To: Lisa Green

Fax: 456-2223

From: Albert C. Eisenberg [Al]

Date: 6/14/99

Pages: 3

fax

From the desk of...

Albert C. Eisenberg [Al]
Deputy Assistant Secretary for
Transportation Policy
U.S. Department of Transportation
400 Seventh Street, S.W. - Room 10228
Washington, D.C. 20590

(202) 366-4450
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(Tran)

NEW MARKETS INTIATIVE

Location Recommendation for Memphis, TN

Memphis, TN, has become one of the great success stories of the Mississippi Delta region, demonstrating that strategic private and public investments can make a tremendous difference in communities in that area. At the same time, pockets of poverty continue to exist throughout the Memphis region, from neighborhoods that comprise the Memphis Empowerment Zone to little communities beyond the city suburbs that have seen the great prosperity of America in the 90's pass them by. To the people of these places, the promise of jobs continues to elude them because they are not easily accessible or because they do not have the requisite skills.

These two stories, one of promise, one of faint hope, exist side by side throughout the Delta region. These stories can present a dramatic backdrop for the President's New Markets Initiative, offering an opportunity to showcase both the success of the Administration's efforts in the Delta as well as the challenges that remain—challenges that can be overcome with the right combination of new investment and creative approaches, which the President's New Markets Initiative can foster. Because of the extensive investment in transportation facilities in Memphis, most notably the FEDEX Super Hub, where America's overnight freight concentrates for distribution throughout the nation, the side by side stories of successful Memphis and still struggling neighborhoods and communities make Memphis an extraordinary location for the President and the Secretary to visit with a Delta-wide message.

The Memphis Success

Memphis today, according to the publication **Transportation Topics** is considered "North America's Distribution Center," and as a result, "Transportation and distribution have become the mainstays of the Memphis economy." These two interrelated industries employ 89,000 people (21 percent of the city workforce). As part of the system, Memphis is one of only two other cities that can boast the convergence of five Class I railroads. A measure of its growth and economic success is that in just the past year Memphis has attracted an additional 10.1 million square feet of space and $1.4 billion in investment from 46 companies.

The Other Side of Success

The other side of the Memphis success is a labor shortage in the transportation and related industries in Memphis, which poses long-term and short-term problems for those industries and could also impact the attraction of new businesses, which also depend upon an adequate labor supply. The efficiency of national mobility, particularly with respect to long-distance freight movement, depends upon a ready supply of labor with a variety of skills. The distribution industry, including trucking cannot secure enough jobs as noted in **Transportation Topics**, which states "...transportation growth has already put an enormous strain on labor. Drivers are scarce throughout the industry, and the problem is compounded in Memphis, where the demand for truck drivers, warehouse workers, and distribution specialists is almost insatiable."

The Challenge Nearby

The census tracts throughout the Memphis region and beyond that exhibit both unemployment and poverty data above the national average present a challenge and as well as opportunity. For example, Memphis neighborhoods, such as Orange Mound, North Memphis, South Memphis, and Greenlaw/Manassas continue to lag behind in employment and income. To the extent that job openings are available for people who, but for access and training, could fill them, the mobility of our national freight movement system and the viability of private sector investment in transportation and distribution are enhanced because a potential labor supply asset exists. To the extent that access and training problems can be alleviated, existing and new businesses throughout the region are benefited, as are neighborhoods and the communities in which this labor lives.

The New Market Initiative

USDOT recognizes the strong linkage among availability of workers, training and access needs, and the efficiency and effectiveness of the nation's transportation system. USDOT proposes to promote the future profitability and long-term success of transportation and distribution businesses in the Delta through the private investment in a Workforce Access and Development Incubator Initiative for the 21st Century. Commitments would be sought from such businesses as FEDEX and Greyhound for use in developing such an initiative. The initiative would feature a business consortium that would work with private sector projects, such as the Employers' 2000 Challenge Program to encourage the development of job access and training centers in areas of above average unemployment and poverty. These centers would serve as an adjunct to existing public workforce development and assistance programs, as well as non-profit entities, such as The Rideshare Program in Memphis. The initiative would target labor short transportation and distribution industries. Initial private commitments could come in the form of "challenge grants" that would invite participation by a larger circle of private sector interests.

Benefits of the USDOT Initiative

- It will showcase the success and highlight the challenges of the Memphis region and the region as a whole
- It will elevate the importance of transportation generally and freight and distribution industries specifically to the national and the Delta economy
- It will enhance opportunities for individuals now limited because of access and training deficiencies
- It will bring new income to neighborhoods and communities experiencing higher than average unemployment and poverty
- It will demonstrate the President's commitment to maintaining and enhancing economic success in Delta communities that have experienced it, while focusing renewed attention on those that still have not fully shared in the nation's prosperity.

