New mkts

Many quickly on legis peice

in June

Tax

bi-partisan H's Rangel - ways + means - tax credit
drafting legis

Coalition bldg

Sen: Rockefeller -
staff discussion drafts
(Lara Muldoon)

New Mkt Venture Cap firms
+ lending companies - SBA requires new legis

Hs: Velasquez
Sen: Wellstone - but we want John Kerry - has said
yes to concept + idea
we want 45 mill
they want 22 mill
2 th w/ appropriation

each piece of legis ties back to SBA
Julie Rubin
Jolie Morgan - head leg person at SBA

area meeting income
80% per capita
by census

– APIC

HUD HS: Canjorski
Wheeler - cosponsor

Sen. Sarbanes lead
Bayh

Rodthl - challenge to corp amer
Short piece - mes doz mini-tracking in untapped markets
everything median incomes low the # of ppl who are above
1hr over $50,000 there is disposable income in these communities
closed

each CEO gets chance to comment

after words Rose garden announcement
I've just met w/ these leaders
pledges get motivated. In going make announcement
+ take this trip
alliance corps make major announcements

Altman: microenterprise CDFI

Vday trip 95% chance micro enterprise

funds set up by coalitions of banks
nonprofit community dev corp or cred union

Something get big cos to invest in CDFI → loan to microent

May 5, 1999

~~4pm Scheduling~~ New Mkts mtg

9 confirmed
2 want substitutions

- Rubin
- Daley
- Alvarez
- Herman
- Cuomo
- Slater
- Glickman

investment opportunities

9^{30}, get CEOs in at 9am
EOB room

Agenda: keep having conversations w/ppl — we have done trade missions to other countries
~~It's common~~ I want to take a trade mission to undev'd parts of Amer

Statement:
announce July trip + announce his challenge.
We're looking at a # of options + are trying to get some commitments - where we go in July is where we can show real commitments,

Clinton remember 50% Afr Ams live in sm. Southern towns

July 21st NC - Southern hsing mtg

'92
- CRA
- Comm Dev Banks
- empowerment zones
  → build it into bdgt

he can get credit for a big bdgt.

good lang from 92 campaign

This may be strongest econ ever etc.
big bdgt at the beginning - w/
the BUT that's n good enuf for me
I don't want this good econ to be hiding the probs

what about mom + pop?
(1) econ revitalization.
(2) mom + pop loans

1^{20} GA
6^{30} arrive WH

cab, MoC,

National story for morning
regional story for afternoon

billion over ten years.

- **A Major Expansion of the New Markets and Empowerment Zone Tax Credits:** As part of the President's New Markets initiative, which will spur at least $20 billion in new capital investment in businesses in economically-distressed areas, the President has proposed more than double his proposed the New Markets tax credit at a cost of about $5 billion over 10 years and Expanding Empowerment Zone Tax Incentives at a cost of $4 billion.

- **Alternative Minimum Tax Relief**: The President will propose in his budget a $33 billion proposal over 10 years to correct serious design flaws in the individual Alternative Minimum Tax (AMT) that increasingly hurt middle-income families who play by the rules. It complicates their tax preparation and raises their tax bills. The President's proposal will take over 9 million families per year off the AMT when fully phased in.

There are all these things out there (CDFI, APICs etc) want more $ to invest more $. Tax credit ~~[illegible]~~ is designed to get an influx of capital to invest in community dev orgs

So - if I have a comm dev org. I would apply to gov til accepted I would get voucher for $1 bill & get investors to invest & gov would pay 1/4 of the pvt investors investment costs

thus encouraging pvt investors

only trick - is that it's only for gov appr. only best proposals

~~[illegible]~~

$15 bill / ~~[illegible]~~ 7 yrs

10/22

New Markets Investment Initiative

All three components of the New Markets Initiative that require legislation have Democratic sponsors. For the most part the bills reflect the Administration proposal, with a few modifications.

- **The New Markets Tax Credit**, worth 25 percent for investments in a wide range of vehicles to help spur $6 billion in equity capital for investment in New Markets (likely to be folded into our tax bill), is being sponsored by Rep. Rangell (D-NY) in the House, and Senator Rockefeller (D-WV) in the Senate (H.R.2713, S.1526). Eligible investment companies include community development banks, venture funds and corporations, and the new investment company programs created by this initiative.
- **America's Private Investment Companies (APICs)**, modeled after our Overseas Private Investment Corporation to encourage private investment in America's untapped markets, is being sponsored by Rep. Lafalce (D-NY) in the House and Senator Sarbanes (D-MD) in the Senate (H.R.2764, S.1565). These bills very closely reflect the Administration proposal. Just as our support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APIC, will encourage private investment in America's untapped markets. For up to $100 million of private equity, HUD and SBA will guarantee loans up to $200 million, creating investment funds as large as $300 million to invest in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. Under the financing structure, the private investors' funds are at risk ahead of the government's.
- **The New Markets Venture Capital (NMVC) Firms**, that will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas (this bill still has not been introduced in the House), is being sponsored by Rep. Velasquez (D-NY) and Senator John Kerry (D-MA) (S.1594).

Senator Wellstone has been working to attach a proposal that would provide technical assistance to The New Markets Venture Capital (NMVC) Firms, that will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas (most likely to be introduced next week) is being sponsored by Rep. Velasquez and Senator John Kerry. Senator Wellstone has been working to attach a proposal that would provide technical assistance to community venture capital funds, which is not compatible at this point with the Administration's proposal. mass [kerry include wellstone proposal of tech asstc fund to support community venturt capital] sba.

NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity and technical assistance of private investors.

[rockeffeller slightly different 7 yr as opposed to 5 yr tax credit, but costs no more because they have rediuced the tax cred per year.[reduce dred per yr;

New Mkts

week of Jan 12-15

- NY Trip: → Velasquez. ~~Both Velasquez + also~~ Bariqua
  - Shelving an idea of what she wants. Small bus dev ctr, part of ~~Bariqua~~ college - opening more.
  - Lending Coop, part of dev ctr.
  - ① Accion - microlending + CDFI have pledged commit in this area of Bklyn
  - ② loan source / TA - SBA lending here
  - ③ Allied Capital - SBIC
  - FL bus incubator
- dip. bldg
- SON

NY

Jan 12-15

lunch, tours - similar to the past

→ Jackson's Wall St. project

→ Velazquez Bklyn

No upstate at this point

New Ideas - Budget

① expanding Tuesday business clinic -

② SBA: microloans

③ DOT: expanding transportation dollars
  → Look at engine definition to the earmarks

④ DPC Native Amer - encourage N.A. to go into tech fields
  ① build up infotech in N.A. universities

② bus. clinic

③ HUD - tech assist to NA communities - fed + pvt resources according to area need

~~tell~~ Green number ~~for~~ NA

④ DOE - help tribal communities to est energy programs
  planning + implementation grants

NEW MARKETS

New Markets Tax Credit. Proposed tax credit worth up to 25 percent to help spur $6 billion in equity capital for investment in America's new markets. Eligible investment companies include community development banks, venture funds and corporations, and the new investment company programs created by this initiative. Tax credits would be allocated to attract investors. This portion of the initiative requires new legislation.

FY 2000:	The tax credit did not get anywhere.
FY 2001 proposed:	As with other tax credits, we have not fully decided it fate [potential doubling]

America's Private Investment Corporations (APICs). Just as our support for the Overseas Private Investment Corporation (OPIC) helps promote growth in emerging markets abroad, APIC will encourage private investment in America's untapped markets. For up to $100 million of private equity, HUD and SBA will guarantee loans up to $200 million, creating investment funds as large as $300 million to invest in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. Under the financing structure, the private investors' funds are at risk ahead of the government's. This portion of the initiative requires new legislation.

FY 2000:	$20 million, but we do not yet have authorizing legislation for it.
FY 2001 proposed:	$37 million, proposed authorized level

New Markets Venture Capital (NMVC) Firms. NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity funds of private investors with government debt guarantees of up to $10 million per NMVC, with interest on the debt deferred. Investors who provide at least $1.5 million in technical assistance over five years to targeted firms will also receive matching grants from SBA.

FY 2000:	$15 million [$6 million for credit subsidies; $9 million for tech assistance]
FY 2001 proposed:	$52.5 million [$22.5 million for credit subsidies; $30 million for tech assistance]

Community Development Financial Institutions (CDFI) Fund. The budget proposes to expand funding for the CDFI Fund to $125 million--a $30 million increase from 1999. The Fund increases the availability of credit, investment capital, financial services, and other development services in distressed communities.

FY 2000:	$95 million
FY 2001 proposed:	$125 million

BusinessLINC. The President's FY 2000 budget includes seed money to expand Business LINC --- an innovative public-private partnership launched by Vice President Gore --- for new markets in economically distressed communities. BusinessLINC (Learning, Information, Networking and Collaboration) is designed to encourage large businesses to work with small business owners and entrepreneurs.

FY 2000: $1.5 million
FY 2001 proposed: $6.6 million

Prime. Prime was reauthorized this year in the Financial Modernization Bill this year.

FY 2000: $0
FY 2001 proposed: $15 million, authorized level

7A Programs. Because this loan program has not lent to its capacity, it did not receive funding for FY 2000, and will not be included in the FY01 budget.

SBA MicroLoans.

SBA MicroLoans.
<u>FY 2000</u>
Loans: $0
Tech Assistance: 23.2 million [carryover from 99, funds that were not used]

<u>FY 2001 proposed</u>
Loans: $4.6 million
Tech Assistance: $45 million

We will also propose some new programs as part of the New Markets initiative this year including ATMs in Post Offices, First Accounts for people who do not have bank accounts and university partnerships between universities and local communities.

New Markets 10.20.99

✓ Newark - Sports
✓ Hartford - investmt in distressed central city
✓ Hermitage, AR - agriculture
Brooklyn, → hard to minimize the [illegible]
SBIC small busin

loose themes for [illegible]

2 days Nov 4-5

He wants to do also Friday

W:

Th: Newark
Brooklyn
Hartford

F:

leg news
HUD-VA
bill [illegible]
includes
approp for
APICs
loan g-tees for
pvt investmt [illegible]
for qualified [illegible]
to return to busin
$20 mill's % g [illegible]
was hoped [illegible]
still pushing on authoriz
side of [illegible]

would merit that he go
if he goes over [illegible]

BusinessLINC
How do Financial Institutions Help Small businesses Grow?
Washington Renaissance Hotel
September 15, 1999 12:30pm – 6:30pm

Time	Scheduled Event	Presenter
12:30-12:45	Pick-up Box Lunches	
12:45-12:55	*Welcome and Remarks*	Ellen Lazar, Director CDFI Fund
12:55-1:10	Keypad Voting	Walt Roberts
1:10-1:20	*Introduction: BusinessLINC and New Markets Initiative*	Michael Barr, DAS Treasury
1:20-1:40	*Keynote Remarks*	Gov. Gramlich, Fed. Reserve Board
1:40-2:00	*Overview of BusinessLINC and Successful Strategies*	Jim Pruitt, Texaco
2:00-2:10	*Remarks*	Secretary Summers Treasury
2:10-2:20	Break	
2:20-3:45	***Panel 1: Financial Institutions & Small Business Borrowers***	

Moderator, Charles Tansey, Small Business Administration

Jim Reid, South Dallas Development Corp. (SDDC)

Andrew Goodman, Manager, Small Business Marketing, GE Capital

Elyse Cherry, Executive Director, Boston Community Capital

Clarence Mosley, V.P. Small Business Finance, Chase Manhattan Bank

Renee Simms, BankBoston Development Company (BBDC)

(continued on back)

3:45-4:00	Keypad Voting	Walt Roberts
4:00-4:10	Break	
4:10-5:15	***Panel 2: Suppliers & Coalition Efforts***	
	Moderator, Cliff Kellogg, Department of the Treasury	
	Larry Hawkins, President & CEO, Unity Bank	
	Edward Dugger, UNC Ventures and The Business Collaborative (TBC)	
	Sam Carradine, Executive Director, Nat'l. Assoc. of Minority Contractors	
5:15-5:30	Keypad Voting	Walt Roberts
5:30-5:45	*Wrap-Up*	Barr & Lazar
5:45-6:30	*Reception - Congressional Hall A*	

BusinessLINC and Small Business Technical Assistance Conference

Co-Sponsors

CDFI Fund

Department of Treasury

Small Business Administration

Federal Housing Finance Board

Federal Reserve System

Federal Deposit Insurance Corporation

Office of Thrift Supervision

Office of the Comptroller of the Currency

PRESIDENT CLINTON AND VICE PRESIDENT GORE ANNOUNCE BUSINESSLINC –

A MAJOR NATIONAL EFFORT BUILDING ON THE ADMINISTRATION'S NEW MARKETS INITIATIVE

August 10, 1999

CORPORATE AMERICA RESPONDS TO THE CHALLENGE TO INVEST IN NEW MARKETS. Today, President Clinton and Vice President Gore, joined by 16 senior executives, community leaders and small business owners, will announce that the Business Roundtable (BRT), under the leadership of Tenneco Chairman Dana Mead, will be the lead organization for the BusinessLINC (Business Learning, Investment, Networking and Collaboration) National Coalition. President Clinton and Vice President Gore will also announce that Texaco CEO Peter Badger will chair the Coalition. Through the national leadership of BRT, working together with Treasury and SBA, the following local BusinessLINC chapters have been established: Washington, DC, Dallas, Boston, Chicago, the Mississippi Delta and New York City. Each chapter will be headed by a CEO working in conjunction with local partners.

