

FEB. -03 98 (TUE) 12:55 COMMUNITY DEVELOPMENT

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BART - now markets

Creating Career-wage Types of Jobs

CommunityName Champions

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CommunityName TN/KY -- Scott/McCreary EC*28*

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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.

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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

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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

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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.

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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.

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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.

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This EC has christened a new adult learning program. Community businesses and individuals are taught at the new Computer Learning Center at Epworth Boothel 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.

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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.

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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

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TEL:202 690 1395

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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

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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.



UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY

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FAX COVER SHEET

DATE: 6-9-99

NUMBER OF PAGES, INCLUDING COVER SHEET: 10

PLEASE DELIVER TO: Lisa Green

FAX NUMBER: () 456-2223 PHONE NUMBER: () 456-5351

- FROM: ☐ DAN GLICKMAN, SECRETARY
☐ JOHN GIBSON, SPECIAL ASSISTANT
- ☐ GREG FRAZIER, CHIEF OF STAFF
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MESSAGE: _____

PLEASE SEE ATTACHMENT

Thane gmp

USDA

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Southern Development Bancorporation

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870/246-3945
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June 1, 1999

President Bill Clinton
1600 Pennsylvania Ave, NW
Washington DC 20500

Re: Arkansas/Mississippi Delta Site Visit

Dear President Clinton:

It is Southern Development Bancorporation's understanding that the government will soon release a report on the economic progress in the Delta region of the country entitled The Delta Beyond 2000. We further understand that you are considering a Delta site visit(s) in anticipation of the release of this valuable report. We invite you to consider Lee, Phillips and Jefferson counties in Arkansas. There are exciting development programs operating in these counties that would make them ideal for such a site visit.

The original report by the Lower Mississippi Delta Development Commission, The Delta Initiatives, issued while you served as its capable chairman became "a Handbook for Action" for the development organizations and agencies operating in the region. Southern considers itself the embodiment of one recommendation from that report, the creation of a Delta Development Bank. Southern and its family of development companies provide many of the development services recommended in The Delta Initiatives and cordially invite you to view our progress.

As you know, the Delta has always experienced difficulty in leveraging outside resources both public and private. A Presidential visit will bring attention to the region and greatly enhance the development efforts of local service providers. This is a unique time in the Delta's history, your visit can help renew local and national interest in the region. That interest can equate to an influx of much needed outside resources.

Rural development, particularly in the Delta, requires time horizons of 10 to 25 years. Earlier development initiatives failed to meet expectations because no permanent community-based institution evolved to sustain the development process after state, federal, private or non-profit resources ended. Southern provides a permanent, locally based resource around which other development resources can rally.

I hope that your office will give serious consideration to this request for a Delta site visit.

Sincerely,


Joseph Black
Program Director
Southern Development Bancorporation

Enclosures

Southern Development Bancorporation - Site Locations

Arkadelphia, Arkansas

Current location of Southern's corporate headquarters. This includes Elk Horn Bank which has pioneered development banking in the south, Opportunity Lands Corporation which develops affordable housing and small business office space, and Arkansas Enterprise Group, a non-profit hi-risk business development entity.

Pine Bluff, Arkansas

Site of the Good Faith Fund (GFF). It provides direct loans, micro loans, human resource development programs, women to women mentoring, welfare to work programs, public policy development and asset creation strategies (Individual Development Accounts) for low-income families.

Helena, Arkansas

Location of Southern's two Delta banks, First National Bank of Phillips County and Delta State Bank. These banks provide an array of financial programs designed to broaden the profile of successful entrepreneurs and business people to include women and minorities.

Stuttgart, Arkansas

Location of the Industry Partners, Employment Training Center (IPE). This program prepares low-income residents for jobs in the Delta's manufacturing sector. IPE projects feature a functional context education approach, combining basic education (GED classes), technical training and hands-on work experiences in simulated and real world manufacturing settings. This program is capable of serving as a national model.

ENTERPRISE CORP.

Fax: 801 344 0000

The Enterprise Corporation of the Delta and New Markets in the Delta

Background

The Enterprise Corporation of the Delta (ECD) is a private, not-for-profit community development financial institution that seeks to produce and stimulate measurable improvements in the economy of the impoverished delta regions of Arkansas, Louisiana and Mississippi, and in lives of area residents.

ECD has established a strong track record of providing financing and management assistance to Delta firms and retaining and creating jobs. ECD works in close tandem with the region's banks, educational institutions, public agencies, non-profits and other related entities.

ECD's board is composed of some of the region's most prominent business and civic leaders. Notably this includes the chairman of Wal-Mart, the past chairman of the US Chamber of Commerce and a former Governor. ECD's staff represents vast experience in financing, business and community development.

The Delta

The Delta is one of the most economically distressed regions in the United States. Arkansas, Louisiana and Mississippi consistently rank among the lowest in the nation on most socioeconomic indicators, and the Delta generally ranks at the bottom of such indicators for each of the three states.

