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THE SOUL CITY COMPANY

P. O. BOX 188
SOUL CITY, NORTH CAROLINA 27553
(919) 456-3111

FLOYD B. MCKISSICK, ESQ.
PRESIDENT

March 28, 1975

Correspondence Section
Operations Control Division
New Communities Administration
Room 7133
United States Department of Housing
and Urban Development
Washington, D. C. 20410

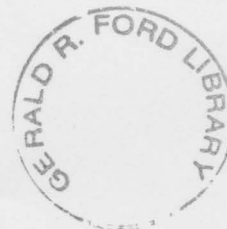
ATTENTION: Mr. Otto G. Stolz, Administrator

RE: RALEIGH NEWS AND OBSERVER NEWS ARTICLES ON SOUL CITY

Dear Mr. Stolz:

As a result of the slanderous series of articles and editorial page comments in the RALEIGH NEWS AND OBSERVER, two things have occurred. On the one hand, a cloud has been created over Soul City, at least in the minds of certain people. At the same time we have become possibly the most visible single project of the Department of Housing and Urban Development. We have attempted to keep you abreast of much that has been written about us. On March 20, we held a major press conference in Henderson, North Carolina, and provided the press with considerable information to correct the record. You have received a copy of my statement made at that time. We are quite pleased with the reception to the press conference on the part of the media in North Carolina. For your information, I am enclosing now some of the background material which has been provided to the media.

Because of the high visibility of this project and because of the unique nature of this particular New Community venture, it is crucial that persons at the highest levels of government are fully aware of the background, purpose, status and future of Soul City. We are, therefore, writing you at this time to inform you of our intention to seek a meeting with you and Secretary Carla Hills.



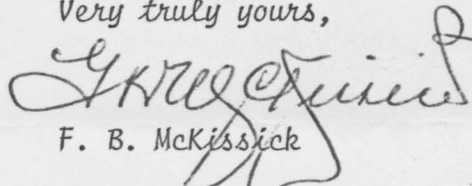
Mr. Otto G. Stolz

- 2 -

March 28, 1975

We at Soul City have nothing to fear based on the facts and history of the six years since we embarked on this journey. But due to the great stakes involved not only for us, the other new towns and the New Communities program, but also for the taxpayers, we feel that it is imperative that there be an immediate direct and personal understanding and insight into this project on the part of the Secretary.

Very truly yours,


F. B. McKissick

Enclosure

cc: Mr. Stanley S. Scott



THE SOUL CITY COMPANY

P. O. BOX 188

SOUL CITY, NORTH CAROLINA 27553



Mr. Stanley S. Scott
Special Assistant to the President
The White House
Washington, D. C.



SOUL
CITY

NORTH CAROLINA

THE BOLD NEW ALTERNATIVE

The "new town" of Soul City is planned as a totally open community providing opportunity to all of its residents. Over a 30-year period 5,287 acres will be developed to create an urban environment in a rural setting that will attract and hold a youthful population from both rural and urban areas. It is expected that Soul City's residents will be younger than those of the surrounding region, with household heads primarily in the 25-44 age bracket.

Preparation of Soul City's master development plan is based upon three factors: the free-standing concept, the features of the land, and Soul City's orientation to human goals.

Soul City's free-standing location will substantially affect the pattern of development. Since Soul City cannot depend upon major existing population to consume its services, the prime developer—The Soul City Company—has given industry first priority in development, for creating job opportunities is basic to the success of Soul City. It is projected to have 24,000 jobs by the year 2000.

As the number of industries grows, the town will expand its residential and commercial areas, eventually allotting a third of its land for housing, about 18 percent for industry, 5 percent for commercial development, 11 percent for institutional use, and a sizable 28 percent for community parks and recreation and for natural open spaces.

Soul City will eventually have 8 villages or communities with approximately 6,000 residents in each village. Each of the villages, which will be built one at a time, will include one or more elementary schools, an activity center, and other facilities.

Much of the basic physical planning for this new community has been completed, and road construction has been started, underground utilities will soon be under construction, and a regional water system (with neighboring towns of Oxford and Henderson) will be operative within three years. Construction of HealthCo's facilities for a comprehensive health delivery system for the area and construction of Soultech I, an industrial incubator to encourage business and industrial development, is scheduled to begin in the near future. Negotiations with several industries planning to locate in Soul City will be completed soon. Plans for economic development are now being coordinated with housing plans, so that upon completion of the first industrial facility, housing will be completed, and municipal and other services will be available to residents.

While the development of Soul City is occurring, the advantages for development are great. The terrain is low and rolling, with streams, small ponds and evergreens interspersed in the landscape; the soil is sound, and weather mild. The mean temperature is 59.9°. Transportation is excellent. The Seaboard Coastline Railway runs through the Industrial Park. Interstate I-85 (N.S.) is one mile from the site and I-95 (N.S.) is approximately 35 miles to the east. I-40 (E.W.) links between Raleigh and Durham, via I-85. U.S. 1 and 158 form the Northern boundary of the site. Thus, Soul City is connected with the major metropolitan markets in the Industrial Piedmont, the Eastern Seaboard, and the Midwest and Pacific Coast. Strategically Soul City is located within a 500 mile radius of one-third of the population of the United States.

Kerr Lake gives the area abundant water and an important outdoor recreation center. Numerous major universities are in easy driving distance. Among them are the University of North Carolina, Duke, North Carolina State University, North Carolina Central University, Shaw, St. Augustine's and East Carolina University. In close proximity is the State Capitol, many cultural centers and historic sites. The Duke-Green House, an original antebellum mansion is listed in the National Register and on site. The area offers great opportunity for continued and diversified growth.

These advantages, combined with the trend of manufacturers to locate in small towns and communities to reduce expenses, give Soul City a great potential for development as an industrial urban center. The continued national demand for products currently manufactured in the region—textiles, apparel, wood furniture components, and processed agricultural products—makes the industrial outlook positive.

One of the goals of Soul City is to improve the quality of life for the residents of rural North Carolina counties which make up its environs; to offer a life of opportunity and fulfillment to those who wish to return to rural North Carolina from an equally deprived if different existence in the cities.