BUILDING UPON THE BUSINESSLINC CHALLENGE. Launched by Vice President Gore in June 1998, in collaboration with the U.S. Department of Treasury and the Small Business Administration (SBA), the BusinessLINC Initiative is a partnership with America's business community that encourages large businesses to work with and mentor small business owners and entrepreneurs. The goal of BusinessLINC is to stimulate business-to-business relationships, including one-on-one technical advice and consulting, classroom and group training, peer group and consulting, strategic alliances, and development of suppliers and new sales channels. President Clinton's New Market's Initiative includes the expansion of BusinessLINC.

get paper from Juno

TODAY, THE PRESIDENT AND VICE PRESIDENT ARE ANNOUNCING A NEW NATIONWIDE EFFORT TO EXPAND BUSINESSLINC BY:

- **Announcing Six BusinessLINC Coalitions Across the Country.** The BIT today is announcing the formation chapters in the six cities across the country Washington, D.C., Dallas, Boston, Chicago, The Mississippi Delta, and New York City.

- **Seeking to Double the Number of Local Chapters To 12 .** In addition to the six local coalitions that have been established and are being highlighted today, the National Coalition will seek to double the number of local coalitions by the end of its first year.

- **Maintaining a World-Class Website.** The BRT will establish and maintain a world-class BusinessLINC website, which will complement the SBA's existing BusinessLINC and ProNET websites. The website will link to local coalitions, provide information about small business and minority outreach programs of BRT's members, disseminate information about best practices, and expand the pool of firms participating in BusinessLINC local coalitions.

- **Collaborating with National Partners.** The BRT will collaborate with other partners in the BusinessLinc Coalition including the National Minority Supplier Development Council, the National Black Chamber of Commerce, the U.S. Hispanic Chamber of Commerce, the National Association of Women Business Owners, and the Women's Business Enterprise national Council.

BUSINESS-TO-BUSINESS PARTNERSHIPS HAVE AN IMPACT. Today, President Clinton and Vice President Gore joined by business executives, community leaders and small business owners, will participate in a roundtable at Powell Manufacturing Industries, owned by CEO James Powell. Through a partnership with Giant Food, Inc., Mr. Powell has expanded his business by 45%, and more than tripled the number of employees from 3 to 11. Giant helped to facilitate the expansion of Mr. Powell's company through introductions, referrals, and references to other supermarket chains.

ANNOUNCING SIX NEW LOCAL BUSINESSLINC COALITIONS

President Clinton and Vice President Gore are announcing that through the national leadership of BRT working together with Treasury and SBA, the following local BusinessLINC chapters have been established: Washington, D.C., Dallas, Boston, Chicago, the Mississippi Delta, and New York City. Each chapter is headed by a CEO working in conjunction with local partners.

Washington, D.C. Businesslinc Coalition. This chapter will be co-chaired by Patrick Swygert, President of Howard University, and David Rutstein, Senior Vice President of Giant Food, and will be housed at the Greater Washington Board of Trade. The chapter builds on the Board of Trades' Community Business Partnership that currently assists over 40 companies. With BusinessLINC, the effort will be expanded to 60 businesses.

Dallas BusinessLINC Coalition. This chapter will be chaired by John Appel, President of GTE Network Services, under the auspices of the North Texas Commission and the Dallas-Ft.Worth Minority Business Development Council. Their Mentor-Entrepreneur Program, in which GTE regularly participates, annually matches 30-40 minority-owned businesses with corporations for one-year mentorships. With BusinessLINC, the Mentor-Entrepreneur Program will expand and emphasize reaching companies annually from economically distressed areas, and will host training for other interested BusinessLINC sites.

Boston BusinessLINC Coalition. This chapter will be led by the Boston Business Collaborative, co-chaired by Marsh Carter, CEO of State Street Bank, and Ed Dugger, CEO of UNC Ventures and Director of the Federal Reserve Bank of Boston. Their strategy focuses on increasing business transactions between mainstream companies and entrepreneurs of color.

Chicago BusinessLINC Coalition. This chapter will be led by the Civic Committee of the Commercial Club of Chicago, whose President is Eden Martin, Managing Partner of Sidley & Austin. The coalition will provide a platform for Chicago's private sector to create new opportunities for companies in Chicago's Empowerment Zone and other distressed areas.

Mississippi Delta BusinessLINC Coalition. This chapter will be chaired by Wayne Leonard, CEO of Entergy Corporation, in conjunction with the Enterprise Corporation of the Delta, whose President is William Bynum. Participating companies include Wal-Mart and Federal Express.

New York City BusinessLINC Coalition. This chapter which was previously announced by the Secretary of Treasury, will be chaired by Donald L. Boudreau, Vice Chairman of Chase Manhattan Corporation, and will be housed at the New York City Partnership, chaired by Bob Kiley. Building on its successful New York City Housing Partnership that trains small businesses as property managers and housing renovators, the BusinessLINC initiative will match 10 small firms located in, or benefitting residents of economically distressed areas with large firms that can bolster their capacity.

DEPARTMENT OF THE TREASURY
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND
601 THIRTEENTH STREET, NW, SUITE 200 SOUTH
WASHINGTON, DC 20005

Overview of the Community Development Financial Institutions Fund

The Community Development Financial Institutions (CDFI) Fund was created to expand the availability of credit, investment capital, and financial services in distressed urban and rural communities. The Fund was authorized by the Riegle Community Development and Regulatory Improvement Act of 1994, and was a bipartisan initiative. By stimulating the creation and expansion of diverse community development financial institutions (CDFIs) and by providing incentives to traditional banks and thrifts through the Bank Enterprise Award (BEA) Program, the Fund's investments work toward building private markets, creating healthy local tax revenues, and empowering residents. The CDFI Fund provides relatively small infusions of capital to institutions that serve distressed communities and low-income individuals. The Fund's activities leverage private-sector investments from banks, foundations, and other funding sources. Since the Fund's creation, it has made over $190 million in awards to community development organizations and financial institutions.

CDFIs are specialized financial institutions that work in market niches that have not been adequately served by traditional financial institutions. These CDFIs provide a wide range of financial products and services, including mortgage financing for first-time home-buyers, financing for needed community facilities, commercial loans and investments to start or expand small businesses, loans to rehabilitate rental housing, and financial services needed by low-income households and local businesses. In addition, these institutions provide services that help ensure that credit is used effectively, such as technical assistance to small businesses and credit counseling to consumers. CDFIs include community development banks, credit unions, loan funds, venture capital funds, and microenterprise loan funds.

CDFI Fund Initiatives

Community Development Financial Institutions Program

The Community Development Financial Institutions (CDFI) Program uses limited federal resources to invest in and build the capacity of private, for-profit and non-profit financial institutions to provide capital and services to underserved people and communities. The Fund invests in CDFIs using flexible tools such as equity investments, loans, grants, and deposits, depending upon market and institutional needs. These needs are demonstrated by the applicant CDFI in its business plan and in its ability to raise comparable non-federal matching funds, both requirements of the application process. The Fund evaluates each applicant CDFI in a manner similar to a private investor determining the investment-worthiness of an institution, including assessing financial performance, management capacity, and market analysis. Thus, the Fund is able to effectively assist these organizations to enhance their ability to meet community needs, develop, and grow.

The CDFI Program has three separate components: the Core Component, the Intermediary Component and the Technical Assistance Component. The Core Component is the Fund's main program under which CDFIs, or entities proposing to become CDFIs, may apply for financial and technical assistance. The Intermediary Component is created specifically for intermediaries who focus primarily on the financing of other CDFIs. The Technical Assistance Component was designed to better meet the unmet capacity needs of CDFIs, or entities proposing to become CDFIs, who have significant potential for increasing their community development impact.

Through the first three rounds of the CDFI Program, the Fund has made $135.2 million in investments in CDFIs. These organizations serve both rural and urban areas in local, regional, statewide, and multi-state markets in 46 states and the District of Columbia.

A Notice of Funds Availability for the 2000 CDFI Program – the **Core and Intermediary Components** – will be published in the Federal Register on November 1, 1999. The application deadline for the Core Component will be January 20, 2000 and the deadline for the Intermediary Component will be January 18, 2000. A Notice of Funds Availability for the **Technical Assistance Component** will be published in the Federal Register on January 4, 2000. The application deadline will be March 28, 2000.

Bank Enterprise Award Program

The Bank Enterprise Award (BEA) Program recognizes the key role played by traditional financial institutions in community development lending and investing. It provides incentives for these regulated banks and thrifts to invest in CDFIs and to increase their lending and provision of financial services in distressed communities. The BEA Program supports the community reinvestment efforts of these financial institutions.

Through the first three rounds of the BEA Program, the Fund has awarded $58 million to banks and thrifts. This $58 million reflects $983 million of investments by banks and thrifts in underserved communities. The institutions awarded have invested $712 million in direct loans, investments and services in distressed communities, and $271 million in equity investments and financial support to CDFIs.

A Notice of Funds Availability for the 2000 BEA Program was published in the Federal Register on September 1, 1999. The application deadline will be November 23, 1999.

Presidential Awards for Excellence in Microenterprise Development

At the direction of President Clinton, the CDFI Fund designed and implemented in 1996 this non-monetary award program to bring wider attention to the important role and the successes of domestic microenterprise development in enhancing the economic opportunities of disadvantaged individuals across America. Through the first two rounds, a total of 13 organizations have been recognized for their work assisting individuals to become successful entrepreneurs. The Presidential Awards were created as one of the commitments made by the United States at the United Nations Fourth World Conference on Women, held in Beijing, China in September 1995.

The 1999 Presidential Awards for Excellence in Microenterprise Development will be awarded in December 1999. Applications for the 2000 Presidential Awards will be available in May 2000.

Native American Lending Study and Action Plan

The CDFI Fund is conducting a study on lending and investment practices on Indian reservations and other lands held in trust by the United States. Input is being solicited through a series of regional workshops throughout the United States from tribal leaders, economic and financial planners, bankers, federal agencies, secondary market organizations and state agencies. The participants in these workshops are identifying barriers to lending and investment on Native American lands; describing the impacts of the barriers; and developing strategies and action plans for eliminating the barriers. The findings will assist the CDFI Fund in developing a report to the President and Congress that will include policy, statutory and regulatory recommendations designed to increase private investments on Native American lands.

For More Information

Please visit the CDFI Fund's website at www.treas.gov/cdfi, or call the CDFI Fund at (202) 622-8662.

American Banker July 9, 1999

Treasury Urges that Big Banks Be Inner-City Business Tutors

◆ By JOSHUA BROCKMAN

The Clinton administration's push to promote inner-city businesses took a new turn Thursday as the secretary of the Treasury called on large financial institutions to serve as mentors to their smaller counterparts and customers.