Characteristics of the Delta compared with the United States as a whole include:

	<u>Delta</u>	<u>U.S.</u>
Percent Age 25+ Not a High School	44.3%	24.8%
Percent Change in Population - 1990-	2.2%	5.1%
Percent African American - 1990	34.4%	12.1%
Percent Living Below Poverty Level	27.9%	13.1%
Median Household Income - 1990	\$16,583	\$30,056

In conjunction with Bain & Company, ECD analyzed the total dollar amount of commercial loans and venture capital in the Delta, Arkansas, Louisiana, Mississippi and the United States, compared with the size of the economy (e.g., gross revenues) for each area. This analysis identified a commercial financing gap in excess of \$1 billion in the Delta compared with commercial financing provided in Arkansas, Louisiana and Mississippi. The gap is \$2.45 billion when the Delta is compared with the United States as a whole.

Poor education, out-migration and scarcity of resources serve as a few of the major barriers to business development in the Delta. Heavily influenced by the historical dominance of plantation agriculture, low wages, limited training opportunities and inequalities persist and limit the social and economic development of the Region and its approximately 1.6 million residents.

ENTERPRISE CORP.

Fax: 601-944-0800

Companies in the Delta report a similar absence of high-quality technical assistance. Studies consistently document that emerging companies consider non-financial assistance of comparable importance to capital availability. Traditional assistance providers typically do not locate in and do not target the Delta, for some of the same reasons that apply to banks. State economic development efforts focus on industrial recruiting in more populous areas. Similarly, high-quality private assistance providers are almost nonexistent in the region.

ECD Products & Services

- **Business Financing** -- debt, venture capital, municipal bonds, joint ventures, loan participations
- **Technical Assistance** -- Extensive use of private engineering, accounting, marketing, general management consultants; Partnerships with public business assistance programs; Delta-wide entrepreneurial training partnership with six universities and community colleges and others
- **Delta Reinvestment Fund** -- loan administration and secondary market services for revolving loan funds and bank CRA programs

Partnerships

ECD has established strong partnerships with:

- **Corporations** -- Wal-Mart, Entergy, Blue Cross/Blue Shield are among several corporations that provide funding and other support to ECD.
- **Banks** -- Seventeen banks have invested in ECD's affiliate, ECD Investments, LLC. ECD regularly participates on projects with banks and other finance providers.
- **Foundations** -- ECD receives funding from several national and regional foundations and often advises these groups in the area of business/community/rural development.
- **State and local government** -- ECD initiated an agreement with the state economic development agencies for Arkansas, Louisiana and Mississippi that has resulted in increased use of state business development resources in the Delta.
- **Educational Institutions** -- Six universities and community colleges administer the FastTrac entrepreneurial training program for ECD throughout the Delta.
- **Enterprise Communities** -- ECD was a founder of the Southern Enterprise Communities Forum, a regional collaborative that includes Enterprise Communities in several mid-south states (Vice President Gore signed as a witness to the collaborative agreement)

ECD works with several federal agencies:

- **USDA** -- ECD is a Business and Industry Guaranteed Lender.
- **Treasury** -- ECD was one of the first recipients of CDFI funding and is an aggressive user of the Bank Enterprise Awards program.
- **Commerce** -- ECD spearheaded an agreement between ECD, NIST and the NIST-funded manufacturing extension programs in Arkansas, Louisiana and Mississippi that increases technical assistance to Delta businesses. Also, ECD's Delta

Reinvestment Fund project seeks to provide secondary market and loan administration support to EDA-funded loan funds in our region.

- SBA - ECD anticipates approval as a SBA 7A lender within the coming weeks.

ECD Impact Summary (through 3/30/99)

- Businesses Assisted - 693
- Minority-owned - 292
- Female-owned - 345
- Financing Commitments
- ECD - \$21 million
- Leveraged from other sources - \$35 million
- Jobs Affected - 5,993
- Annual Sales Impact - \$ 221 million

ECD is undertaking an ambitious five-year plan to build on its success. ECD's plans aim to increase the Delta's job growth rate from 3% to 4% over the next five years.

Successful implementation of this plan requires significant resources. To accomplish this growth ECD formed ECD Investments, LLC (ECDI) as a for-profit affiliate company to raise investment capital from private sources. To date 17 banks have invested in ECDI. (15 took advantage of the CDFI Fund's Bank Enterprise Awards program) Recently, ECDI created a class of investments designed to appeal to individual and institutional investors. Initial investors in this vehicle include Arkansas Blue Cross & Blue Shield and John Palmer, Chairman of SkyTel. While this support is promising, as with most distressed areas and communities, ECD needs to import capital from outside its home region. The New Markets initiatives proposed by President Clinton would provide a significant boost to these efforts.

New Markets in the Delta

ECD has demonstrated the capacity for developing "new markets" in the Delta. It has also proven that the private sector shares a common agenda with respect to economic development of poor communities. As a prime model for the potential of the President's efforts to promote investment in America's New Markets, ECD would seek to make extensive use of the New Markets programs to advance its work.