Trans.

June 10, 1999

To: Lisa Green

From: Marianne Smith / Al Eisenberg

Wanted to make sure you have the latest copy of our proposal. I believe we can compliment and enhance the proposal for Clarksdale offered by Treasury. The Enterprise Corporation of the Delta is strongly supported by SBA. We may have more refined deliverables and a more details by the end of the day.

MEMORANDUM

To: Gene Sperling

From: Al Eisenberg
Marianne Smith

Subject: USDOT Recommendation for New Markets Initiative Presidential Visit to Mississippi Delta Community in the State of Mississippi

Date: June 16, 1999

Deliverable: Example of new private investment in impoverished Delta community; Housing improvements in a Native American neighborhood without plumbing and sewer; Private commitments in job access and training, and business development

Recommendation for Location:

The U.S. Department of Transportation proposes the city of Clarksdale, MS, as a site for the President to visit to highlight his New Markets Initiative.

The site is recommended for the following reasons:

1. It is in the Mississippi Delta Region in Mississippi and close to the state of Arkansas
2. The city exhibits examples of new private investment, such as the Waterfield. Company, a cabinetmaker, which started up in 1998 and employs 50 people, of whom 30 came from welfare rolls. It projects its future employment to grow to 75 people.
3. The city was awarded a USDOT Jobs Access and Reverse Commute Grant for $150,000; a Transportation Enhancement grant for $1 million to renovate the railroad station to be used as a visitors' center and concert facility; two road overlay projects totaling $48,000 each; and a railway crossing improvement project for $100,000. In addition, a $17.6 million NHS project is under construction on U.S. 61 for safety and economic development purposes.
   On a broader basis within the larger Mississippi Delta area, USDOT awarded a Borders and Corridors grant to Arkansas for $10 million for environmental studies on I-69. Also, a third runway has been recently added at the Memphis International Airport and currently, one of the original runways is being upgraded. In addition, Highway 79 has been awarded a $500,000 feasibility study.
4. A predominantly black community college, Coahoma, the first in the state is located in the city.
5. There is a community development financial institution (CDFI) located in nearby Marks, MS.

6. A short line railroad, the Mississippi Delta RR, serves the community. It is eligible to receive assistance from the USDOT's Railroad Rehabilitation and Improvement Financing (RRIF) Program, newly authorized by TEA-21.
7. The city is within the labor catchment area for the city of Memphis, currently experiencing a labor shortage in the transportation and distribution industries.
7. The city also continues to experience great challenge; according to the most recent census data, the poverty level and unemployment rate is high.
8. In the Coahoma section, 300 homes without plumbing and sewer are the focus of Habitat for Humanity services.

Proposed Event:

The President would land in Memphis, and travel by helicopter to Clarksdale. The trip would traverse country that would demonstrate the social and economic character of the Mississippi Delta region. The President would tour the Waterfield Company, noted above, which represents a good example of new business investment in this community. He would then travel to the Coahoma section of the city to observe Habitat for Humanity's efforts to modernize 300 homes without plumbing or sewer service. He would end his tour at the community college where he would hold a roundtable discussion with officials and private citizens, including representatives of the sites he visited, to discuss Clarksdale's successes and its remaining challenges, and the future of the Mississippi Delta region generally. We would include representatives of the FEDEX and Greyhound Companies who would announce commitments to assist in job access services to feed the labor hungry transportation and distribution industries in Memphis to the north, or to develop a skills technology center at the community college, or to contribute to the Enterprise Corporation of the Delta which assists the establishment of small businesses.

	Coahoma County, MS
1990 Population	31,665
1996 Population	31,652
Population Change 1990-1996	(0.04%)
Population Change 1980-1990	(16.6%)
% Minority	65.7%
1990 Civilian Labor Force	11,457
1995 Civilian Labor Force	12,839
Labor Growth	12.1%
1990 Unemployment Rate	13.8%
1996 Unemployment Rate	9.9%
1990 Median Household Income	$16,938
% of unit non-metro family income	61.4%
% people in poverty - 1990	45.5%
% housing w/out water lines – 1990	8.0%
% housing w/out public sewer – 1990	19.0%
% housing w/out phone - 1990	14.9%

Trans

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U.S. Department of Transportation
Office of the Secretary of Transportation

Assistant Secretary

400 Seventh St., S.W.
Washington, D.C. 20590

Date: June 17, 1999

To: Lisa Green 456-2223

From: Marianne Smith

Please review and share with asap
Lynn Cutler/others as appropriate.