Lawrence H. Summers, in one of his first public appearances since assuming his post July 2, applauded the willingness of lenders to finance community development, but said more steps are needed.

"This is about much, much more than money," he said. He maintained that banks can and should play a leadership role by providing advice to smaller businesses and creating networking forums for them.

LAWRENCE SUMMERS called for networking and technical support.

Mr. Summers made his remarks at a roundtable discussion in New York involving more than 20 business and financial leaders and entrepreneurs. The event was hosted by Chase Manhattan Corp., whose community

See page 3

Treasury Calls On Big Banks To Tutor Small Businesses, Small Banks in Inner Cities

Continued from page 1

development initiatives — which Mr. Summers viewed earlier in the day during a tour of Harlem — were touted as models of a private-sector business mentoring program.

By calling on banks to provide technical support for community development, Mr. Summers appeared to be raising the ante for some lenders.

The mentoring approach Mr. Summers described is "a reflection of what some of the cutting edge financial institutions are already doing," said Judith A. Kennedy, president of the National Association of Affordable Housing Lenders.

While bankers said they are already providing much technical assistance to communities, there were calls for more to be done.

Deborah Wright, president and chief executive officer of Carver Federal Savings Bank, said that while New York communities are on the rebound, "the sad fact is that we are not prepared to take advantage of that opportunity." The bank isn't financially constrained, she said; rather, it needs more expert advice and guidance.

Mr. Summers' trip to New York was part of President Clinton's "New Markets Initiative" campaign to create private sector investment for businesses in low- and moderate-income rural and urban areas.

Ms. Wright was one of several members of BusinessLINC — a mentoring program formed last year under the auspices of the Treasury Department and the Small Business Administration — who participated in the roundtable.

Others on the high-powered roster included Henry R. Kravis, founding partner of Kohlberg Kravis Roberts & Co.; Lawrence Toal, chairman and chief executive officer of Dime Savings Bank; William Rhodes, vice chairman of Citigroup; and Mark Willis, senior vice president of Chase Bank.

William Harrison, president and CEO of Chase Manhattan Corp., said Chase is engaged in "reaching out for the untapped market potential that lies in our urban areas." Chase provided the financing for the project Mr. Summers toured in the morning — Harlem USA, the New York City neighborhood's first large-scale retail development in two decades.

"This is about much, much more than money," says Treasury Secretary Summers.

Mr. Summers said the new facilities in Harlem will change the landscape and will bring New York City $200 million in retail income and $517 million in city sales taxes.

William McDonough, president of the Federal Reserve Bank of New York, encouraged Congress to enhance the Community Reinvestment Act to help with community development. Access to capital for important community projects and for the economy as a whole, coupled with mentoring for entrepreneurs will help bolster the New York economy, he said. ◇

In Harlem, New Treasury Chief Unveils Plan to Help Inner-City Entrepreneurs

By TERRY PRISTIN

The new Treasury Secretary, Lawrence H. Summers, went to Harlem yesterday to encourage more private investment in poor neighborhoods and announced the formation of a new mentoring program to allow inner-city entrepreneurs in New York to draw upon the expertise of large corporations.

Under the new program, a task force will be set up by the New York City Partnership and Chamber of Commerce, the city's leading business group, to match big companies with start-ups or other small businesses. Ten entrepreneurs will be selected during each of the next two years.

"This is about much much more than money," Mr. Summers told a group of business leaders who gathered at Chase Manhattan Bank yesterday to share some of their previous mentoring experiences with him. "It's about advice, it's about networks, it's about the provision of opportunity, and it's about providing and sharing the types of knowledge that are necessary. In many ways, the money and financing are the least of it."

In his visit to New York, Mr. Summers underscored the same themes that President Clinton sounded this week during a four-day trip to Hazard, Ky., and other economically distressed areas across the country. Like the President, Mr. Summers said that investing in poor neighborhoods was not a matter of charity but made good economic sense. The Clinton Administration has proposed a new tax credit to encourage investments in what are being described as "new markets."

The new Treasury Secretary drew praise from David Rockefeller, who participated in the meeting of business leaders, for coming to New York less than week after he was sworn in. Mr. Rockefeller said that the economic development initiatives taking place while the city's economy is robust represent a fundamental change that would continue in harsher times "when the bloom is off the rose."

Edward Keating/The New York Times

Lawrence H. Summers, the new United States Treasury Secretary, yesterday visited Harlem U.S.A., a shopping center that is being built on 125th Street in Manhattan and is expected to open by Christmas.

During a tour of the construction site of Harlem U.S.A., a long-delayed shopping center on 125th Street that is scheduled to open by Christmas, Mr. Summers seemed genuinely impressed by the numbers he was fed. Drew Greenwald, one of the developers, and Mark Willis, a senior vice president at Chase, told him that the complex was expected to generate $200 million a year in sales and $17 million in sales taxes, yet had required only $11 million in government loans. They said that nearby property values had soared from $30 a square foot to $75 a square foot. About 500 new jobs are expected to be created.

"A lot of people are going to make a lot of money here," Mr. Summers said at the shopping center, whose tenants will include Disney, HMV and Old Navy. In a later interview, he said that the financial leaders he met with had stressed that such investments are no longer relegated to special bank subsidiaries dealing with community development but are viewed as mainstream investments.

Some Harlem business owners have complained that they have been driven out by rising rents on 125th Street, but Mr. Summers said some displacement was an inevitable consequence of economic development. But, he said, "you'll see more vibrancy spread off 125th Street to the next streets."

Mr. Summers, who has spent much of the last six years assisting emerging countries, first as Under Secretary of the Treasury for International Affairs and then as Deputy Treasury Secretary, added: "We always say of countries that it's much better to be a country that capital is trying to get into than a country that capital is trying to get out of."

The Secretary did not allude to it, but the Harlem U.S.A. project is one of the few successful projects to emerge from the stalled Upper Manhattan Empowerment Zone, a $300 million Federal, state and city program designed to spur economic development. Halfway through the five-year program, only $35 million has been spent on projects and administrative costs.

Other success stories were recounted at the meeting at Chase as examples of the kind of mentoring the new program aims to bring about. The task force is part of a national effort called BusinessLINC (Learning, Information, Network Collaboration). There are similar efforts in six other cities.

Fernando Espuelas, a former marketing executive at A.T.&T., said that the help he received from Chase and from the New York City Investment Fund, which was created by Henry R. Kravis to stimulate job growth, had proved invaluable for getting his Internet business off the ground. "We are able to tap into networks of people that for a young company, a start-up, are just not available," Mr. Espuelas said after the meeting. His company, Star Media, which serves Spanish- and Portuguese-speaking Internet users around the world, created 200 jobs in New York.

Another speaker, Desmond Emanuel, who is black, described the difficulties he had in the 1980's getting financing for his construction company. What gave his business momentum, he said, was the help he got from the New York City Housing Partnership, an offshoot of the New York City Partnership that promotes the development of affordable housing. His company, Santa Fe Construction Inc., now employs 48 people, making it the largest minority-owned construction company in the city, he said.

The New York Times
July 9, 1999

TRANSCRIPT BY: FEDERAL NEWS SERVICE
620 NATIONAL PRESS BUILDING
WASHINGTON, DC 20045

THIS IS A RUSH TRANSCRIPT.

SEC. SUMMERS: Michael, thank you very, very much for that too kind introduction. One of the rewards of being an economist in public service is that you get introduced a little more politely than you do as an economist not in public service. (Laughter.) It wasn't so long ago that I was introduced by someone who said, "Larry, do you know what it takes to succeed as an economist?" And I said, "No." And he said, "An economist is someone who's pretty good with figures but doesn't quite have the personality to be an accountant." (Laughter.) Actually, it was some years ago in Moscow. (Laughter.) And not everyone in the audience got the joke.

I'm very glad to be here with you. I want to thank Federal Reserve Board Governor Nick Gramlich, who was here earlier. I want to thank Ellen Rosar (sp) for the imaginative energy that she has brought

to the Community Development Financial Institutions program; Helen Sadlow (sp) for her efforts in putting together what is clearly a quite substantial event; Don Graves and Cliff Kellogg for everything they do in Treasury to advance these objectives. And Michael, I'm grateful to you for the energy that you have brought to these issues in always making us keep our focus on all Americans as we carry on economic policy over these last few years.

You know, when de Tocqueville came to the United States in the early 1800s, he said that the genius of America was in its associations, was in its partnerships and was in its cooperation. And one didn't go anywhere in America without finding groups of businesses, groups of miners, groups of farmers, groups of -- (inaudible) -- groups of Americans coming together to address common issues. And in many ways, that always has been a strength of our country, and I think it is a strength that we bring to the issues that we are discussing today.

At a moment of remarkable prosperity for our country, there can be no more important domestic economic priority than ensuring that all Americans have an opportunity to share in that prosperity and that that prosperity reaches into every part of our country. After many, many years, when our dominant economic problem was people who could not find jobs, it is encouraging that today we also have the problem of jobs that cannot find people. And that makes this a moment when our economy can succeed and can expand in places that it has not succeeded and expanded in in the past.

And that really was the theme of the president's historic new markets trip, which I think will be one of the most remembered weeks of his presidency, because he showed us that just as there are emerging markets abroad where market economics can make an enormous difference, there are markets within our country that we can see emerge as well.

What does it take? Ultimately, what is most important in any area and in any place is the basic economic energy and spirit of the people who live and who work there. And growth always, always comes from within. We have seen that finance can make a difference, that democratizing the access to capital can change people's lives. It is a real accomplishment for us as a country that the access to mortgage finance to buy homes for minorities, for Hispanics, is very different than it was six or seven years ago.

The Community Development Financial Institutions are making a difference place by place by place. I remember having the opportunity to visit with Helen and one of her awardees and listening to that awardee tell a story about one of the grants that they had made. It was to a single mom with a four-year-old child in one of the less fortunate areas around Seattle. And that single mom borrowed a couple of thousand dollars to fit the house in that neighborhood out so that she could take care of not only her own child, but seven other children as well.

And as the story was told, this was a poor woman, a single parent. It was not an economically successful situation. That single

mother saw what the CDFI had done for her. And she had eight children in that child care center, and five of them paid her to be there and three of them didn't, because she thought it was the right thing to do for her community to help out the kids, whose fault it surely wasn't, who needed her services. And those kinds of stories are all over as a consequence of these efforts.

I think in the last several years we've come to a greater understanding that, as important as they are, good intentions and an opportunity to borrow money is not enough. Clearly we need to strengthen the capacity to use money well. We need to create healthy borrowers who can create healthy businesses. And that is really what BusinessLINK is all about, helping people help themselves, making them available to use the resources that our wonderful capital markets provide. And there is story after story which people here can tell better than I of how that makes a difference.

You know, in many ways, economic life has the character of what economists like to call multiple equilibrium or cumulative causation, and philosophers like to call self-fulfilling prophecy, and that regular people think of as a rolling snowball down a hill that gains strength. When people have opportunity, they hire other people. Those people have an opportunity to spend. That means other people are hired, and the process goes on and on.

And small actions can set off very large processes to have the power to literally transform communities in our country and the lives of the people who live there. And it is that effort that is what BusinessLINK is all about. And with the leadership of Business Roundtable, with the specific leadership of Peter Beher (sp), the CEO of the Texaco Corporation, we in the administration are doing everything we can to spread this idea and to create as much opportunity as we possibly can.

In my first week as Treasury secretary, I had the opportunity to go to Harlem and to meet with the New York City Partnership and to discuss its BusinessLINK program. I learned two remarkable things. One, I visited an area in the center of Harlem which had a population the size of Cincinnati but had not had a major shopping center or major retail development since the Second World War.

And I learned that the development that was going in there, with the benefit of community lending from major financial institutions, was going to pay for itself in terms of extra tax revenue to New York City and New York State in about nine months. And if one believes in applying the market test, I'd offer you this market test. The land in the vicinity of that shopping center had risen between five- and ten-fold in price in three or four years.

A little while after that, I had the opportunity to meet with a group of businessmen involved in the New York City Partnership and its

BusinessLINK program, and they described one minority business in which the Partnership had made an investment, but it turned out -- it was a business that involved the Internet. But it turned out that the Partnership investments had been rather limited, because once they all saw the business, the participants in this partnership, who included some of the wealthiest men and women in America, decided that they wanted to invest their own money in the business. And in at least one case, a $500,000 investment was multiplied more than 50-fold.