Three dominant land use areas will give the town a distinct urban-type character in a rural setting: 1) the industrial area, 2) the Soul City Plaza, and 3) the Educational Park. The Industrial Park has been concentrated at the northern border of the site because of its accessibility to major transportation corridors and because of the flatness of the land. Conceived as a series of industrial parks this area will be the major employment center in Soul City.

Directly south of the Industrial Park is the Soul City Plaza, the Town Center, which is designed as a major regional shopping, office, government, entertainment complex; the melting pot and meeting place for Soul City residents and non-residents.

The third major special land use area anchors the southern end of the main street. This is the Educational Park, which will provide all educational services from junior high level to the university level. Elementary schools will be located in each residential village.

Other major elements of the thirty year plan are: the Activity Centers, residential development plans, community parks and recreation facilities. Approximately 13,200 housing units will be built. The eight distinct residential villages will be comprised of a planned mix of single family detached, townhouses, garden apartments to mid-rise elevator apartments grouped near the activity centers and adjacent to elementary schools.

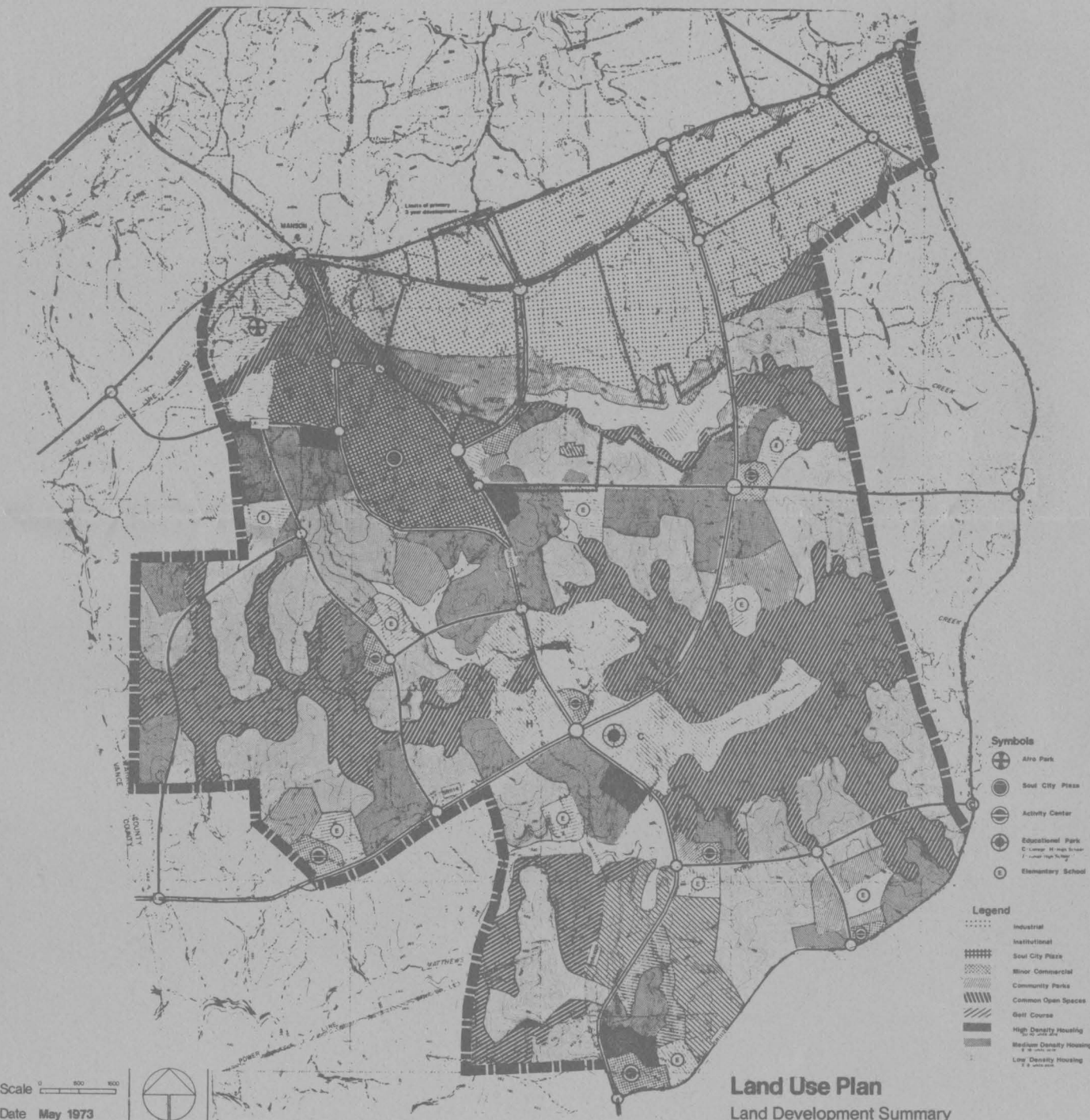
Pedestrian walkways and a Bikepath system will connect major activity points in the town. The traffic pattern will also eliminate truck traffic inside the residential areas.

Nearly 1,500 acres of land within Soul City are designated for recreational and open space use. Five community parks will be scattered throughout the new town in addition to the major municipal park of 150 acres. The remaining areas, over 900 acres, which are characterized by heavy tree cover and stream valleys, 120 acres of man-made lakes, including a boathouse, will be retained as permanent natural forest and wildlife areas.

Soul City: 30 Year Plan

Soul City Company

Soul City, NC



We would like to thank you for taking the time to read over our booklet and invite you to visit with us and become involved with "The Bold New Alternative": a totally open community for all.

FOR FURTHER INFORMATION
CONTACT: THE SOUL CITY COMPANY
Post Office Box 188, Department 411
Soul City, North Carolina 27553
919-456-3111



THE SOUL CITY COMPANY

P. O. BOX 188
SOUL CITY, NORTH CAROLINA 27553
(919) 456-3111

FLOYD B. MCKISSICK, ESQ.
PRESIDENT

April 16, 1975

Mr. Stanley Scott
Special Assistant To The President
The White House
Washington, D.C.



Dear Stan:

Floyd asked me to bring you up to date on the latest saga in the events brought on by the Raleigh News And Observer.

Attached please find:

- (1) Press stories claiming OMBE halted our funding process and quoting Commerce Department Officials
- (2) Floyd's letter of April 10 to Alex Armendaris.
- (3) Copies of full disclosures of Floyd's interest made to OMBE on March 13, 1972 and December 4, 1973 respectively.