Transportation

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

3/19/99

MEMORANDUM TO: William J. Clinton
President of the United States

FROM: Rodney E. Slater REL

SUBJECT: Lower Mississippi Delta Initiative

During the past decade, you have led efforts at both the State and Federal levels to better the living conditions of the residents of the Lower Mississippi Delta Region. The vision you articulated in the 1990 report "Realizing the Dream... Fulfilling the Promise" resulted in a new emphasis by Federal agencies as well as State governments to provide resources to the Delta region. A recent trip to Arkansas served as a reminder not only of how much has been accomplished in the Delta region but also how much work remains to be done.

In late February, while in east Arkansas to make two Department of Transportation announcements that reflect and reaffirm your vision of the Delta Region's tremendous potential, we had the opportunity to provide the Delta Region the Federal recognition it both richly deserves and desperately needs. In Marianna (Lee County) Congressman Berry and I announced $450,000 in Federal-aid funds for a study to determine the feasibility of an Interstate quality road between Pine Bluff and Memphis, generally following the existing US Highway 79. The event, which was attended by municipal, county and state government officials and local business representatives from the nine surrounding counties, was a gathering of many long-time friends and supporters. All who were gathered share a vision for the future of the region and an understanding as to the benefits of what such a highway would mean to their lives.

During the same trip, the Administration's commitment to the region was further celebrated at ASU in Jonesboro. Senator Lincoln, Congressman Berry and I were joined by a crowd of over 500 of your long-time friends and supporters for the "Thanks a Million Celebration" on the occasion of the formal dedication of the Crowley's Ridge Parkway as one of 53 National Scenic Byways and All-American Roads. (The Parkway traverses eight counties: Clay, Greene, Craighead, Poinsett, Cross, St. Francis, Lee and Phillips.) Arkansas has been recognized by the Federal Highway Administration as a model for the manner in which it developed and implemented a strategic plan that resulted in the designation. The fruits of this cooperative effort were awards totaling

$1,036,524 in fiscal year 1999 discretionary funds to undertake three projects along Crowley's Ridge. The tremendous potential of these funds is reflected by the economic and workforce development opportunities for which they will be used. This Federal investment will provide for development of educational and promotional material for the Parkway and a visitor/interpretive center in Pigott, as well as establishment of a student internship and service learning program in association with the management and development of a hiking/biking trail and an African-American tour along the Parkway.

The accomplishments this Administration has achieved in the Delta Region have been significant, and a visionary and vigilant Department of Transportation has been in the forefront of this effort with Federal funding and technical assistance. We have sponsored new highways such as the Great River Road, transit systems, port projects and improved intermodal planning. In the six years following the submission of the report to then-President Bush, over 365,000 new jobs were created in the Delta region. At the same time, we have worked with many other Federal agencies that have made significant contributions in their own areas. However, whether the need is for education, housing or community development, transportation is the tie that binds because transportation investments can have a significant impact on creating employment and giving access to opportunity.

Ten (10) Federal agencies have collaborated in a new partnership to refocus our effort on the Delta region and to ensure our active engagement in meeting the objectives of the 1990 Commission report. We must redouble our focus and commitment if your vision as first expressed is to become a reality for the entire Delta Region. These agencies are committed to the principles that first brought the Delta Commission together almost 10 years ago. Now is the time to further energize the effort you began in 1990 as we prepare to enter the new century and the new millennium. It is time to prepare for a new Delta initiative – one that will take us to a new level. Your support and encouragement will ensure the enthusiastic involvement of your entire Administration, thereby building upon the accomplishments already realized to accelerate our progress toward a brighter and more fulfilling life for the people of the Mississippi Delta region. This memorandum describes some of the accomplishments of the past decade, some unfinished tasks and some important proposals for future action.

Background

In 1988, Congress enacted legislation proposed by Senator Dale Bumpers establishing the Lower Mississippi Delta Development Commission, a bipartisan commission to study and make recommendations regarding economic needs, problems and opportunities in, and to develop a 10-year economic development plan for, the Delta region. The Commission, which you chaired, made recommendations on developing human capital, natural and physical resources, private enterprise and the environment. In 1990, the Commission submitted to then-President Bush an aggressive, ambitious plan for the development of the region that included some 400 recommendations, 55 of which were in transportation.