There is remarkable opportunity in every community in this country, and we all need to do what we can to unlock it. That's what this conference is all about. That's what so many in this room are working very hard to do. I salute your efforts and want to make very clear that, on behalf of the Treasury Department, we will do everything we can to be helpful.

Thank you very much. (Applause.)

####

END

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AGENDA FOR NEW MARKETS MEETING

Room 231 OEOB; 3:00 – 4:00 pm
October 5, 1999

I. NEW MARKETS EVENTS/ACTIVITIES – MASTER CALENDAR

II. FOLLOWUP ON SIX CITIES VISITED ON FIRST TOUR/PRESS PAPER

III. OPL NEW MARKETS BRIEFINGS - 10/7 AND 10/8

SBA
HUD
Treas

3 brfgs: - 2pm Thu min bus community (33, advan. 7, ...) 450 TM
= 4pm Thu corporate-trade assocs
= 10am Fr 450 - religious civil rts, NGOs

IV. LEGISLATIVE UPDATE

leg strat mtg w/ leg affairs + policy w/ 3 agencies. Five mtgs 6 bills intro'd
hopeful NMPC - Velasquez on House side only one n dropped
Gephs intro'd HR 2848 New Mkts init outlines our proposal. intro'd by request

V. STATUS ON SITE SELECTION

we don't know who. Signal that they will work w/ us, outlining direction + determine issues they may have w/ Dems

VI. OTHER ISSUES/QUESTIONS

NW paper on leg

Shorter trip
2½-3 days

DRAFT

PRESIDENT CLINTON'S NEW MARKETS INITIATIVE INCREASES PRIVATE INVESTMENT PHOENIX, ARIZONA (draft title)

DRAFT DRAFT

October XX, 1999

President Clinton's New Markets Tour Last July is Deemed a Success. On July 5-8, President Clinton led a delegation of CEOs, Members of Congress and Cabinet Secretaries on an unprecedented trip of economically distressed communities throughout the country. On July 7, the President visited South Phoenix, a predominantly Hispanic community, to focus on the need of access to capital and investment vehicles in low-income communities. The President's trip has helped bring lasting improvements to the area of South Phoenix, Arizona. The energy and excitement that accompanied the President on this visit has endured and a number of investment commitments announced on the trip have been finalized.

Magnet Capital Attracts $6.1 Million in Start-Up Investments. During the New Markets Tour, President Clinton announced that several banks would be making investments in a new fund, Magnet Capital, which would be submitting an application to form a new Small Business Investment Company (SBIC) to focus investment activity in low and moderate-income areas. Magnet Capital submitted their application for an SBIC license on July 21, 1999 and has attracted $6.1 million in start up investments, $1.1 million more than the minimum of $5 million. Moreover, Magnet Capital received additional capital commitments of $2 million from an undisclosed source and $100,000 from Community First National Bank, for a total of $6.1 million in start up capital. SBA is currently reviewing the application and anticipates approval in November 1999. Commitments related to Magnet Capital include:

INVESTORS	INVESTMENT
Bank One	$1.5 million
Wells Fargo Bank	$1.5 million
Arizona MultiBank	$500,000
Sears National Bank	$150,000
Union Bank	$150,000
Northern Trust Bank	$100,000
General Partners of Magnet Capital	$100,000

Enron Expands its Investment Fund to Focus on Low and Moderate Income Communities Nationwide. Enron announced during the New Markets trip in July that it had established a fund focused on investment in low and moderate-income communities called the Houston Economic Opportunity Fund. Since then, Enron capitalized the fund with $20 million and was in the process of attracting additional investors. The fund has been expanded to a national effort, called the National Economic Opportunity Fund and they hope to have offices set up in Atlanta, Philadelphia, Chicago and Los Angeles by the first quarter of 2000. The funds will target investments in low and moderate-income areas, as well as in women- and minority-owned businesses. The National Economic Opportunity Fund hopes to eventually attract $200 million in investment capital.

National Banks Continue to Make Investments in Small and Microbusinesses. Prior the President's trip, Capital One and Pacific Century Bank considered making $1 million investment in PPEP Microbusiness and Housing Development Corporation (PMHDC), one of the oldest microdevelopment organizations in the country that focuses on targeted investment and technical assistance to small businesses in the Tucson-Phoenix area. Pacific Century Bank made a $50,000 no-interest, 5-year loan and a $250,000 equity investment, for a total investment of $300,000 to PMHDC. Additionally, Norwest Bank will be making a $1 million investment to match the $1 million low-interest CDFI loan PMHDC recently received.

Univision Continues Progress in Building Broadcast Facility in South Phoenix. In July, Univision announced a multi-million dollar commitment to build a new state-of-the-art broadcast facility for their local station, KTVW-33, in the predominantly Hispanic area of south Phoenix. Final approval of the project by Univision's Board of Directors is expected by the end of September 1999. The next step is to acquire all necessary permits. They expect to break ground on the site during the first quarter of 2000.

Bank of America and Wells Fargo Will Sponsor SBA Bank Days.

- On October 12, 1999, Bank of America will sponsor an "SBA Bank Day" in South Phoenix, a low and moderate-income area. SBA anticipates it will process 60-80 business loans for a total of $3-5 million on that day. Other participants include Chicanos Por La Causa, the business incubator visited by the President, the Hispanic Chamber of Commerce, Arizona Banker's Association and other local organizations.

- On October 20, 1999, Wells Fargo will sponsor an SBA Bank Day" in Flagstaff, targeting Native American recipients, particularly the Navajo Nation and Apache tribes. SBA anticipates it will process 25-30 loans for a total of $2 million on that day. Other participants include the Minority Small Business Development Center, the Flagstaff office of Chicanos Por la Causa, the Flagstaff Chamber of Commerce, and other local organizations.

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OMB wants news

Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	1 EDA Event on Technology Needs in Native Communities DOT Listening Tour Baton Rouge -100 & 60	2 Commerce Announcement of Partnership with EDA- Date TBD
3 Commerce Announcement of TISAP grants- Date TBD DOT Listening Tour	4 DOT Listening Tour Cape Girardo, Missouri	5	6	7 Back-to-School Event on Job Training, Baltimore, Maryland (w/ Lt. Gov. Townsend) - DOL + Ed (WIC works in Balt.	8	9
10	11	12 DOL rollout of Youth Opportunities Program PSAs, Los Angles, CA Go the best celebrities screening. MOCs, VP (?) DOL/HUD site	13	14	15	16
17	18 ? POTUS ex	19	20	21	22	23
24	25	26 Commerce Visit to Mississippi Delta (Tentative)	27	28	29	30
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Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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	Second New Markets Tour- Date TBD			Navy Yard Event, Washington, D.C. on "Bridges to Friendship" project		
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	Treasury and SBA Delta Finance Summit- Date TBD Secretary Herman addresses Detroit Economic Club on Youth			Foundation Roundtable on Youth (tent.)		
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Calendar

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5 Commerce Meeting with CEOs on digital Divide- Date TBD	6	7	8	9	10	11
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Bill Summary & Status for the 106th Congress

New Mkts Tax Credit (Senate)

Item 2 of 702

PREVIOUS BILL | NEXT BILL
PREVIOUS BILL:ALL | NEXT BILL:ALL
NEW SEARCH | HOME | HELP

S.1526
SPONSOR: Sen Rockefeller, John D., IV (introduced 08/05/99)

Jump to: Titles, Status, Committees, Amendments, Cosponsors, Summary

TITLE(S):

- OFFICIAL TITLE AS INTRODUCED:
  A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to taxpayers investing in entities seeking to provide capital to create new markets in low-income communities.

STATUS: Floor Actions

NONE

STATUS: Detailed Legislative Status

Senate Actions

Aug 5, 99:
Read twice and referred to the Committee on Finance.

STATUS: Congressional Record Page References

08/05/99 Introductory remarks on Measure (CR S10426-10427)
08/05/99 Full text of Measure as introduced printed (CR S10427-10428)

COMMITTEE(S):

- COMMITTEE(S) OF REFERRAL:
  Senate Finance

AMENDMENT(S):

NONE

COSPONSORS(7):

Sen Robb, Charles S. - 08/05/99	Sen Sarbanes, Paul S. - 08/05/99
Sen Kerry, John F. - 08/05/99	Sen Kennedy, Edward M. - 08/05/99
Sen Daschle, Thomas A. - 08/05/99	Sen Byrd, Robert C. - 09/27/99
Sen Wellstone, Paul D. - 10/04/99	

SUMMARY:

NONE

Bill Summary & Status for the 106th Congress

Item 2 of 702

PREVIOUS BILL | NEXT BILL
PREVIOUS BILL:FLOOR ACTIONS | NEXT BILL:FLOOR ACTIONS
NEW SEARCH | HOME | HELP | ABOUT STATUS

S.1526
SPONSOR: Sen Rockefeller, John D., IV (introduced 08/05/99)

STATUS: Floor Actions

NONE

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STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS (Senate - August 05, 1999)

NEW MARKETS TAX CREDIT

Mr. ROCKEFELLER. Mr. President, I rise today to introduce a new tool, the `New Markets Tax Credit,' to be used to expand economic development opportunities in low-income communities in West Virginia and across this country. I'm very pleased that my good friends, Senator **Robb, Sarbanes, Kennedy,** and **Kerry,** are joining me in this effort.

Despite the unprecedented period of expansion of the U.S. economy, many urban and rural areas continue to be held back by stubborn problems such as high unemployment and underemployment, insufficient affordable housing, shortages of services such as day care and shopping centers, and perhaps most importantly, by a chronic shortage of the private investment capital needed to stimulate and support community development.

For example, in West Virginia, we have counties where the official unemployment rate is as high as 14%. Counties like Mingo, McDowell, Logan and Boone have seen devastating job losses in the past two decades. For these rural communities, the nation's current economic boom is a distant echo. It's not that these people do not want to work, or that the entrepreneurial spirit is lacking. A major factor is the lack of private sector equity investment for business growth.

I have been pursuing economic development opportunities for my state for over 30 years, and perhaps the largest problem I've encountered is the lack of venture capital. America's most depressed economic areas desperately need private investment. They get very little not only because they are unattractive, but also because of misperceptions and market failures. A lack of information, for instance, means that many companies may have an exaggerated idea of the risk of investing in deprived areas, and often have no idea of potential markets. Yes, it is true that private venture capital investment rose 24% in 1998, 76% of the total went to technology-based companies--primarily in California's Silicon Valley and New England's high-tech corridors. But only 5.7% of all venture capital in 1998 went to South Central, Southwest and Northwest regions combined. Obviously, this is a huge disparity that needs to be corrected.

The New Markets Tax Credit is designed to encourage $6 billion in private sector equity investment for business growth in low and moderate income rural and urban communities. It would do that by providing tax credits for investments of $1.2 billion annually. The investments would be made by banks, foundations, companies or individuals. These investors would acquire stock or other equity interests in selected community economic development entities whose primary mission is serving distressed communities. Urban and rural communities with high poverty and low median income would be targeted.

The tax credits would be issued by the U.S. Department of Treasury to the selected entities. These entities in turn would sell or syndicate the credit to investors. The tax credit ultimately delivered to the investor would be in the amount of 6 percent annually of the amount of the investment, for an approximate aggregate value to the investor of 25 percent of the `present value' of the original investment over the 7 years. A `qualified investment' by an investor would be a cash purchase of stock or other equity in a selected entity, which must be held for at least 7 years. Substantially all of the investment would be required to be used by the community economic development entity to make `qualified low-income community investments,' which would be equity investments in, or loans to, qualified active businesses in the low-income communities.

The goal of this tax credit will be to encourage private investors who may have never considered investing in high-risk areas to do so. By investing in the community through local businesses private investors can explore new markets and improve the quality of life for the people in the area. Community development organizations may use the funds from private investors to develop micro-enterprise, manufacturing businesses, commercial facilities, communities facilities, like child care facilities and senior centers and co-operatives. It has the potential to encourage $6 billion in venture capital to these high-risk areas. And because community development vehicles may not redeem the equity interest for at least seven years, capital stays in the community. The New Markets Tax Credit will create new relationships between investors, community development vehicles, and small businesses, which will foster continued support and lasting investment.