Floyd has spoken with Alex several times in the last few days and we are hopeful that this matter can be cleaned up shortly.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Gordon R. Carey". The signature is fluid and cursive, written over the typed name.

Gordon R. Carey
Vice President

GRC/jw

Enclosure

Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.



News and Observer

Raleigh, N.C., Thursday, April 10, 1975

109th Year

OMBE Halts Soul City Contract Talks

By PAT STITH
Staff Writer

A federal agency has broken off negotiations on a \$320,000 contract to Soul City's planning agency because of questions of conflict of interest on the part of Floyd B. McKissick, founder of the Warren County development, The News and Observer has learned.

Alex Armendaris, director of the Office of Minority Business Enterprise (OMBE), on March 19 ordered negotiations halted pending a study by the agency's attorneys of alleged past, current and potential conflicts of interest involving McKissick.

A federal source said Armen-

daris took the action because of a recent series of stories in The N&O. These articles raised questions of possible conflicts of interest on McKissick's part because of his roles with for-profit and nonprofit organizations connected with the Soul City project. He heads the for-profit development firm and the federally funded planning agency that is assisting his development.

The OMBE halted negotiations with Warren Regional Planning Corp. on the new two-year contract but allowed the firm to continue to operate under a two-month extension of its present contract. No additional funds were allocated.

The agency has given the planning corporation \$864,640 in contracts since 1972, with most of the money used to plan aspects of McKissick's Soul City real estate development and to provide "technical assistance" to one of McKissick's for-profit firms.

McKissick told The N&O in January that the federal government had approved and in some cases encouraged his associations with Soul City organizations, both profit-making and nonprofit.

For example, McKissick drew a salary from Warren Regional Planning Corp. in 1972 to direct a government-funded project to promote an industri-

al program for his real estate development.

He said he didn't think the government would have contracted with the planning agency "unless I agreed to be the project manager."

The Soul City project, announced in 1969 by McKissick, has received about \$19.5 million in federal funds and loan guarantees to support McKissick's plan for a "new town" in the rural area. So far, there are no completed permanent buildings and no industries. The few residents live and work in mobile home structures.

On three occasions, dating back to 1972, federal auditors who reviewed OMBE contracts

have raised questions about potential conflicts of interest on the part of McKissick, but the auditors have been all but ignored by the OMBE, according to federal documents obtained by The N&O.

After the series of stories, Armendaris ordered the inquiry by the agency's chief counsel, but the inquiry has not been completed, according to an agency official.

Warren Regional Planning Corp.'s current \$333,140 contract was to have expired March 31, according to Harold B. Jones, deputy director of the OMBE regional office in Atlanta.

Jones said the planning agen-

cy would operate for the next two months on money left over from that contract.

It was learned that Armendaris also considered a 1973 federal audit in his decision to hold up the new contract.

The Department of Commerce, which audits OMBE contracts, has not resolved financial questions raised in an August 1973 audit of expenditures of \$65,264 by the planning corporation.

John I. Hickman, vice president and executive director of Warren Regional Planning Corp., said Monday he had not been told the contract negotia-

The News and Observer

Friday, April 11, 1975

Raleigh, N.C.

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LIBRARY

Funds Curtailed For Soul City

WASHINGTON (AP) — A Commerce Department official said Thursday that the department would not spend any more money on Soul City pending an investigation of possible conflicts of interest in development of the North Carolina

March 31. But no new contract will be signed until the investigation is completed, he said.

In the meantime, Smith said, the planning organization is working under a temporary 60-day extension of its old contract.

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THE SOUL CITY COMPANY

P. O. BOX 188
SOUL CITY, NORTH CAROLINA 27553
(919) 456-3111

FLOYD B. MCKISSICK, ESQ.
PRESIDENT

April 10, 1975

Mr. Alex Armendaris
Director
Office of Minority Business Enterprise
United States Department of Commerce
Washington, D.C.

Dear Alex:

I read in the morning newspaper of April 10, of the fact that OMBE has on March 19, 1975, halted its contract negotiation with Warren Regional Planning Corporation (WRPC). The story seems highly unlikely since not only was I not informed of it (I was then serving as Chairman of the Board of WRPC), but Mr. Hickman was in fact negotiating on the proposed two-year contract after that date.

Furthermore, I read with even greater interest the allegation that the reason for the alleged halt was a conflict of interest in regard to myself. This is very curious indeed since WRPC works in Soul City, but does not provide services for The Soul City Company, the development company of which I serve as President and General Partner.

It seems clear to me that this press attack is nothing more than one newspaper's attempt to halt the successful movement of blacks into profit-making enterprises. This is the same newspaper which consistently branded this project as all-black even when it knew better. The editor personally told me nearly five years ago that he considered Soul City to be a case of "benign segregation" because blacks were in the majority.

This newspaper, as you know, has been on an anti-Soul City campaign for quite some time. Their main reporter on our case is a master of presenting certain facts correctly and obfuscating the truth by innuendo. He has alleged that we have spent \$5,000,000 in developing the new town. He knows better since he has all the facts. Furthermore, of the subject \$5,000,000 he can find only \$65,000 of questioned cost. And, you of course, are aware that the auditors here already accepted more than half of these expenditures. Most of the remaining questions relate to technical deficiencies only.



April 10, 1975

The News and Observer's real complaint is that I am a Republican and our good liberal democratic friends can't stand to see us leave the fold.

On the matter of conflict of interest neither I nor OMBE have anything to hide. Every transaction has been done openly and without personal gain. Every federal agency has procedures for approving interested party transactions. So far as I can see there have been only a few potential conflicts and each of these has been approved and found not to constitute a conflict.

The first instance was when we received our initial contract and I served both as paid staff and an officer. This was suggested and approved by your predecessor, however. The second instance was when your office approved the assistance to Floyd B. McKissick Enterprises, Inc., (MKE) in closing the HUD new town guarantee. At that time I served as chief executive officer of both MKE and WRPC although I received no compensation from WRPC. This arrangement was carefully coordinated with HUD and as you are aware MKE was not permitted to make one penny of profit from the HUD Closing. In fact, in the seven years since I created MKE, not one dollar of profit has ever been distributed. Furthermore, the possibility of profit in the foreseeable future is remote. MKE's only function now is as a General Partner in The Soul City Company. The Company has projected annual deficits until 1986 and does not project a surplus on a cumulative basis until 1996.