President Clinton's Visit to the Delta

ECD offers to assist in any way to make the President's visit to the Delta a success. The following pages outline a proposed New Markets Tour in the Delta.

Proposal for A New Markets Tour in the Delta

Company Visits:

President Clinton's New Markets delegation could visit one (or a combination) of the following companies:

Marianna Apparel -- Terry Manufacturing of Roanoke, Alabama is a 30-year old minority-owned company. Terry has two main lines of business in the garment industry. The first line is traditional cut-and-sew for military and corporate contracts. The second line is a value-added operation that designs and produces screen printed and embroidered garments under licensing contracts or direct order. Terry was the first minority-owned company to be approved as an Olympic licensee, has non-exclusive licenses with 150 colleges and universities, and works directly with organizations around specific events such as this past Super Bowl.

BCDI made a \$500,000 investment in Terry that included social covenants related to the establishment of a Delta operation. This financing leveraged \$3.5MM in debt that resulted in the opening of a plant in Marianna Arkansas. Marianna Apparel manufactures uniforms for McDonalds restaurants nationwide. The plant has a production staff of 50 and projects growth to 80 by the end of 1999.

Westminster Village of the Mid South -- ECD provided the Presbyterian Development Corporation with a guaranty that enabled the conversion of housing units (828 total) at the Eaker Air Force Base in Blytheville, Arkansas to a moderately priced retirement community. ECD's funds resulted in a bank consortium that provided \$350,000 in financing for startup and marketing funds and subsequent financing of \$3.1 million for project development. The project now houses 238 elderly residents from throughout the region.

Delta Laundry & Linen Service -- Delta Laundry and Linen is a start-up commercial laundry and linen service. The company services hospitals, restaurants, and casinos in the Clarksdale and Tunica areas. ECD/ECDI provided debt financing and venture capital to this company.

DLL employs 28 workers, many of whom have transitioned off public assistance, not counting the owner. DPL has worked with the Skill-Tech Center in Clarksdale to train employees.

ECD provided \$500,000 in equity and debt, which leveraged \$1.25 million in additional financing from GE Capital (an SBA 504 loan) and North Delta Planning and Development District.

Announcements:

President Clinton can announce the following recent and unannounced investments in New Markets in the Delta through the Enterprise Corporation of the Delta and its affiliate, ECD Investments, LLC (ECDI).

John Palmer, Chairman of Skytel - \$500,000
Arkansas Blue Cross & Blue Shield - \$100,000
Bank of Anguila (Mississippi) - \$25,000
First National Bank of Blytheville (Arkansas) - \$25,000
Ford Foundation - \$3 million
MacArthur Foundation - \$2 million
Sisters of Charity of St. Elizabeth - \$25,000
Sisters of Charity of the Incarnate Word - \$100,000
Society of the Holy Child Jesus - \$25,000

Treasury/CDFI BEA awards stimulated the bank investments. They are the most recent of 16 banks that used the program to invest nearly \$4million in ECDI since 1997.

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

The Ford and MacArthur investments will also be made in this vehicle with the intent of encouraging private sector investment in this innovative model that can be replicated among other CDFIs, particularly if NMTC legislation is passed.

Combined with a \$2.5 million CDFI Fund award that closed in May (that helped leverage the private investments) the President can announce a total of \$8.3 million investments in New Market activity in the Delta.

Representatives of investors listed above would participate in an announcement by the President. (Other corporate investments are pending and could be added prior to the President's visit.)

Other possible announcements:

Approval of ECDI as an SBA 7a lender (a New Markets Lending Company) -- The Office of Financial Institutions in Louisiana is in the final stages of approving ECDI's application to become a BIDCO. Upon this approval, the Louisiana SBA is expected to certify ECDI BIDCO as a 7a lender.

A BusinessLINC partnership between ECD's FastTrac entrepreneurial training program, Wal-Mart, Entergy and ECDI investor banks.

The recent approval of a USDA B&I guaranteed loan through ECD to the only African American rice processor in the U.S. Also, the NIST-funded Manufacturing

Extension Program (Department of Commerce) provided engineering assistance to the firm through a tri-state partnership with ECD.

Any of the above proposed company visits would provide a good backdrop for these announcements.

Business Roundtable

President Clinton could lead a roundtable discussion of corporations and others that have invested in "New Markets" in the Delta. Participants would include the officials from:

Wal-Mart

Entergy

Skytel

Blue Cross/Blue Shield

Ford Foundation

MacArthur Foundation

ECDI investor banks (including Bank of America and Bank One)
and other regional leaders.

The tour would highlight several aspects of the New Markets initiatives:

New Markets Venture Capital

New Market Lending Company

Business LINC

Private investment in the most distressed region of the US, stimulated by CDFI and BEA assistance

USDA, Treasury and Commerce playing a key, complementary role