Bill Summary & Status for the 106th Congress

New Markets Tax Credit
(House)

Item 4 of 702

H.R.2713
SPONSOR: Rep Rangel, Charles B. (introduced 08/05/99)

Jump to: Titles, Status, Committees, Amendments, Cosponsors, Summary

TITLE(S):

- SHORT TITLE(S) AS INTRODUCED:
  New Markets Tax Credit Act of 1999
- OFFICIAL TITLE AS INTRODUCED:
  A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax for certain investments in businesses located in low-income communities.

STATUS: Floor Actions

NONE

STATUS: Detailed Legislative Status

House Actions

Aug 5, 99:
Referred to the House Committee on Ways and Means.

STATUS: Congressional Record Page References

08/05/99 Introductory remarks on Measure (CR E1761)

COMMITTEE(S):

- COMMITTEE(S) OF REFERRAL:
  House Ways and Means

AMENDMENT(S):

NONE

COSPONSORS(23):

Rep Matsui, Robert T. - 08/05/99
Rep McDermott, Jim - 08/05/99
Rep Jefferson, William J. - 08/05/99
Rep Thurman, Karen L. - 08/05/99
Rep Allen, Thomas H. - 08/05/99
Rep Frost, Martin - 08/05/99
Rep Johnson, Eddie Bernice - 08/05/99
Rep McKinney, Cynthia A. - 08/05/99
Rep Pastor, Ed - 08/05/99
Rep Traficant, James A., Jr. - 08/05/99
Rep Waters, Maxine - 08/05/99
Rep Stark, Fortney Pete - 09/22/99
Rep Levin, Sander M. - 08/05/99
Rep Lewis, John - 08/05/99
Rep Becerra, Xavier - 08/05/99
Rep Abercrombie, Neil - 08/05/99
Rep Farr, Sam - 08/05/99
Rep Gutierrez, Luis V. - 08/05/99
Rep Kanjorski, Paul E. - 08/05/99
Rep Martinez, Matthew G. - 08/05/99
Rep Pelosi, Nancy - 08/05/99
Rep Udall, Tom - 08/05/99
Rep Weiner, Anthony D. - 08/05/99

SUMMARY:

NONE

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INTRODUCTION OF THE NEW MARKETS TAX CREDIT ACT OF 1999 -- HON. CHARLES B. RANGEL (Extension of Remarks - August 05, 1999)

[Page: E1761] *GPO's PDF*

HON. CHARLES B. RANGEL

in the House of Representatives

THURSDAY, AUGUST 5, 1999

- Mr. RANGEL. Mr. Speaker, today along with approximately 20 other Members, I am introducing legislation entitled the `New Markets Tax Credit Act of 1999.' The legislation is designed to spur $6 billion of private sector equity investments in businesses located in low- and moderate-income rural and urban communities.

- We should all be pleased with the economic growth that this country is experiencing. However, our current economic boom is not being enjoyed by all areas of the country. Many urban and rural low-income communities continue to have severe economic problems. Businesses in those areas often do not have access to the capital they need to grow and provide job opportunities for the residents of those areas. The residents of those areas lack access to basic businesses, such as grocery stores and other retail facilities, that all the rest of us take for granted.

- Unfortunately, business investment capital tends to flow to those areas of our country that already are experiencing rapid economic growth. We need to develop policies to direct some of that business capital to low-income communities. I believe that targeted tax credits can play an important role in this area by enhancing the economic return to the investor. The low-income housing tax credit is a very good example of how targeted tax credits can direct capital to needed investments.

- I am very pleased that the President's budget contains several proposals to promote efforts to attract business capital to low-income areas. The bill that we are introducing today is the tax portion of the President's proposal. He also has made other proposals designed to promote growth in emerging markets in this country, just as this Nation, through entities like the Overseas Private Investment Corporation, helps to promote growth in emerging markets overseas.

- The President's budget proposals this year are a continuation of the efforts of this administration in community development. I am very pleased that we have been able to enact several important community development tax initiatives with the President's support. The Empowerment Zone and Enterprise Community tax incentives and the brownfields tax incentives are important tools in assisting community development. I believe that the bill we are introducing today is another important tool needed to expand economic opportunity to all areas of this country. I look forward to working with the President and Members of this House and the Senate in enacting this important initiative.

- Following is a brief description of the bill:

The bill provides an annual nonrefundable credit to taxpayers who make qualified investments in selected community development entities. The amount of the annual credit is 6 percent of the amount of the investment and it is allowed for the taxable year in which the investment is made and the succeeding four taxable years. The credit is allowed to the taxpayer who made the original investment and to subsequent purchasers.

An investment in a community development entity would be eligible for the credit only if the Secretary of the Treasury certifies that the entity is a qualified community development entity and only if the entity uses the money it receives to make investments in active businesses in low-income communities. Low-income communities are communities with poverty rates of at least 20 percent or with median family income which does not exceed 80 percent of the statewide median family income (or in the case of urban areas, 80 percent of the greater of the metropolitan area median income or statewide median family income).

The Secretary of the Treasury would certify entities as being qualified community development entities if their primary mission is serving or providing investment capital to low-income communities and they maintain accountability to residents of the communities in which they make their investments.

The amount of investments eligible for the credit is limited to $1.2 billion for each of the years 2000 through 2004. The Secretary would allocate that limitation among the qualified community development entities.

Bill Summary & Status for the 106th Congress

APIC
(House)

Item 4 of 9

PREVIOUS BILL | NEXT BILL
PREVIOUS BILL:ALL | NEXT BILL:ALL
NEW SEARCH | HOME | HELP

H.R.2764
SPONSOR: Rep LaFalce, John J. (introduced 08/05/99)

Jump to: Titles, Status, Committees, Amendments, Cosponsors, Summary

TITLE(S):

- SHORT TITLE(S) AS INTRODUCED:
  America's Private Investment Companies Act
- OFFICIAL TITLE AS INTRODUCED:
  A bill to license America's Private Investment Companies and provide enhanced credit to stimulate private investment in low-income communities, and for other purposes.

STATUS: Floor Actions

NONE

STATUS: Detailed Legislative Status

House Actions

Aug 5, 99:
Referred to the House Committee on Banking and Financial Services.
Sep 10, 99:
Referred to the Subcommittee on Housing and Community Opportunity.

STATUS: Congressional Record Page References

08/05/99 Introductory remarks on Measure (CR E1769-1770)

COMMITTEE(S):

- COMMITTEE(S) OF REFERRAL:
  House Banking and Financial Services
- SUBCOMMITTEE(S):
  Hsc Housing and Community Opportunity

AMENDMENT(S):

NONE

COSPONSORS(23):

Rep Kanjorski, Paul E. - 08/05/99
Rep Waters, Maxine - 08/05/99
Rep Hooley, Darlene - 08/05/99
Rep Carson, Julia - 08/05/99
Rep Meeks, Gregory W. - 08/05/99
Rep Gonzalez, Charles A. - 08/05/99
Rep Jefferson, William J. - 08/05/99
Rep Owens, Major R. - 08/05/99
Rep Frost, Martin - 08/05/99
Rep Slaughter, Louise McIntosh - 08/05/99
Rep Pastor, Ed - 09/23/99
Rep Udall, Mark - 10/01/99
Rep Vento, Bruce F. - 08/05/99
Rep Watt, Melvin L. - 08/05/99
Rep Gutierrez, Luis V. - 08/05/99
Rep Sandlin, Max - 08/05/99
Rep Mascara, Frank - 08/05/99
Rep Brady, Robert - 08/05/99
Rep Klink, Ron - 08/05/99
Rep Andrews, Robert E. - 08/05/99
Rep Mink, Patsy T. - 08/05/99
Rep Rush, Bobby L. - 08/05/99
Rep Johnson, Eddie Bernice - 09/23/99

SUMMARY:

NONE

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THE AMERICA'S PRIVATE INVESTMENT COMPANIES ACT -- HON. JOHN J. LAFALCE (Extension of Remarks - August 05, 1999)

[Page: E1769] *GPO's PDF*

HON. JOHN J. LAFALCE

in the House of Representatives

THURSDAY, AUGUST 5, 1999

- Mr. **LaFALCE.** Mr. Speaker, today, on behalf of myself and a number of House Members, I plan to introduce the America's Private Investment Companies Act. This legislation, also known as APIC, is part of the Administration's broader New Markets Initiative, which includes separate legislation to provide tax credits for investments in APIC's and other community development entities, and to expand small business lending in low- and moderate-income communities.

- After seven years of strong economic growth and job creation, the unfortunate truth is that many urban areas, mid-sized cities, and rural areas are not fully participating in our economic prosperity. Despite strong income and wage growth for many Americans, millions of Americans still don't have access to jobs which pay decent wages. APIC is designed to harness the private sector to revitalize distressed low-income communities, and to create jobs and economic opportunities for those individuals who are being left behind.

- Under the bill, the Secretary of HUD is authorized to licensing a number of newly created America's Private Investment Companies [called APIC's] each year, and to guarantee debt for these APIC's. In turn, these newly created APIC's will be required to invest substantially all of the funds raised through such debt in businesses operating in low-income communities.

- In order to be eligible for APIC certification and for federal loan guarantees, an applicant must be a for-profit community development entity, which must have a primary mission of serving or providing investment capital for low-income communities or low-income persons, and which must maintain accountability to residents of low-income communities. The applicant must have a minimum of $25 million in equity capital available to it. Finally, the applicant must have a statement of public purpose, with goals that at least include making qualified investments in low-income communities, creating jobs that pay decent wages to residents in low-income communities, and involving community-based organizations and residents.

- Under the legislation, HUD is authorized to guarantee $1 billion in debt each year for the next five years for an estimated ten to fifteen new APIC's each year. For every $2 of debt that the government guarantees for an individual APIC, that APIC must have at least $1 in equity capital, which is at risk of loss ahead of the federal guarantee. As a result, at $7.5 billion in additional low-income community investments will be generated over the next five years. Yet, the cost of the combined credit subsidy and administrative cost is only $37 million a year.

- Substantially all of the funds from guaranteed debt, plus required equity, must be used to make investments in `qualified low-income investments'--that is, in equity investments in or loans to `qualified active businesses' located in `low-income communities'
- A `qualified active business' is a business or trade, of which at least 50% of gross income must come from activities in `low-income communities,' of which a substantial portion of any tangible property must be in low-income communities, and of which a substantial portion of employee services must be performed in low-income communities'
- Low-income communities are census tracts with either poverty rates of at least 20%, or with median family income that does not exceed 80% of the greater of the metropolitan area median family or the statewide median family income.
- At a time when Congress seems eager to enact tax breaks and loan guarantees for a broad range of industries, it is not too to ask for limited resources targeted to corporations which invest in distressed communities and low-income individuals. I urge the House to hold hearings on this legislation, and to move towards its enactment.

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Bill Summary & Status for the 106th Congress

APIC (Senate)

Item 1 of 9

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S.1565
SPONSOR: Sen Sarbanes, Paul S. (introduced 08/05/99)

Jump to: Titles, Status, Committees, Amendments, Cosponsors, Summary

TITLE(S):

- SHORT TITLE(S) AS INTRODUCED:
  America's Private Investment Companies Act
- OFFICIAL TITLE AS INTRODUCED:
  A bill to license America's Private Investment Companies and provide enhanced credit to stimulate private investment in low-income communities, and for other purposes.

STATUS: Floor Actions

NONE

STATUS: Detailed Legislative Status

Senate Actions

Aug 5, 99:
Read twice and referred to the Committee on Banking.

STATUS: Congressional Record Page References

08/05/99 Introductory remarks on Measure (CR S10493-10494)

COMMITTEE(S):

- COMMITTEE(S) OF REFERRAL:
  Senate Banking, Housing, and Urban Affairs .