Based on these facts, where is the conflict of interest? As I understand the role of OMBE it is to assist profit-making minority businesses. Soul City will in fact, if successful, during the next two decades be one of the major vehicles for creating new and expanded minority enterprises in this nation. One newspaper is apparently attempting to thwart that goal because it doesn't like our politics.

On March 24, incidentally I tendered my resignation as Chairman of the Board of WRPC, and the resignation was accepted on April 9, 1975, by the Executive Committee. John Hickman has, I believe, done an excellent job and has grown considerably during his year with us. I am hoping that the Board will now give him the full authority to run the operation under its direction.



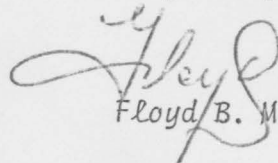
April 10, 1975

In spite of the brickbats, we continue to make substantial real progress here. HUD has just concurred in the award of contracts by our Sanitary District for our internal utilities. Highway construction and Soultch are continuing although we have encountered some delays caused by the wet weather.

I understand from John that he will be meeting with the Atlanta office to negotiate the new contract. So far as I know those negotiations are proceeding well. I will continue to keep in touch.

With very kind regards, I am

Very truly yours,


Floyd B. McKissick

FBM:as



March 13, 1972

Mr. Michael A. Keane
Negotiated Contracts Branch
Procurement Division
Room 6066
U. S. Department of Commerce
Washington, D. C. 20230

Dear Mr. Keane:

Enclosed are an original and three copies of the information requested in the "Information and Instructions for Preparation and Submission of Information". I believe that the information submitted is in complete satisfaction of your requirements except for one or two instances in which we indicate that the information will be forthcoming shortly.

In the event you require additional information, please contact me or my staff and we shall be happy to comply. We are extremely pleased with the way in which you and the other staff have expedited all matters concerning this contract.

We would like at this time to officially request that the effective date of the contract be February 15, 1972. This adjustment is important as we did incur some expenses following that time and have filled most staff positions effective February 25, 1972.

Very truly yours,

Floyd B. McKissick
President

FBM:jg

Enclosure

cc: Mr. George T. Richardson



Section II. Management and Background Information

A. Board of Directors

1. F. B. McKissick, President

Date of Birth: March 9, 1922
Place of Birth: Asheville, North Carolina
Social Security: #242-12-4860

President, Floyd B. McKissick Enterprises, Inc.
and Warren Regional Planning Corporation
Post Office Box 188
Soul City-Manson, North Carolina 27553

(In addition, F. B. McKissick is the official
responsible for the direct management of this
project).

2. Gordon R. Carey, Vice President

Vice President, Floyd B. McKissick Enterprises, Inc.
and Warren Regional Planning Corporation
Soul City-Manson, North Carolina 27553

3. David R. Godschalk, Secretary

Professor, Department of City and Regional Planning
University of North Carolina
Chapel Hill, North Carolina

4. Fredrick P. Hege, Treasurer

Date of Birth: January 18, 1931
Place of Birth: Winston-Salem, North Carolina
Social Security: #244-38-8238

Director, Franklin-Vance-Warren Opportunities, Inc.
Montgomery Street
Henderson, North Carolina 27536

5. Miss Emily Russell

Franklin-Vance-Warren Opportunities, Inc.
Henderson, North Carolina

6. Rev. L. G. Horton

President, Kittrell College
Kittrell, North Carolina



7. Dr. H. F. Robinson

Professor, A & T State University
Greensboro, North Carolina

8. Mrs. Eva Clayton

Director, North Carolina Health Manpower
Development Program
University of North Carolina
Chapel Hill, North Carolina

9. Dr. Albert N. Whiting

President, North Carolina Central University
Durham, North Carolina

10. Mr. T. T. Clayton

Attorney at Law
Warrenton, North Carolina

11. Rev. Grady Davis

Director of Religious Education
Fayetteville State University
Fayetteville, North Carolina

12. Mr. W. D. McNeill

President, Union Electric Company
Durham, North Carolina

13. Mr. F. D. Bullock

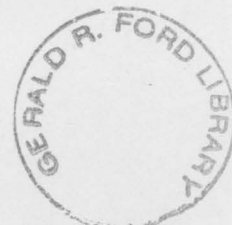
Administrator
Pinecrest Nursing Home
Henderson, North Carolina

14. Mr. John D. Wilson

County Commissioner
Vance County

15. Dr. Dan Okun

Chairman, Department of Environmental
Sciences and Engineering
School of Public Health
University of North Carolina
Chapel Hill, North Carolina



B. Financial Interests

Neither the Warren Regional Planning Corporation (WRPC), its officers or staff have any substantial financial interest in a minority business enterprise, with the exception of Mr. McKissick. Mr. McKissick, the President and Project Director for the WRPC, is of course a major stockholder and President of McKissick Enterprises, Inc., the developer of the new community of Soul City.

C. Affiliation

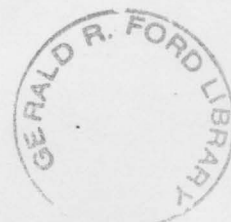
The WRPC has no corporate affiliates, subsidiaries, or branches. It was formed by principals of McKissick Enterprises, Inc. to serve as a technical and planning arm of Soul City. It is controlled solely by an independent Board of Directors.

- D. The Warren Regional Planning Corporation was incorporated December 4, 1969, in Warren County, State of North Carolina, for the purpose of engaging in the activity of planning the orderly economic and physical development of Warren County, North Carolina and adjacent areas.

WRPC received funding from the North Carolina State Planning Division in 1970 to plan Soul City and its potential impact on a two-county area. The corporation has completed all work under contract to the State and is now ready to enter into a second-year planning contract with the North Carolina State Planning Division.

Our goal is to insure a high level of competency in the area of physical planning for Soul City and surrounding areas.

(See attached copies of WRPC Charter and By-Laws.)