Five years later, during my tenure as Federal Highway Administrator, an update to the report with respect to transportation actions was prepared. Through that update, our major finding was that improved transportation—the connection to the rest of the nation and the world—meant more jobs and greater opportunity.

On April 16, 1998, a Partnership Agreement was entered among community leaders and organizations in the Delta region Empowerment Zones, Enterprise Communities and Champion Communities to work cooperatively to achieve sustainable economic and human development to raise the quality of life in the Lower Mississippi Delta. Vice President Gore, Secretary of Agriculture Dan Glickman and I witnessed the signing of the Southern Empowerment Zone/Enterprise Community Forum Partnership Agreement in New Orleans.

In July 1998, "The Delta: Beyond 2000" conference was convened in Memphis. The result of this conference was that ten Federal agencies (DOT, USDA, Commerce, HUD, HHS, DOL, Education, DOI, SBA and EPA) signed a Memorandum of Understanding (MOU) that established a framework for cooperation between the participating agencies on economic revitalization in the Delta region. The participating agencies agreed to work together through a Federal Working Group Task Force with State and local leaders to develop a thorough assessment and plan of action and to provide appropriate assistance when and where needed in the Delta region, subject to statutory and budgetary limitations (see attached MOU). This interim assessment and plan will be completed within 10 in the spring of 1999, and a final report will be completed in the spring of 2000.

Actions growing out of these agreements have proceeded in the interim, and the resources and commitments are in place to continue working toward the goals laid out by the Commission into the next millennium.

The Impact of Federal Resources

There are many examples of the way in which Federal resources have been targeted at and tailored for applications in the Delta. (The interim assessment will provide more complete information.)

Spending authority provided by the Intermodal Surface Transportation Efficiency Act (ISTEA) and the Transportation Efficiency Act for the 21st Century (TEA-21), as well as the President's budgets have made available to the states in the Delta region substantial amounts of transportation funds that can and have been used to support the economic development goals of the region. With the stimulus of these funds and through the participation and cooperation of State and local transportation authorities, substantial improvements in the transportation system have been realized; and others are well along in the programming process.

- In the three States--Arkansas, Louisiana, and Mississippi—that have the largest share of their counties in the Delta region, Federal transportation expenditures were more than $1.2 billion in FY 1998 and are projected to increase to $1.5 billion in FY2000.

- By FY2000, the annual level of spending for Federal transportation programs in these three states is estimated to increase by nearly 40 percent over the FY 1995 level.

- Since 1990, upgrading of more than 700 miles of highways and numerous bridges in the region has been completed and a great deal more is in the pipeline;

- The airports at Memphis and Belleville, IL have been expanded, and airport planning studies for Tunica, MS, and a new regional facility in New Orleans are in progress.

- Under the leadership of DOT's Maritime Administration in Arkansas, Louisiana, Mississippi, and Tennessee, Federal, state and industry representatives have joined together to assure that maritime assets are integrated into intermodal transportation plans. Work on harbor improvements and river navigation projects has been completed in Arkansas, Louisiana, and Tennessee.

- The Federal Transit Administration is playing an important role in light rail and intermodal terminal projects in Memphis and transit improvements in Little Rock, New Orleans and Baton Rouge, as well as providing support for elderly and handicapped and rural transit in locations across the Delta region.

Administration's Empowerment Zones and Enterprise Communities (EZ/EC) ...am is a powerful initiative designed to create solutions to community problems of ...mic poverty, high unemployment and general distress.

- The EZ/EC Round I communities included eight rural and six urban EZs and ECs in the seven Mississippi Delta states. In 1997, Congress authorized USDA to designate an additional five Empowerment Zones, one of which is in the Delta.

- In each community, EZ/EC Title XX Social Services Block Grant (SSBG) funds leveraged much larger funding from Federal, state, local, private sector and non-profit sector sources. The total amount Delta communities drew down from EZ/EC Title XX SSBG funds was approximately $10.2 million; however, the total funding leveraged by these funds amounted to roughly ten times as much, or about $107.4 million.

...esponse to the 1990 Commission report stressing the importance of education, the US ...ment of Education is working in cooperation with state and local officials to ...ove math and sciences education in the Delta. For example, through the ...theastern Regional Vision for Education (SERVE) the Delta Technology Partnership ... created with two high schools to support the integration of technology into their curriculum, in addition to installation of the equipment and needed training for both students and staff.