AMENDMENT(S):

NONE

COSPONSORS(3):

Sen Edwards, John - 08/05/99 Sen Bayh, Evan - 08/05/99
Sen Kerry, John F. - 08/05/99

SUMMARY:

NONE

BY MR. CHAFEE (FOR HIMSELF AND MR. SMITH OF NEW HAMPSHIRE): (Senate - August 05, 1999)

AMERICA'S PRIVATE INVESTMENT COMPANIES (APIC)

- [Begin insert]

Mr. SARBANES. Mr. President, I am pleased to introduce today legislation to establish `America's Private Investment Companies,' or APIC. This legislation is part of President Clinton's `New Markets Initiative,' which I am also pleased to be able to support.

The New Markets Initiative, of which APIC is a crucial element, is an important response to economic problems that persist in many neighborhoods and communities in our urban and rural areas. These communities have been bypassed by the increased investment, job growth, and income increases that have characterized this unprecedented period of economic expansion. Indeed, the areas that would benefit from the New Markets Initiative are experiencing increased poverty levels, increased isolation, and ongoing joblessness and decay.

Yet, research increasingly shows that most of these areas represent good economic opportunities for American business. Michael Porter, a renowned business analyst who has written widely on competitiveness at both the firm and national levels, has written that a

. . . major advantage of the inner city as a business location is a large, underserved local market. . . . In fact, inner cities are the largest underserved market in America, with many tens of billions of dollars of unmet consumer and business demand.

Another group called Social Compact has done intensive studies of buying power in a number of communities around the country. These studies confirm Porter's earlier work. Social Compact estimated retail spending power in two communities in Chicago. Residents in the first community have median incomes of over $67,000 million whereas the median income in the second community is under $30,000. Yet, on a per acre basis, the lower income community has more than twice the spending power of the wealthier area.

Moreover, as labor markets grow tighter and tighter, inner cities have the advantage of an `available, loyal workforce,' to again quote Mr. Porter.

However, we need a catalyst to encourage business to take advantage of these opportunities. The APIC program provides that push. This bill gives the Department of Housing and Urban Development (HUD), together with the Small Business Administration (SBA), authority to provide low-cost loans on a matching basis to specially constituted investment companies, called APICs, that raise private equity capital for investment in businesses in low-income areas.

Individual APICs will operate in a manner similar to Small Business Investment Companies (SBICs), a very successful program that helps fund start up small business. APIC will target its investment funds to larger businesses that locate in these underserved areas, with particular emphasis on those businesses that create good jobs in those neighborhoods.

The APIC program is essentially a private-sector venture in partnership with the public sector. The managers of the individual APICs will make the investment decisions according to the program goals and criteria. They will have their money, and the money of their investors, at risk, making the government's loan much more secure.

This program requires a very small federal investment--just $36 million in credit subsidy--to create an estimated $1 billion in debt financing available. This debt will, in turn, generate $500 million in private equity per year, or $7.5 billion over the next five years. APICs would use these funds, for example, to help a business establish a new back-office facility, factory, or distribution plant in a low income area. APICs could invest in the development of multi-tenant shopping centers, or in industrial parks. Combined with the New Market Tax Credit being introduced by my colleagues Senator **Rockefeller** and Senator **Robb,** APIC will help create important new economic opportunities in parts of America that have not yet been touched by the economic prosperity most of us enjoy.

Mr. President, I ask that letters of support be printed in the **Record.**

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Bill Summary & Status for the 106th Congress

NMVC

Item 3 of 702

(senate)

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S.1594
SPONSOR: Sen Kerry, John F. (introduced 09/16/99)

Jump to: Titles, Status, Committees, Amendments, Cosponsors, Summary

TITLE(S):

- SHORT TITLE(S) AS INTRODUCED:
  Community Development and Venture Capital Act of 1999
  Community Development Venture Capital Capacity Building andProfessional Development Act of 1999
- OFFICIAL TITLE AS INTRODUCED:
  A bill to amend the Small Business Act and Small Business Investment Act of 1958.

STATUS: Floor Actions

NONE

STATUS: Detailed Legislative Status

Senate Actions

Sep 16, 99:
Read twice and referred to the Committee on Small Business.

STATUS: Congressional Record Page References

09/16/99 Introductory remarks on Measure (CR S11054-11057)

COMMITTEE(S):

- COMMITTEE(S) OF REFERRAL:
  Senate Small Business

AMENDMENT(S):

NONE

COSPONSORS(6):

Sen Wellstone, Paul D. - 09/16/99	Sen Bingaman, Jeff - 09/16/99
Sen Sarbanes, Paul S. - 09/16/99	Sen Levin, Carl - 09/16/99
Sen Cleland, Max - 09/16/99	Sen Lieberman, Joseph I. - 09/24/99

SUMMARY:

(AS INTRODUCED)

TABLE OF CONTENTS:

- Title I: New Markets Venture Capital Program
- Title II: Community Development Venture Capital Assistance
- Title III: Business Linc

Digest will follow.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS (Senate - September 16, 1999)

COMMUNITY DEVELOPMENT AND VENTURE CAPITAL ACT OF 1999

Mr. KERRY. Mr. President, the bill that I am sending to the desk is the Community Development and Venture Capital Act of 1999. I am pleased to share the introduction of this with Senators **Wellstone**, **Bingaman**, **Sarbanes**, **Levin**, and **Cleland** as cosponsors of it. This small business legislation is designed to promote economic development, business investment, productive wealth, and stable jobs in new markets.

It establishes a New Markets Venture Capital program that is part of President Clinton's New Markets Initiative that he mentioned in the `State of the Union Address' and promoted on a 4-day tour this summer.

New Markets are our country's low- and moderate-income communities where there is little to no sustained economic activity but many overlooked business opportunities. According to Michael Porter, a respected business analyst who has written extensively on competitiveness, `. . . inner cities are the largest underserved market in America, with many tens of billions of dollars of unmet consumer and business demand.' Many rural areas also contain low- and moderate-income communities.

Think of the inner-city areas of Boston's Roxbury or New York's East Harlem, or the rural desolation of Kentucky's Appalachia or Mississippi's Delta region. These are our neediest communities--urban and rural pockets that are so depleted that no internal resource exists to jump start the economy. These are places where there have been multi-generations of unemployment and abandoned commercial centers and main streets.

To get at this complex and deep-rooted economic problem, this legislation has three parts: a venture capital program to funnel investment money into our poorest communities, a program to expand the number of venture capital firms that are devoted to investing in such communities, and a mentoring program to link established, successful businesses with businesses and entrepreneurs in stagnant or deteriorating communities in order to facilitate the learning curve.

The center piece is the New Markets Venture Capital Program. Its purpose is to stimulate economic development through public-private partnerships that invest venture capital in smaller businesses that are located in impoverished rural and urban areas or that employ low-income people.

Both innovative and fiscally sound, this legislation creates a new venture capital program within the Small Business Administration that is built on two of the agency's most popular programs. It is financially structured similar to the Agency's successful Small Business Investment Company program, and incorporates a technical assistance component similar to that successfully used in SBA's microloan program.

However, unlike the SBIC program which focuses solely on small businesses with high-growth potential and claims successes such as Staples and Calloway Golf, the New Markets Venture Capital program will focus on smaller businesses that show promise of financial and social returns--what we call a `double bottomline.' These businesses tend to be higher risk, need longer periods to pay back money, need intensive, ongoing financial, management and marketing assistance, and have more modest prospects for return on investment than SBIC investments. For example, the returns on investments typically range from five to ten percent for community development venture capital funds versus SBIC's expected 20 to 30 percent rates of returns.

To balance out the equation, they also provide quality, stable jobs, create productive wealth in and among our neediest communities and need a smaller equity investment. Equity investments for community development investment funds will range from $50,000 to $300,000 versus the $300,000 to $5 million of typical deal sizes in the Agency's SBIC program.

Among other conditions, in order for an organization to be eligible to participate and approved as a New Markets Venture Capital company, it must have a management team with experience in community development financing or venture capital financing, be able to raise at least $5 million of non-SBA money for debentures, and raise matching funds for SBA's technical assistance grants.

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Bill Summary & Status for the 106th Congress

New Mkts
GOP

Item 1 of 702

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H.R.2848
SPONSOR: Rep Watts, J. C., Jr. (introduced 09/13/99)

Jump to: Titles, Status, Committees, Amendments, Cosponsors, Summary

TITLE(S):

- SHORT TITLE(S) AS INTRODUCED:
  New Markets Initiative Act of 1999

- OFFICIAL TITLE AS INTRODUCED:
  A bill to amend the Small Business Investment Act of 1958 and the Small Business Act to establish a New Markets Venture Capital Program, to establish an America's Private Investment Company Program, to amend the Internal Revenue Code of 1986 to establish a New Markets Tax Credit, and for other purposes.

STATUS: Floor Actions

NONE

STATUS: Detailed Legislative Status

House Actions

Sep 13, 99:
Referred to the Committee on Banking and Financial Services, and in addition to the Committees on Ways and Means, and Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
Referred to the Committee on Banking and Financial Services, and in addition to the Committees on Ways and Means, and Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
Referred to the Committee on Banking and Financial Services, and in addition to the Committees on Ways and Means, and Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

STATUS: Congressional Record Page References

NONE

COMMITTEE(S):

- COMMITTEE(S) OF REFERRAL:
  House Banking and Financial Services
  House Ways and Means

House Small Business

AMENDMENT(S):

NONE

COSPONSORS(3):

Rep Talent, James M. - 09/13/99 Rep Leach, James A. - 09/13/99
Rep Baker, Richard H. - 09/13/99

SUMMARY:

(AS INTRODUCED)

TABLE OF CONTENTS:

- Title I: New Markets Venture Capital Program
- Title II: Small Business Loans
- Title III: America's Private Investment Companies
- Title IV: New Markets Credit

Digest will follow.

New Markets Investment Initiative

All three components of the New Markets Initiative that require legislation have Democratic sponsors. For the most part the bills reflect the Administration proposal, with a few modifications.

- **The New Markets Tax Credit**, worth 25 percent for investments in a wide range of vehicles to help spur $6 billion in equity capital for investment in New Markets (likely to be folded into our tax bill), is being sponsored by Rep. Rangell (D-NY) in the House, and Senator Rockefeller (D-WV) in the Senate. Eligible investment companies include community development banks, venture funds and corporations, and the new investment company programs created by this initiative.
- **America's Private Investment Companies (APICs)**, modeled after our Overseas Private Investment Corporation to encourage private investment in America's untapped markets, is being sponsored by Rep. Lafalce (D-NY) in the House and Senator Sarbanes (D-MD) in the Senate. These bills very closely reflect the Administration proposal. Just as our support for the Overseas Private Investment Corporation helps promote growth in emerging markets abroad, APIC, will encourage private investment in America's untapped markets. For up to $100 million of private equity, HUD and SBA will guarantee loans up to $200 million, creating investment funds as large as $300 million to invest in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. Under the financing structure, the private investors' funds are at risk ahead of the government's.
- **The New Markets Venture Capital (NMVC) Firms**, that will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas (this bill still has not been introduced in the House), is being sponsored by Rep. Velasquez (D-NY) and Senator John Kerry (D-MA).