December 4, 1972

Mr. Charles McMillan
Contracting Officer's Technical
Representative
Office of Minority Business Enterprise
U. S. Department of Commerce
Citizens Trust Building (Suite 505)
1371 Peachtree Street, N. E.
Atlanta, Georgia 30309

Dear Mr. McMillan:

This letter is in partial response to your request of November 8, 1973 regarding business activities of myself, other Staff and Board members of the Warren Regional Planning Corporation (WRPC).

The only current staff member with any significant interest in any minority owned enterprise is myself. While I do not have any major holdings in any such company I do own five (5) shares of McKissick Enterprises stock and have a very modest interest in the Soul City Investment Corporation. I also serve as Vice President of McKissick Enterprises without compensation. Additionally I will have an interest in the Madison-McKissick Development Company, a corporation which has been chartered but has not yet been organized and no stock has been distributed to date. Madison-McKissick Development Company does have a contract to develop a health facility in Soul City for HealthCo, Inc. a non-profit corporation.

Several other members of the WRPC staff own 1 share in McKissick Enterprises and very modest investments in the Soul City Investment Corporation.

The WRPC has, of course, provided substantial technical assistance to McKissick Enterprises, the sponsor of the Soul City project under our Modification Number Four to Contract Number 2-35590.



Mr. Charles McMillan

December 4, 1973

The only current Board member of WRPC with any substantial interest in minority businesses is Floyd B. McKissick, Chairman of our Board. Mr. McKissick and his family do have a controlling interest in McKissick Enterprises and he, of course, serves as President and Chairman. He also has some stock in the Soul City Investment Corporation (as do all other Soul City staff members and he will have a yet undetermined interest in Madison-McKissick Development Company.

A former member of our Board T. T. Clayton, Esquire, who serves as Counsel to the WRPC, also has certain interests in minority businesses. I have asked Mr. Clayton to make a disclosure of such interests and will forward this to you as soon as I have received it.

In the case of other Board members, past and present, I am sending to each of them a memorandum requesting disclosures of any such interests. This information will be sent to you as soon as available.

Should you have any questions or desire additional information, please contact me directly.

Very truly yours,

Gordon R. Carey
President



THE SOUL CITY COMPANY

P. O. BOX 188
SOUL CITY, NORTH CAROLINA 27553
(919) 456-3111

FLOYD B. MCKISSICK, ESQ.
PRESIDENT

June 3, 1975

Mr. Stanley S. Scott
Special Assistant to the President
The White House
Washington, D. C.

RE: Soul City Foundation Proposal Submitted to OEO
(Community Services Administration) January 1975,
in the amount of \$291,328

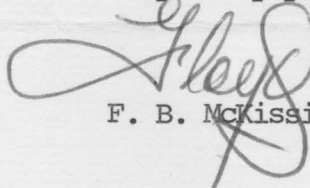
Dear Stan:

Enclosed please find copies of letters written to Senator Jacob Javits;
Mr. Larry Greenberg, Assistant to Senator Javits, and Mr. Bert Gallegos,
Community Services Administration, regarding the above named matter.

Also find enclosed recent news articles regarding Soul City from the
HENDERSON DAILY DISPATCH, dated May 30, 1975, and the RALEIGH NEWS
AND OBSERVER, dated June 3, 1975.

With very kind regards, I am

Very truly yours,



F. B. McKissick

Enclosures



THE SOUL CITY COMPANY

P. O. BOX 188
SOUL CITY, NORTH CAROLINA 27553
(919) 456-3111

FLOYD B. MCKISSICK, ESQ.
PRESIDENT

May 27, 1975

Mr. Larry Greenberg
Assistant for Labor, Public Welfare Committee
Office of Senator Jacob Javits
Dirksen House Office Building
Room 4226
Washington, D. C. 20515

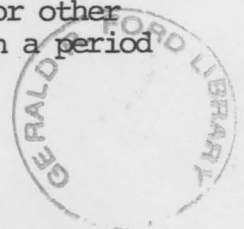
RE: Soul City Foundation Proposal Submitted to OEO (Community Services Administration) January, 1975, in the amount of \$291,328.

Dear Mr. Greenberg:

It was nice talking with you by phone today in regard to the above named matter. As I advised, we need the assistance of Senator Javits in securing the above funding for the Soul City Foundation. Senator Javits has been more than helpful to me personally, to CORE and to the Soul City project throughout the years, and we are indeed grateful for the support he has given us.

The Community Services Administration advises that funds are not now available for funding of the project. As you know, OEO agreed with HUD and OMBE to assist in our industrial development at Soul City.

This proposal is designed to expand the Foundation's efforts to develop a comprehensive program of human and economic planning for the residents of the new town of Soul City and the surrounding counties of Vance and Warren. The program builds on the achievements of earlier OEO grants to the Foundation, notably grant #40475-F-73-01, dated June 11, 1973, for the construction of the first industrial facility, Soultech I, in Soul City. (For your information, attached please find the grant correspondence of June 11, Statement of OEO Grant and Budget Summary.) Through this Special Impact Grant, totaling \$568,875, the Foundation has constructed a building valued at \$1,500,000 upon completion (July 15, 1975). Construction has acted as a catalyst for other construction at Soul City and provided 87 jobs to area residents (in a period



Mr. Larry Greenberg

- 2 -

May 27, 1975

when unemployment is nearly 30% in Warren County); and when leased the building will provide a sizable number of manufacturing jobs. The Foundation is now creating a CDC to own and operate the facility; this new CDC will begin with a viable undertaking and a resource base from which to plan and develop other ventures.

It is on the basis of this kind of achievement that I am requesting your help in assuring the continuation of the Foundation's work. The objectives of the current proposal are as follows:

1. Develop detailed short and long-range plans for services in the area of manpower, social and special services, education and recreation.
2. Provide administrative and technical assistance to a community development corporation which will own and operate Soultech I, and to provide additional equity (\$80,000) to cover Soultech's overrun and to provide the CDC an adequate financial base.
3. Undertake research to facilitate the Foundation's development of coordinated social, human and economic programs for the residents of Soul City and the contiguous area.
4. Provide administrative support to all personnel hired through funding from sources other than this grant.
5. Develop further methods and means for assuring long-term economic self-sufficiency of the Foundation itself.

