sears Roebuck	Martinez	Arthur	827-286-2500	Aires, Randolph	202-737-4900	202-347-7127
	Shell Oil	Carroll	Philip	713-241-4301	Ward, SE	202-466-1405	202-466-1498
	Sloane Financial	Sloane	Maceo	919-688-0620	Weeks, Tot	919-688-0620	919-688-5333
	Southern Company	Dahlberg	AW	404-506-5000	Cauthen, Sonny	202-638-0125	202-638-0115
	Sprint	Esrey	Bill	913-624-3737	Bynum, Grover	202-857-1030	202-822-8999
X	Starbucks	Schultz	Howard	206-442-7720	Kent, Nancy	206-442-7720	206-682-0742
	State Farm	Rust	Edward	309-776-2121	Maness, Alan	202-466-5208	202-496-0733
	State Street Bank	Carter	Marshall	617-786-3000	Quinn, Tom	202-887-1400	202-466-2198
	Tenneco	Mead	Dana	216-291-7106	Austell, Ted	202-942-0200	202-942-0200
	Texaco	Bijur	Peter	914-253-4000	Pruitt, James	202-331-1427	202-785-4702
	TIAA-CREF	Biggs	John	212-490-9000	n/a	n/a	n/a
	TRW	Gorman	Joseph	216-291-7106	McShane, Michael	703-276-5040	703-276-5057

	United Airlines	Greenwald	Gerald	847-700-4000	O'Hanlon, John	202-879-2111	202-789-4883
	Universal	Wasserman	Lewis		O'Connor, Ann		
	UPS	Kelly	Jim	404-828-6000	Wellman, Arnold	202-675-4251	202-675-4230
	US West	Trujillo	Solomon	800-879-4357	Posey, Bruce	202-429-0303	202-293-0561
	UTC	David	George	860-728-7000	Harkin, Ruth	202-336-7400	202-336-7515
X	Wal Mart	Glass	David	501-273-4000	Rutherford, Skip	501-975-6251	
X	Wells Fargo	Hazen	Paul	415-396-5408			
	Winn Dixie	Davis	Dano	904-783-5000	Hutton, RL	904-783-5000	

NEW MARKETS JULY TRIP

BUSINESS GROUP UNIVERSE

Priority	Company	Last Name	First Name	Phone	Washington Contact	DC Phone	DC Fax
X	Business Roundtable	Mead	Dana	202-872-1260	Maury, Sam	202-872-1260	202-466-3509
X	National Retail Federation	Pfister	Steve	202-783-7971	n/a	n/a	n/a
X	SBU	McCracken	Todd	202-293-8830	n/a	n/a	n/a
X	US Chamber of Commerce	Donahue	Tom	202-659-6000	n/a	n/a	n/a
X	NAM	Jansinowski	Jerry	202-637-3000	Sullivan, Dianne	n/a	n/a
X	NYSE	Grasso	Richard	212-656-6000	Bair, Shelia	n/a	n/a
X	Hispanic Chamber	Herrera	George		Rivera, Maritza		
X	American Business Council	Rogstad	Barry				