AGENDA FOR NEW MARKETS MEETING
Room 231 OEOB; 3:00 – 4:00 pm
September 28, 1999

I. NEW MARKETS EVENTS/ACTIVITIES – MASTER CALENDAR

II. OPL NEW MARKETS BRIEFINGS

4 btgs: Bus., Minorities, community dev, think tanks — late next wk

III. REPORTS ON SIX CITIES VISITED ON FIRST TOUR

IV. LEGISLATIVE UPDATE

V. STATUS ON SITE SELECTION

VI. OTHER ISSUES/QUESTIONS

Watts Talent Leach + Baker HR 2848

GOP bill: Not done by request. ~~[illegible]~~ signal that they may work w/ us. Their tax cred lang identical to Rangel's + APIC lang ~~[illegible]~~ lang is Kerry's

Dan [illegible] says it's a bit diff than ours
We can compare

Steve Hayman - DOC
Al Irvington - DOT
Betsy [illegible] - SBA
[illegible]

August 1999						
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October 1999						
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Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1	2	3	4
			Labor Announcement on W2W Competive Grants- Date TBD	Labor foundation Roundtable on YO- Date TBD	HUD Storefront Openings- Throughout the Year	HUD Announcement of Brownfields EDI Grants- Date TBD
5	6	7	8	9	10	11
12	13	14	15	16	17	18
	Congressional Black Caucus Legislative Conference Congressional Hispanic Caucus- Heritage Month Events		Conference on Business LINC for Financial Insititutions- Multiple Agencies (inc: Treasury, CDFI)	Brainstorming Session	Introduction of NMVC Firms Legislation- Date TBD	
19	20	21	22	23	24	25
	Deadline- Site Suggestion Memos for 2nd Trip MED Week	Alvarez and Daley @ Minority Enterprise Development Week Leadership Luncheon.	Alvarez @ National Press Club Re: small business and NM	SBA- Alvarez keynote at US Conf. of mayors event in Denver		delta listening sessions
26	27	28	29	30	1	2
	National Conference on Housing and Economic Development in Indian Country	DOL-Commerce W2W Census Grant Announcements	CDFI Native American Lending Study Workshops- throughout the Fall		EDA Event on Technology Needs in Native Communities delta listening session	Commerce Announcement of Partnership with EDA- Date TBD

Conf. of mayors - report on city small-level ent. Planning evt Alvarez + Rep. Velasquez on NMVC legislation

November: Bus. linc conference in the delta - investment business linc sessions. working w/ Lott's staff

Monthly Calendar — October 1 - 31, 1999 — CALENDAR:OR2

September 1999						
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October 1999						
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November 1999						
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$200,000 Sch'l to Work delivered at Kentucky Highlands Oct 9.29 & 9.30

Calendar

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	1	2
			CDFI Native American Lending Study Workshops- throughout the Fall		EDA Event on Technology Needs in Native Communities	Commerce Announcement of Partnership with EDA- Date TBD
3	4	5	6	7	8	9
Commerce Announcement of TISAP grants- Date TBD Delta listening		Delta listening		Back-to-School Event on Job Training, Baltimore, Maryland (w/ Lt. Gov. Townsend)		
10	11	12	13	14	15	16
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24	25	26	27	28	29	30
		Commerce Visit to Mississippi Delta (Tentative)				
31	1	2	3	4	5	6
	Second New Markets Tour- Date TBD			Navy Yard Event, Washington, D.C. on "Bridges to Friendship" project		

AGENDA FOR NEW MARKETS MEETING

Room 231 OEOB, 3:00 – 4:00 pm
September 21, 1999

I. NEW MARKETS EVENTS/ACTIVITIES – MASTER CALENDAR

II. BRAINSTORMING SESSION FOLLOWUP

next wk we will narrow in an internal WH mtg.

New mkts complements EZ, CDFIs, & everything that's getting threatened.

III. NEW MARKETS BRIEFINGS

Joy is wkg on coordinating these

IV. REPORTS ON SIX CITIES VISITED ON FIRST TOUR DUE SEPTEMBER 24

V. NEW MARKETS DATA/RESEARCH GROUP – RECOMMENDATION MEMO

sent up later this wk or next wk to outline pros & cons re setting up a task force on new mkts research

VI. LEGISLATIVE UPDATE

NMVC: no knowledge awaiting kerry + velasquez intro

Senate got dropped - kerry's language

VII. OTHER ISSUES/QUESTIONS

we don't want to lose support & approps.

New Mkts is a top priority

GOPrs have intro'd New mkts init
HR 2848 members of Talent watts, Wach, + —
record indicates bill intro'd upon request - some type of gesture to wk w/ us.

tax credit, APICs.
identical to ours APICs is same, tax credit taken long from Rangel on NMVC

September 1999

Monthly Planner

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 Labor Announcement on W2W Competive Grants - Date TBD	2 Labor Foundation Roundtable on YO - Date TBD	3 HUD Storefront Openings - Throughout the Year	4 HUD Announcement of Brownfields EDI Grants - Date TBD
5	6	7	8	9	10	11
12	13 Congressional Black Caucus Legislative Conference Congressional Hispanic Caucus - Heritage Month Events	14	15 Conference on Business LINC for Financial Institutions - Multiple Agencies (inc: Treasury, CDFI)	16 Brainstorming Session	17 Introduction of NMVC Firms Legislation - Date TBD	18
19	20 Deadline - Site Suggestion Memos for 2nd Trip MED Week	21 Instgrantee responsible for hiring + training all 76 country	22 Admin'r Alvarez Subj at N.P.C.	23	24 Asked agencies to prepare memo on follow up	25
26	27 National Conference on Housing and Economic Development in Indian Country HUD	28 20 mill on W2W / $ to train + hire welfare recip to become census enumerators DOL-Commerce W2W Census Grant Announcements $240 mill grants for welfare grantees that ~~make the conn~~	29 CDFI Native American Lending Study Workshops - Throughout the Fall	30 Commerce Meeting with CEOs on Digital Divide - Date TBD delivered 9 people involvement		

August

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October 1999

Monthly Planner

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 EDA Event on Technology Needs in Native Communities	2 Commerce Announcement of Partnership with EDA - Date TBD
3 Commerce Announcement of TISAP grants - Date TBD	4 Delta ~~March on~~ Visit in Wasington	5	6	7	8	9
10	11	12	13	14	15	16
17	18 PONS	19	20	21	22	23
24	25	26 Commerce Visit to Mississippi Delta (Tentative)	27	28	29	30
31						

September

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November

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November 1999

Monthly Planner

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 Second New Markets Tour - Date TBD	2	3	4	5	6
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14	15 Treasury and SBA Delta Finance Summit - Date TBD	16	17	18	19	20
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October

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• Jon Orszag

• Jackie Lawing HUD

• Steve Haymon

• Ted Werfel - Sara Rosen's husband SBA

• Chris Swedine

September 1999

Monthly Planner

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
August S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31			*1* Labor Announcement on W2W Competive Grants - Date TBD	*2* Labor Foundation Roundtable on YO - Date TBD	*3* HUD Storefront Openings - Throughout the Year	*4* HUD Announcement of Brownfields EDI Grants - Date TBD
5	*6*	*7*	*8*	*9*	*10* Introduction of NMVC Firms Legislation - Date TBD DOT interagency mtg	*11*
12	*13* Monday: community EZ-ECs	*14*	*15* Conference on Business LINC for Financial Institutions - Multiple Agencies (inc: Treasury, CDFI)	*16* Tentative Brainstorming Session for 2nd Trip theme +	*17*	*18*
19	*20* Deadline - Site Suggestion Memos for 2nd Trip add to HL memo	*21*	*22*	*23*	*24* energy corp will invest 5 mill in delta DOT listening session	*25*
26	*27* Steve Haymon 693-4628	*28* DOL + Commerce 2 more in Alaska in Oct one in New England one in FL	*29* Native American Lending Study Workshops - Throughout the Fall	*30* Commerce Meeting with CEOs on Digital Divide - Date TBD		October S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Printed by Calendar Creator Plus on 9/7/99

* targetted to welf recipients

— W2W census grant enabling national provider to hire temporary workers

CDFI does lending study. These workshops put together many to talk @ what the barriers are etc.

report will come out possibly in Nov

October 1999

Monthly Planner

Why w/ CDFI in delta
they are leading delta bus
link coalition + we Dr want
to put together a delta
summit

Will
move to
3rd
wk of
Nov

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 Commerce Announcement of Partnership with EDA - Date TBD	*2* Treasury and SBA Delta Finance Summit - Date TBD
3 Commerce Announcement of TISAP grants - Date TBD	*4* Delta groups	*5* will march on Washington	*6*	*7*	*8*	*9*
10	*11*	*12*	*13*	*14*	*15*	*16*
17	*18*	*19*	*20*	*21*	*22*	*23*
24	*25*	*26* Commerce Visit to Mississippi Delta (Tentative)	*27*	*28*	*29*	*30*
31						

September

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19	20	21	22	23	24	25
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November

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

November 1999

Monthly Planner

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 Second New Markets Tour - Date TBD	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October

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31						

December

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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

expanding targeting criteria so it's not only place-based but also population-based serving distinct pop.
giving sec ability through a regulatory process to target and in this way. we don't want it, but can

Artist Series workshop

AGENDA FOR NEW MARKETS MEETING

Room 231 OEOB; 3:00 – 4:00 pm

September 7, 1999

I. UPCOMING NEW MARKETS EVENTS/ACTIVITIES – MASTER CALENDAR

II. ARKANSAS DELIVERABLES

III. BRAINSTORMING SESSION FOR SECOND TOUR
THURSDAY, SEPTEMBER 16 AT 10:00 AM

IV. IDEAS FOR BRIEFINGS – MUNICIPALITIES, THINK TANKS

V. FOLLOW-UP MEETING/REPORTS ON SIX CITIES VISITED ON FIRST TOUR

VI. NEW MARKETS DATA/RESEARCH GROUP – RECOMMENDATION MEMO UNDERWAY being drafted recommendation
today by tomorrow

VII. LEGISLATIVE UPDATE
after we intro NMVC we will look for co sponsors. Tax piece will get folded into larger tax bill. At it looks like others will get folded into a large omnibus approp

VIII. DISTRIBUTION OF PHOTOGRAPHS FROM FIRST NEW MARKETS TRIP

IX. OTHER ISSUES/QUESTIONS

Draft: Sept. 3, 1999

BusinessLINC: How do Financial Institutions Help Small businesses Grow?
September 15, 1999

Time	Scheduled Event	Presenter
12:30-12:45	Pick-up Box Lunches	
12:45-1:00	Welcome and Remarks • History of BusinessLINC	Ellen Lazar, Michael Barr
1:00-1:15	Keypad Voting	Walt Roberts (Contractor)
1:15 – 1:20	Introduction: • BusinessLINC and New Markets Initiative	Fred Hochberg, Deputy Administrator, SBA
1:20-1:40	Keynote Remarks • Role of Technical Assistance with Small Business Lending • Leveraging Effect with Access to Capital • Benefits to Large and Small Businesses • Keys to Success • Strategies Used by Financial Institutions • Strategies Used with Suppliers • Strategies in Coalitions • Role of Intermediary Organizations • Examples of Success	Fed. Gov. Gramlich Denis Cane Calc Hcp
1:40-1:45	Keypad Voting	Walt Roberts (Contractor
1:45-2:00	Overview of BusinessLINC and Successful Strategies • History of Involvement from BRT and Texaco • Structure of National Coalition • Structure of Local Coalitions (6 cities, 6 more to come) • How to get involved or start a coalition (as an individual firm or through intermediary / coalition) • Upcoming events	Jim Pruitt (Texaco)
2:00-2:15	Break	
2:15-3:30	Panel 1: Financial Institutions & Small Business Borrowers	

Moderator, Charles Tansey, Small Business Administration

Jim Reid, South Dallas Development Corp. (SDDC)

SDDC provides financing and development services in south Dallas and the Dallas Enterprise Zone. SDDC provides small business technical assistance. . .

Robert Ballou, President, Small Business Finance Corp., GE Capital

GE Capital, one of the largest small business lenders in the nation, has established a technical assistance program within its small business finance unit called "The GE Capital Small Business College". The "College" is a structured networking and educational seminar for owners of existing, successful, small businesses.

Bill Bynum, Executive Director, Enterprise Corporation of the Delta (ECD)
ECD provides small business technical assistance . . .

Clarence Mosley, V.P. Small Business Finance, Chase Manhattan Bank
Chase has created three Business Resource Centers (BRC) that provide free consulting to small businesses. The BRC's provide one-on-one advice, referrals, and help with applying for business loans. Since their inception, BRC's have advised over 5,000 small businesses and lent over $38 million, with losses comparable to the rest of Chase's portfolio.

3:30-3:45 Keypad Voting — Walt Roberts (Contractor)

3:45-4:00 Break

4:00-5:15 Panel 2: Suppliers & Coalition Efforts

Moderator, Cliff Kellogg, Department of the Treasury

Larry Hawkins, President & CEO, Unity Bank
Unity Bank has partnered with Shell Oil Corp., wherein Shell has agreed to invest dollars directly in Unity's Investment fund, which Unity uses to invest in small business suppliers for the oil company.