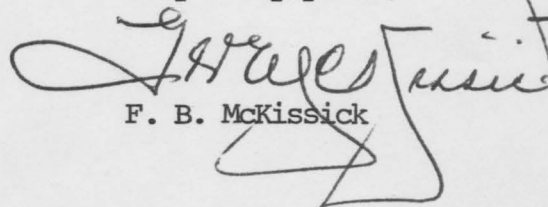
It is my understanding that the Community Services Administration has funds available and is currently making grants. The merits of this proposed program and the achievements it is based on eminently qualify the Foundation to receive a continuing grant.

Also find enclosed basic materials on Soul City for your information and guidance in the event previous materials sent my be at another location.

Your assistance in this matter would be greatly appreciated.

With very kind regards, I am

Very truly yours,


F. B. McKissick



Enclosures

cc: Mr. John Adams
Senator Jacob Javits

THE SOUL CITY COMPANY

P. O. BOX 188
SOUL CITY, NORTH CAROLINA 27553
(919) 456-3111

FLOYD B. MCKISSICK, ESQ.
PRESIDENT

May 27, 1975

The Honorable Jacob Javits
United States Senate
Dirksen House Office Building
Room 4226
Washington, D. C. 20515

RE: Soul City Foundation Proposal Submitted to OEO (Community
Services Administration) January, 1975, in the amount of
\$291,328.

Dear Jake:

I do hope that you enjoyed your vacation, which you so well deserved. I have talked with John Adams and have also written a letter to Larry Greenberg, requesting your assistance in regard to the above named matter. They have been most helpful.

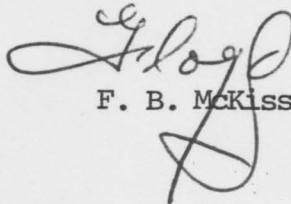
Enclosed please find copy of my letter to Mr. Greenberg, which explains in detail the assistance I am requesting.

You will recall sometime ago you gave us assistance in getting the original funds for the financing of Soultech I. We were most concerned with the outward migration from the South to the North, and it was our joint belief that creating job opportunities in the South could assist in stemming the outward migratory trend to the Northern cities.

I want to take this opportunity to thank you for your past support and for your support in the future.

With very kind regards, I am

Very truly yours,


F. B. McKissick

Enclosure



OFFICE OF ECONOMIC
OPPORTUNITY

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506

Correspondence should reference:
Grant No. 40475-F-73-01

11 JUN 1973

TO: Soul City Foundation, Inc.
P.O. Box 38
Manson, North Carolina 27553

RE: Grant Announcement

Gentlemen:

I am pleased to inform you that a grant action has been approved to assist you to finance the program referred to in the enclosed OEO Grant and attachments. This grant action is subject to your acceptance of the conditions described in the grant and to the action of the Governor of your State. You will be advised of the Governor's action.

If you accept the grant, allowable costs may be charged against the grant beginning with the date shown in Block 3 of the Statement of OEO Grant, OEO Form 314. You are cautioned, however, that if the Governor should disapprove the proposed program within 30 days after receiving a copy of the grant action, any expense incurred by you cannot be charged to grant funds if the grant is not favorably reconsidered by OEO.

The enclosed instructions set forth procedures to be followed in the interim period to expedite the release of funds if the grant becomes effective.

For an effective acceptance of this grant the signed OEO Form 314 must be returned to OEO on or before 60 days of the obligation date given in Item 4 of that form.

We wish you success in your program.

Sincerely,

Louis Ramirez
Louis Ramirez
Associate Director
Office of Economic Development

Enclosures:

Grant Documents
Instructions for Release of Funds

RECEIVED

JUN 22 1973

**SOUL CITY
FOUNDATION, INC.**



BUDGET SUMMARY

(For Health Demonstration Programs under Section 222, Research and Pilot Programs under Section 232, and Special Impact Programs under Section 151, of the Economic Opportunity Act)

1. NAME OF APPLICANT AGENCY

Soul City Foundation, Inc.

2. DATE SUBMITTED

April 9, 1973

Form Approved
OMB No. 116-R0200

3. AMENDMENT OR CONTINUATION APPLICATIONS

A. GRANT NO.

B. FUNDING PERIOD FOR WHICH FUNDS ARE REQUESTED

C. PROGRAM ACCOUNT TITLE AND NO. (As shown on most recent OEO Statement of Grant)

D. ESTIMATED UNEXPENDED OEO FEDERAL FUNDS AVAILABLE AT END OF CURRENT FUNDING PERIOD (Attach most recent Quarterly Financial Report-Support Data Sheet)

40475-F-73-01

BEGINNING DATE

May 1, 1973

ENDING DATE

April 30, 1974

\$

SECTION I. BUDGET SUMMARY (NEW APPLICATIONS - complete Column E only. CONTINUATIONS - complete Columns C and E only. AMENDMENTS - complete Columns C, D and E.)

FOR OEO USE ONLY

A. COST CAT. NO.	B. COST CATEGORY	C. OEO APPROVED BUDGET FOR THE CURRENT FUNDING PERIOD		D. REQUESTED AMENDMENT TO CURRENT OEO APPROVED BUDGET (+ OR -)		E. TOTAL REQUESTED BUDGET		F. TOTAL OEO APPROVED BUDGET	
		No months of Operation _____				No. months of Operation <u>12</u>		No. months of Operation <u>12</u>	
		OEO FEDERAL (1)	NONFEDERAL (2)	OEO FEDERAL (1)	NONFEDERAL (2)	OEO FEDERAL (1)	NONFEDERAL (2)	OEO FEDERAL (1)	NONFEDERAL (2)
1.1	Salaries and Wages					42,500		42,500	
1.2	Fringe Benefits (Employer share only)					6,375		6,375	
1.3	Consultants and Professional Services					10,000		10,000	
2.1	Travel					11,000		11,000	
2.2	Space Costs and Rentals					3,600		3,600	
2.3	Consumable Supplies					1,200		1,200	
2.4	Lease and Purchase of Equipment					2,200		2,200	
2.5	Investment Capital					421,400		421,400	
2.6	Other Direct Costs					4,600		4,600	
3.0	Indirect Costs								
TOTAL						502,875	- 0 -	502,875	- 0 -

SECTION II. ESTIMATED FUTURE COSTS (Entries in this section do not constitute a formal request for OEO approval for future program operations.)