Another outgrowth of the 1990 Delta Commission report is the emphasis on the vital need for Delta residents to have access to an effective health care system. One report recommendation stressed the importance of prenatal health care through the Women, Infants, and Children (WIC) program, Medicaid, and food stamps. In response, Congress and Federal agencies have worked to reconcile differences in eligibility requirements. For example, a person who participates in the Food Stamp, Temporary Assistance Program for Needy Families (TANF), or Medicaid Program automatically meets the income eligibility requirement for the WIC program.

Protecting the environment while growing the economy of the Delta region has also been an emphasis of the Federal and state governments. Since 1990, the Fish and Wildlife Service has restored about 22,000 acres of wetlands on National Wildlife Refuges in the Lower Mississippi Valley. The Environmental Protection Agency has expended approximately $250 million for the construction of approximately 854 projects aimed at protecting and restoring all Louisiana's coast.

Closing

You have provided strong and continuing leadership to move the Administration's efforts targeted at the Lower Mississippi Delta region to a higher level. We have only begun to fulfill the potential of the Delta region and to realize the promise that was outlined in the 1990 report of the Lower Mississippi Delta Development Commission. Recently I have had an opportunity to discuss the needs of the Delta Region with John Podesta, Bruce Reed, Gene Sperling and Lynn Cutler in order to further the Administration's efforts in the Delta. I commit to you that the Department of Transportation will work aggressively with other Federal and State agencies to focus their resources on continuing improvements in the economic condition of the Delta region.

The initiatives and incentives you proposed in your State of the Union Address and FY 2000 budget will give us the tools we need to move from strength to strength—to build upon our successes to date and reenergize the Lower Mississippi Delta Region Initiative. This is our mutual goal with the private sector. Your proposed New Markets Initiative, including the targeted tax credits and loan guarantees, America's Private Investment Companies, Small Business Investment Companies, and New Market Venture Capital, will encourage private sector capital and bring jobs and economic development to the greatest untapped urban, rural and farm markets. DOT is joined by nine Federal agencies to help you turn this proposal into reality for the citizens of the Lower Mississippi Delta Region.

During my intermodal tour in April, I will travel through both Appalachia and the Delta, consistent with the recent visit to Appalachia by Secretary Cuomo. During this trip, we would like to announce, with your approval, the creation of a group of strong and diverse leaders who will help us to combine the resources of the Federal participants, draw on the talents and pride of the people of the Delta region, and compound that synergy with the tools available in the private sector. Persons of the stature of former U.S. Senator Dale Bumpers and Mike Espy should be appointed to lead this bi-partisan group. Further, because of the diverse ethnic backgrounds of the region's residents and the historically strained relations among the races, this group would provide an opportunity to address your vision of One America and advance that initiative as well. In order to achieve our mutual goals for the Delta region and further the efforts of this initiative, we must engage statesmen, community and business leaders to advance your agenda. Those leaders can help to promote new industry investments, sustainable economic development, environmental protection consistent with economic growth, improved health care and education, and access to quality essential services for all residents of the Delta region. There is so much potential for private sector involvement: Federal Express, Entergy, Riceland, Tysons Foods, and others, can and should be enlisted to advance your agenda and create a stronger workforce and atmosphere in order to expand existing and promote new industry in the region. For example, large corporations rely on small businesses for many goods and services. The Federal government is positioned to play a role in creating demand for the products of Delta region businesses by first challenging large corporations headquartered in the Delta to look to their own backyards for the goods and services they need, thereby encouraging the growth of small business that could, eventually, expand to serving larger markets.

Finally, we should continue, in the spirit of the Vice President's reinventing government initiative, to coordinate the Federal agency efforts and educate and promote the maximum utilization of existing services in the region to those who are in a position to take advantage of such resources. Every agency has regional, division, or satellite offices that can take government to the people through educational workshops and information sharing, thus creating a user-friendly, mutually-beneficial relationship among Federal, State and local leaders. The Administration's legacy should ensure long-term partnerships between local communities with the Federal government's support.

USDA

UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

TELEPHONE (202) 720-3631 FAX (202) 690-2119

FAX COVER SHEET

DATE: 6-17-99

NUMBER OF PAGES, INCLUDING COVER SHEET:

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
  - ☐ JOSE VENZOR, EXECUTIVE ASSISTANT & BRIEFINGS DIRECTOR
- ☐ BART CHILTON, DEPUTY CHIEF OF STAFF
- ☒ CLYDE WILLIAMS, DEPUTY CHIEF OF STAFF
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- ☐ BOB EPSTEIN, SCIENCE ADVISOR TO THE SECRETARY
  - ☐ LAURETTA MILES, ADMINISTRATIVE ASSISTANT
  - ☐ JANNA PASCHAL, STAFF ASSISTANT

MESSAGE:

Please see Attached - call Clyde w/ Guest

From: Jim Newby
To: Clyde Williams
Date: 6/17/99 1:55PM
Subject: Clarksdale, Mississippi

Business and Industry Loan Guarantees

Colonial Bag Company $3.0 million guarantee to finance machinery and equipment for manufacturing bags for a variety of purposes including farm suppies, i.e., seed and fertilizer.