Grady Hedgespeth, BankBoston Development Company (BBDC)
BBDC works with suppliers through . . .

Margo Posey/Carl Hecht, N. Texas Commission-Dallas/Ft. Worth Minority Business Development Council
Over the last 6 years, these organizations have matched more than 200 minority-owned businesses with major local corporations for one-year mentorships. This civic collaboartion also supports other business-to-business activity and minority supplier purchases.

Ed Dugger, UNC Ventures and Boston Business Collaborative (BBC)
The BBC formed out of a series of meetings among the Boston Federal Reserve, State Street Bank, and other leading Boston corporations. The BBC's goal is to increase business between major corporations and entrepreneurs of color, through building communication, building capacity, and building partnerships.

5:15-5:30 Keypad Voting — Walt Roberts (Contractor)

5:30-5:45 Wrap-Up — Summers (?), Barr, Lazar

5:45-6:30 Reception

How do Financial Institutions help Small Businesses Grow?

BusinessLINC and Small Business Technical Assistance Conference

Wednesday, September 15, 1999 12:30pm to 6:30pm

Many financial institutions assist small businesses – both borrowers and suppliers – with more than financing and traditional pre-loan counseling. Many large and small lenders are experimenting with promising new approaches that are helping to strengthen their borrowers.

"Come hear lenders and small businesses describe what works and what does not work."

- ***Small business counseling by CDFIs and loan pools***
- ***Partnerships with specialized nonprofits***
- ***Targeted supplier development and mentoring programs***
- ***Mini-MBA programs***
- ***Civic leadership efforts to promote inner-city business connections***
- ***Direct assistance through full-time small business counselors***

Featuring speakers from:
BankBoston Community Bank, Bank of America, Boston Community Capital, Chase Manhattan Bank, GE Capital Small Business College, Southern Dallas Development Corp. and Unity Bank.

Agenda:
12:30 - 2:00pm Lunch -- Opening Plenary -- Keynote
2:00 - 5:00pm -- Breakout Sessions
5:00 - 6:30pm – Reception (cash bar)

NEW TECHNOLOGY
Participants will get "up to the second" results on the ideas discussed, through the use of personal hand-held electronic voting devices.

Co-sponsored by the CDFI Fund, Department of Treasury, Small Business Administration, Federal Housing Finance Board, Federal Reserve System, Federal Deposit Insurance Corporation, Office of Thrift Supervision, Office of the Comptroller of the Currency.

BusinessLINC and Small Business Technical Assistance
Renaissance Washington D.C. Hotel - 999 9th Street, N.W., Washington, DC

Detach and Mail below Registration Detach and Mail below Registration

Conference Registration Form

One registrant per form. Please duplicate this form as necessary to register more than one person. Registrations must be received by **September 1, 1999.**

Name: ____________________ **Title:** ____________________
Organization: ____________________
Address: ____________________
City/State/Zip: ____________________
Phone: __________ **Fax:** __________ **E-mail:** __________

Mail registration to: CDFI Fund US Department of Treasury
601 13th Street, N.W., Suite 200 South
Washington, D.C. 20005 Ph: (202) 622-8662 Fax: (202) 622-7754

U.S. Department of Housing and Urban Development
EZ/EC Initiative

hud
Empowerment Zones &
Enterprise Communities

Phone: (202) 708-6339
Fax: (202) 401-7615

To: Julian Potter, Nicole Rabner

Fr: Ken Sain

Date: July 28, 1999

6 Pages to follow

Comments: Julian-

We will send you all of the annual reports separately. If you need any follow up call Dennis, I will be away for the rest of the week.

Ken.

Empowerment Zone/Enterprise Community Initiative

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

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

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

Although the Empowerment Zone/ Enterprise Community Initiative is a ten-year effort, visible change in zone neighborhoods is already taking place in the form of business startups and expansions, new jobs, commercial and housing development, and improved services for community residents.

Round One

On December 21, 1994, President Clinton and Vice President Gore designated 72 urban areas and 33 rural communities as Empowerment Zones or Enterprise Communities. They are receiving more than $1.5 billion in performance grants and more than $2.5 billion in tax incentives. Total public and private investment in the urban EZ/ECs already exceeds $8 billion.

Each Round I urban Empowerment Zone received $100 million and each rural, $40 million, in performance grants for job creation and job-related activities. The Round I urban EZs are located in:

Atlanta, Georgia	Baltimore, Maryland
Chicago, Illinois	Detroit, Michigan
New York, NY	Philadelphia/ Camden
Cleveland, Ohio*	Los Angeles, California *

***Originally designated as a Supplemental EZ, granted full EZ status under the Taxpayer Relief Act of 1997. As SEZs, Los Angeles received a grant of $125 million and Cleveland, $90 million.**

Boston, Houston, Kansas City, KS/MO, and Oakland each received $25 million as Enhanced Enterprise Communities. The remaining 93 urban and rural areas received $3 million.

The Round I rural EZs are located in:

Kentucky Highlands, Kentucky
Mississippi Delta, MS
Rio Grande Valley, Texas

Employers in the urban and rural Empowerment Zones are eligible for wage tax credits, worth $3,000 for every employee hired who lives in the Empowerment Zone boundaries. EZ businesses also are eligible for increased tax expensing for equipment purchases. (EZ businesses may write off as an expense the cost of the depreciable, tangible personal property they purchase, up to $37,500 -- $20,000 more than the normal $17,500 first-year, write-off for businesses not in the EZ.)

All of the 105 communities are eligible to receive tax-exempt bond financing that offers lower rates than conventional financing to finance business property and land, renovations, or expansions.

Round Two

The Taxpayer Relief Act of 1997 authorized a competition for a second round of 20 EZ designations -- 15 urban, 5 rural. Communities not designated as Round I Empowerment Zones as well as qualified rural communities and Indian Nations were eligible for the second round of 20 zone designations.

During the Round II competition, 279 communities and groups of adjacent communities competed for the designation -- 119 in urban areas and 160 in rural areas. In order to compete for status, communities submitted strategic revitalization plans that act as roadmaps for transforming troubled communities.

Zones were selected based on a scoring system that measured the quality of revitalization plans and private and public sector commitments made to implement the plans. An interagency task force of career civil servants made the selections.

On January 13, 1999, Vice President Al Gore named 20 economically distressed communities as Round Two Empowerment Zones, making them eligible to share in $3.8 billion in proposed federal grants and tax-exempt bonding authority to finance sweeping revitalization and job creation programs over the next 10 years.

The 15 urban Round II Empowerment Zones are in:

Santa Ana, California
Miami-Dade County, Florida
Boston, Massachusetts
St. Louis, Missouri/ E. St. Louis, Illinois
Cincinnati, Ohio
Columbia/ Sumter, South Carolina
El Paso, Texas
Huntington, West Virginia/ Ironton, Ohio
New Haven, Connecticut
Gary/ Hammond/ E. Chicago, Indiana
Minneapolis, Minnesota
Cumberland County, New Jersey
Columbus, Ohio
Knoxville, Tennessee
Norfolk/ Portsmouth, Virginia

The 5 rural Round II Empowerment Zones are in:

Desert Communities, California (Riverside)
Southwest Georgia United (Cordele)
Southernmost Illinois Delta (Ullin)
Lake Agasiz (Fargo, ND)
Oglala Sioux Tribe (Pine Ridge, SD)

The Second Round offers additional potential to link communities to their broader regional economies. Second-Round Zones were able to designate up to 2,000 acres of underutilized "developable sites," property outside the formal Zone area that can receive Zone benefits and be used for job-creation for Zone residents.

The Vice President also announced that President Clinton's proposed federal budget for the 2000 fiscal year will seek an additional $65 million in special grants that would go to some of the cities that applied for but did not receive designation as Urban EZs. A total of $45 million of the grants would go to the 15 communities called Strategic Planning Communities that were finalists in the competition for selection as Urban EZs.

The Strategic Planning Communities, which would each get $3 million next year under the President's budget request are in:

Anchorage, Alaska
Birmingham, Alabama
Burlington, Vermont/Plattsburgh, New York
Charleston/North Charleston, South Carolina
Jackson, Mississippi
Kansas City, Missouri/Kansas City, Kansas
Louisville, Kentucky
Tacoma/Lakewood, Washington
Las Vegas/North Las Vegas, Nevada
Little Rock/North Little Rock, AR
New Orleans, Louisiana
New York City/Brooklyn, New York
Newark/Elizabeth, New Jersey
Providence, Rhode Island
San Antonio, Texas

Round II Funding

The 20 new EZs will share $55 million in federal grants already approved for this year. $3 million for each Urban Zone and $2 million for each Rural Zone.

The Clinton Administration has already won Congressional approval of $2.2 billion in tax-exempt bonding authority for the group of 20 Round II EZs, along with other tax incentives over the next 10 years.

The Administration is seeking Congressional approval for $1.5 billion in federal grants for the group of 15 Urban Zones spread over 10 years, and $100 million in such grants for the group of five Rural Zones for the same period.

This works out to $130 million in bonding authority and $100 million in grants for each Urban Zone, and $60 million in bonding authority and $20 million in grants for each Rural Zone over 10 years.

If Congress approves full funding for the Empowerment Zones, the federal investment is expected to help create and retain about 90,000 jobs and stimulate $20.3 billion in private and public investment in the next 10 years in the Zones. This would have a dramatic effect in the areas of our country which face high unemployment, weak economies, shortages of affordable housing and challenges.

New York, NY Empowerment Zone

The New York Empowerment Zone Corporation (NYEZC) is responsible for review, oversight and annual audit of the New York City Empowerment Zone (EZ). NYEZC's fundamental mission is to assist the Local Development Corporations (LDCs) to implement and realize the goals of the Strategic Plan developed by the Upper Manhattan and the Bronx Communities. The City of New York and the State of New York each committed to match the federal grant of $100 million, thus providing $300 million to the EZ over 10 years.

NYEZC provides final approval for funding of initiatives recommended by the two designated LDCs: the Upper Manhattan Empowerment Zone Development Corporation (UMEZ); and the Bronx Overall Economic Development Corporation (BOEDC). The NYEZC's Board of Directors (Board) is comprised of representatives of the Governor of the State of New York, the Mayor of the City of New York, the 15th Congressional District, the 16th Congressional District, UMEZ, and the Bronx Borough President. A representative of the Secretary of the U.S. Department of Housing and Urban Development is an ex-officio non-voting member of the Board.

Enterprise Communities in the State

There are four Enterprise Communities (ECs) in the State of New York (Albany/Schenentady/Troy, Buffalo, Rochester, and Kingston/Newburgh). The State of New York has committed to matching the federal grants to the ECs as well.

Federal Investments

The following reflects the amount of EZ Social Services Block Grant (SSBG) funds "drawn down" from the HHS Payment Management System by the State of New York for each EZ/EC as of 3rd Quarter, FY 1999.

Each EZ/EC must use procedures established by the State for accessing the EZ/EC SSBG funds. These procedures may vary by State. The procedures used by some States allow the localities to have access to resources for their EZ/EC projects for a period of time prior to when the State draws down the federal funds from the HHS Payment Measurement System.

During the first two years of implementation there were some problems with the State of New York's drawdown requirements related to SSBG funds that have led to delays in progress. A GAO report stated that " ... state government's involvement has created an unnecessary layer of bureaucracy..." (GAO/RCED-97-21). There have also been recent problems with the City of New York that have led to some delays in implementation of NYEZC's strategic plans.

Many EZ/ECs are using the grant funds sparingly in order to leverage financial investments by their State and local governments and private sector partners. The designated sites are fully aware that they may use the funds for projects and activities at any time throughout the 10 year designation period, and HHS is supportive of the localities using the funds according to their needs throughout the period.

The drawdown amounts are not meant to be used as sole indicators of the general progress made by any specific EZ/EC.

Empowerment Zone

	Authorized	Total Draw	Balance
NYC	$100,000,000	$14,128,497	$85,871,503

Enterprise Communities (ECs)

Albany	$2,947,368	$1,674,021	$1,273,348
Buffalo	$2,947,368	$1,870,126	$1,077,242
Rochester	$2,947,368	$2,362,865	$ 584,503
Newburgh	$2,947,368	$2,287,863	$ 659,505