	Estimated Total Federal Share to be Requested from OEO	No. months of Operation
1. FOR THE NEXT FUNDING PERIOD (To be completed by all applicants.)		
2. FOR THE BALANCE OF THE PROJECT (To be completed only for applications for funding under Section 232. Do not include estimates in Item 1.)		

Reserved for
OMB Approval

1. NAME AND ADDRESS OF GRANTEE Soul City Foundation, Inc. P.O. Box 38 Soul City, North Carolina 27553	2. GRANTEE NO. 40475	FUND SOURCE CODE F	FFY 73	ACTION NO. 01
	3. EFFECTIVE DATE May 1, 1973 Subject to Governor's Approval			
	4. OBLIGATION DATE (Date mailed to Governor or Grantee) 11 JUN 1973		5. PROGRAM YEAR FROM 5/1 TO 4/30	

[illegible]

TOTAL	502,875
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14. STATEMENT OF OEO APPROVAL

Federal funds as shown in Column 9, are hereby obligated for the program proposed by the grantee as noted above and in the attachments to this statement. Program account budgets may be modified by the grantee only under general flexibility guidelines or in accordance with written OEO approval. The Non-Federal Share may be met by pooling as allowed by OEO Instructions.

APPROVED BY: (Typed name and title) Louis Ramirez/Associate Director Office of Economic Development	SIGNATURE <i>Louis Ramirez</i>	DATE 5-9-73
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15.	GRANTEE ACCEPTANCE OF GRANT
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On behalf of the grantee, I accept the grant and all modifications, general conditions, special conditions 1 through _____, and requirements attached hereto. There are _____ pages attached to this form.

ACCEPTED BY: (Typed name and title of authorized official)	SIGNATURE	DATE
Dr. Al Whiting (Chairman of the Board)	Albert H. Whiting	7/10/73

THE SOUL CITY COMPANY

P. O. BOX 188
SOUL CITY, NORTH CAROLINA 27553
(919) 456-3111

FLOYD B. MCKISSICK, ESQ.
PRESIDENT

June 2, 1975



Mr. Bert Gallegos
Executive Director
Community Services Administration
1200 19th Street, N.W.
Washington, D. C. 20506

RE: Soul City Foundation Proposal Submitted to OEO (Community
Services Administration) January 1975, in the amount of
\$291,328.

Dear Mr. Gallegos:

This is to follow up my telegram requesting a conference in regard to the Soul City Foundation's proposal to the Community Services Administration, in the amount of \$291,328, submitted January 1975.

The proposal is designed to allow the Foundation to expand its efforts to develop a comprehensive program of human and economic planning for the residents of Soul City and the surrounding counties of Warren and Vance. The program builds on the achievements of earlier OEO grants to the Foundation, notably a one-year grant for Social Advocacy Planning and a Special Impact Grant for the construction of the industrial facility Soultech I. With this latter grant (#40475-F), totaling \$568,875, the Foundation has constructed a building valued at \$1,500,000 upon completion (July 15, 1975). Construction has acted as a catalyst for other construction at Soul City and provided 87 jobs to area residents (in a period when unemployment is nearly 30% in Warren County); when leased the building will provide a sizable number of manufacturing jobs. The Foundation is now creating a CDC to own and operate the facility; this new CDC will begin with a viable, economic undertaking and a resource base from which to plan and develop other ventures.

One of the objectives of the Foundation's current proposal is to provide administrative and technical assistance to this new CDC, while also providing additional equity (\$80,000) to cover Soultech I cost overrun and give the CDC an adequate financial base.

June 2, 1975

The other objectives of the program are to:

1. Develop detailed short and long-range plans for services in the areas of manpower, social and special services, education and recreation.
2. Undertake research to facilitate the Foundation's development of coordinated social, human and economic programs for the residents of Soul City and the contiguous area.
3. Provide administrative support to all personnel hired through funding from sources other than this grant.
4. Develop further methods and means for assuring long-term economic self-sufficiency of the Foundation staff.

In January 1975, Mrs. Eva Clayton, Executive Director of the Soul City Foundation and I met with you in regard to this proposal and submitted a draft for discussion. We were given every encouragement to expect funding and were informed that we had given your staff sufficient lead time to examine ways in which the program might need refining.

In the intervening months, we have had no feedback whatsoever from the national office. Letters from regional OEO officials stating objections to funding through their office have focused almost entirely on fear of duplication with the local CAP agency, Franklin-Vance-Warren Opportunity. Though these objections have been answered, the position of the regional office has remained that funding should come through the national office.

As you know, the Foundation's present grant ends June 30. Without further funding, continuation of its work will be almost impossible. I cannot too greatly stress the urgency of need for this organization's efforts, both for Soul City and the surrounding area. The Soultech I grant has allowed the Foundation to lay the basis for creating a successful CDC; it is my understanding that under recent legislation, the Community Services Administration can make grants for CDC's specifically to develop industrial parks. Certainly this new CDC falls within this area. It is my further understanding that the Community Services Administration has funds available and is currently awarding grants.



Mr. Bert Gallegos

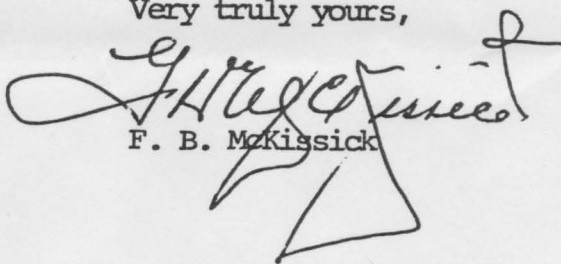
- 3 -

June 2, 1975

The Foundation's record of achievements and the merits of this proposed program eminently qualify the organization for continued funding. Indeed, I would venture to say that support of the comprehensive approach to rural development represented by the Foundation, in coordination with other organizations developing a new town in Warren County, places the Community Services Administration in the vanguard of national efforts at community development.

With very kind regards, I am

Very truly yours,


F. B. McKissick



The News and Observer

Tuesday, June 3, 1975

Raleigh, N.C.

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Soul City Audit Publicity Sought

The Interfaith Committee of Soul City has asked that a General Accounting Office (GAO) audit of Soul City be made public when it is completed.

The GAO audit was requested in March by Sen. Jesse A. Helms, R-N.C., and Rep. L. H. Fountain, D-N.C., following a series of articles about Soul City in The News and Observer.