GPH, Inc. $650,000 for the renovation of a 65 room hotel and addition of 39 rooms.

Community Facility Loan, $1.5 million, to construct the Aaron Henry health facility. Mr. Henry, who passed last year, was a noted Civil Rights leader in the Delta.

Rural Business Enterprise Grant, $500,000 to provide transportation of elderly to and from health Clinics and to transport residents to job training facilites.

All of the above items were approved in the past 12 months.

KENTUCKY HIGHLANDS
INVESTMENT CORPORATION

Facsimile Transmittal

To: Clyde Williams

Fax: 1-202-720-5437

Phone:

Pages: 9, including cover page

Date: June 17, 1999

Dear Mr. Williams:

Enclosed is the explanation of the role of Kentucky Highlands Investment Corporation in the Empowerment Zone. Although Kentucky Highlands is not physically located in the empowerment zone, it has worked in the counties for more than 30 years and it is located in London, Kentucky which is about half way between Jackson County to the east of London and Clinton and Wayne Counties to the west of London. I do not believe that the offices for the Texas Rio Grande Empowerment Zone or the Mississippi Delta Empowerment Zone are located in their Empowerment Zones. Since the designation was based on census tracts, that may also be the case in the urban empowerment zones.

Please call if you have any questions regarding this or if you need additional information.

Reply Requested : _

From the desk of....

Brenda McDaniel
Vice President
and Chief Financial Officer
P.O. Box 1738
London, KY 40743
1-606-864-5175
1-606-864-5194
bmcdaniel@khic.org

KENTUCKY HIGHLANDS EMPOWERMENT ZONE

Kentucky Highlands Investment Corporation is a 31-year-old community development corporation. It was started in 1968 by community groups which thought that the region could not develop without an institution focused on economic development. Kentucky Highlands was formed to work in nine counties which are located in Appalachian Kentucky. The counties are Jackson, Clinton, Wayne, Clay, Harlan, Bell, Rockcastle, McCreary, and Whitley. In 1994, Kentucky Highlands Investment Corporation was approached by state and national officials about applying for a rural Empowerment Zone for some of its investment area. The local governments of Jackson, Clinton, and Wayne Counties nominated Kentucky Highlands as Lead Entity for the Kentucky Highlands Empowerment Zone.

It was the staff of Kentucky Highlands Investment Corporation who facilitated and prepared the application and the strategic plan for the Kentucky Highlands Empowerment Zone. The KHIC staff organized the three communities who met to prepare the strategic plan and made the three counties (which are not contiguous) into one empowerment zone.

Although Kentucky Highlands office is not physically located in the Kentucky Highlands Empowerment Zone, it has worked on economic and community development projects in the counties for all of its 31 years of existence. As Lead Entity, it is responsible for implementation of the strategic plan developed and revised by the communities in the empowerment zone. There are certain projects which are for the entire empowerment zone. These include a venture capital fund and a loan fund for area farmers. Other projects included in the strategic plan are local projects. The local projects are implemented by the county organizations which were formed for that purpose. Three separately incorporated nonprofit organizations were formed because the projects receive funding from sources other than the HHS funding for the Empowerment Zone.

Attached are flow charts which show graphically how the implementation of the strategic plan works. The charts are: Strategic Plan Implementation, Programmatic Flow, and Fiscal Flow. A map showing the location of the Kentucky Highlands Empowerment Zone and the office of Kentucky Highlands Investment Corporation in London is also included.

Operating Structure

The operational philosophy of the Kentucky Highlands Empowerment Zone (KHEZ) is that for the initiative to be successful, the residents of the Zone must be making the decisions on how to implement the projects outlined in the Strategic Plan. In order to accomplish this goal of maximum community participation, the KHEZ has put in place the management structure outlined in our Strategic Plan and extended it to other facets of the program.

The Kentucky Highlands Strategic Plan envisioned that the structure established to prepare the plan for submission would be formalized into the implementation body. This is what has occurred with some modifications and expansions.