Spokesmen for Helms and Fountain said Monday that both men had planned to release copies of the GAO audit report, which is expected to be completed in August or September.

The Interfaith Committee of Soul City said in a press release Monday that it stood "solidly beside and with Soul City and Floyd McKissick." McKissick is president of the for-profit firm that is developing Soul

Vance and Warren counties and employees of various Soul City organizations formed by McKissick and his partners, according to a spokesman for the committee.



HENDERSON DAILY DISPATCH

Henderson Daily Dispatch

FRIDAY AFTERNOON, MAY 30, 1975

Interfaith Group Backs Soul City

(Release by Lewis H. Myers,
Soul City)

The Interfaith Committee of Soul City, an organization of national and state church officials, residents of Vance and Warren counties and residents of Soul City, have taken a public stand in support of the new town, following recent press attacks and unfavorable publicity. At its meeting of May 22, the Interfaith Committee went on record as "standing solidly beside and with Soul

icipating in the organization: General Baptist of North Carolina, Baptist State Convention of North Carolina, Lutheran Church in America, American Lutheran Church, United Methodist Church, United Church of Christ, African Methodist Episcopal Zion Church, and Episcopal Dioceses of North Carolina. Several other denominations are expected to join the committee in the near future.

Support For

THE SOUL CITY COMPANY

P. O. BOX 188

SOUL CITY, NORTH CAROLINA 27553



Mr. Stanley S. Scott
Special Assistant to the President
The White House
Washington, D. C.







Soul
City

August 19, 1975

Mr. Stanley S. Scott
Special Assistant to the President
The White House
Washington, D. C.

RE: Soul City, North Carolina - GAO Audit

U. S. Department of Housing and Urban Development

Dear Stan:

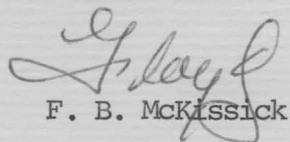
Enclosed please find copy of letter just written to Mr. Otto G. Stolz, General Manager, Community Development Corporation, HUD, dated August 18, 1975, which might indicate to you some of the concerns which confront new town developers who deal regularly with HUD.

Be kindly advised that the GAO audit at Soul City is in its final stages of completion. We were advised that the auditors presently on site at Soul City will be leaving on September 1, 1975, after which they will confer with the agencies involved to verify certain information and will then prepare and print their report.

Because of your continued interest in and support of Soul City, we wanted to share our current situation with you. If you have any questions at all, kindly let us know and we will be happy to respond immediately. We take this opportunity to also thank you for your past interest in our project and we thank you in advance for the continued support you will give.

With very kind regards, I am

Very truly yours,


F. B. McKissick



Enclosure

August 18, 1975

Soul
City

Mr. Otto G. Stolz
General Manager
Community Development Corporation
United States Department of Housing
and Urban Development
Washington, D. C. 20410

Dear Otto:

Today is Monday, August 18, 1975, and again we are faced with the inability to get decisions vital to the success of our project from your office. We, therefore, request the following actions from HUD in order to speed the project along, which in effect saves money for the government. I will enumerate our major concerns so that a reply can be made according to the number and subject matter.

1. We need approval of our Title I Discretionary Grant in the amount of \$750,000 to \$1,000,000 as you have promised. You are certainly aware that our sewer program depends on this grant and thus the fate of our development.
2. We need immediate approval of the Covenants. We cannot at this time make a sale of any properties to any persons as the Covenants run with the land. Do not forget that we are required to have 300 basic jobs during our first three years and more than a year has expired. We now have two companies seeking to lease all of the manufacturing space in Soultech and a third possible one. We are now in a position to choose one of these companies to locate in Soultech. Either of them will satisfy the 300 job requirement. The lease agreement, however, is dependent upon approval of the Covenants. Industries are hard to get. The condition of the economy speaks for itself. You demand that we get industries and yet you place us in a position of being unable to contract and complete our negotiations because of your inability to make speedy decisions.



Mr. Otto G. Stolz

- 2 -

August 18, 1975

3. The Soul City Foundation Social Planning Contract: We are requesting immediate approval of the contract which we wish to enter into to provide social service planning for the project. The terms and conditions have been thoroughly investigated by us and we know of no other party which can perform the services for us at the price that we have agreed to pay. In our original papers to HUD, we agreed to create the Soul City Foundation for the express purpose of doing the work that we now seek to have them perform for The Soul City Company.
4. We have been seeking for more than a year approval for 25 units of 236 housing for this project. To date this approval has not been given us. We would appreciate your efforts to secure immediate approval in this regard within the next two weeks. We have a list of numerous persons, non-affiliated with Soul City, who seek to purchase or rent in Soul City and we do not have the ability to absorb them. Again, this is occasioned by the lack of approval of the Covenants and the 236 housing.
5. We seek immediate approval of the contract for The Soul City Company to occupy office space in Soultech I. We must pay \$6.00 per square foot in order to execute a lease. You had indicated that a letter was on its way, but to date we have not received same. Presently, Soultech stands completed, but vacant except for the exhibits which we cannot set up because we do not have an agreement. The process of continuing to delay decisions is unfair to the use of our intelligence in saving ourselves money which would inure to the benefit of the government. This brings about criticisms from the Congress which could easily be avoided.
6. We also need approval to purchase the Peete tract, which matter has been in your office for sometime now. Remember that we have acquired our initial industrial base if we can contract with the companies. All of our consultants and Partners concur that we should buy this tract and your own consultant also agreed.



Mr. Otto G. Stolz

- 3 -

August 18, 1975

In addition to the companies seeking to lease Soultech, we now have two major blue chip and nationally known companies interested in locating in Soul City-- one would purchase up to 500 acres of land, the second one approximately 100 acres. To meet our industrial marketing goals we need to buy more land, build a new spec building, and obviously be able to sell.

We are in the unique position of being unable to talk on a sound business basis with these companies, or with anyone else for that matter. It is for the above reasons that I request that urgent approval be given to each of the matters listed above.

Your immediate reply will be greatly appreciated.

Very truly yours,

F. B. McKissick
President

cc: Secretary Carla Hills



Soul
City



The Soul City Company, P.O. Box 188, Soul City, N.C. 27553

Mr. Stanley S. Scott
Special Assistant to the President
The White House
Washington, D. C.

