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**NORTHWEST LOUISIANA  
COMPREHENSIVE CDC AND FUND**

**MARKET ASSESSMENT & INVESTMENT STRATEGY**

**PHASE II: FINAL REPORT--SUMMARY**

**NOVEMBER 27, 2004**

**PREPARED FOR:**

**THE NORTHWEST LOUISIANA STRATEGIC ACTION COUNCIL  
NORTHWEST LOUISIANA CDC AND FUND STEERING COMMITTEE**

**PREPARED BY:**

**ECONOMIC INNOVATION INTERNATIONAL, INC.  
SUSTAINABLE SYSTEMS, INC.**

### **ECONOMIC INNOVATION INTERNATIONAL, INC.**

Founded in 1970, Economic Innovation is internationally recognized for building more than \$100 billion of privately capitalized funds designed to accomplish civic and public purposes in 37 states and 21 nations of North America, Europe and Asia. These funds generate measurable wealth and high quality jobs for residents in low-income communities in this country & overseas. Since 1997, Economic Innovation has been the leader in creating a new “double bottom-line” private equity industry in which large institutional investors have partnered with community stakeholders to invest more than \$2.5 billion of private equity in market rate funds managed by world class fund managers to rebuild poor neighborhoods. Funds built by Economic Innovation cover the country from Boston to San Diego and from Portland, Oregon to Miami, Florida, as overseas in difficult environments such as Northern Ireland and Palestine. Belden Hull Daniels, President, and Lisa Hagerman, Vice-president, lead this Phase II Market Assessment.

### **SUSTAINABLE SYSTEMS INC.**

Founded in 1993, Sustainable Systems provides market-based strategies to address sustainable business, economic development and smart growth. In addition to its “double bottom-line” initiatives, Sustainable Systems manages one of the most successful new enterprise accelerators for emerging business, the Communications Technology Cluster (CTC) in Oakland, California. CTC is a paradigm market-based information and communications technology incubator/accelerator whose founder-entrepreneurs are predominantly people of color.

Sustainable Systems is the Initiative Building Consultant and Economic Innovation the Fund Building Consultant to create the Community Capital Investment Initiative and the \$175 million Bay Area Family of Funds: three funds—a \$60 million real estate equity investment fund, a \$75 million business equity venture fund, and a \$40 million environmental clean-up fund. Together, these funds will generate \$1 billion of development in the 52 poorest neighborhoods of San Francisco, Oakland, San Jose and other Bay Area communities. The Bay Area Family of Funds is the model for the \$2.5 billion pioneer “double bottom-line” funds that have been built across the country over the past decade. Joseph Gross, President, and James Nixon, Chair, are the principals of the firm working with Economic Innovation on this Phase II Fund Analysis.

### **WALTER L. ROSS & ASSOCIATES**

Walter L. Ross is the founder and President of Walter L. Ross & Associates, LLC (WLRA), a financial consulting firm that specializes in urban-based commercial and residential real estate development. Walter L. Ross brings to the firm over 25 years corporate finance, investment banking, acquisitions and deal structuring experience. The firm is a resource to municipalities, county governments, redevelopment agencies and socially responsible developers whose proposed projects require strategies to enhance economic viability. The Marin City project, the preeminent real estate project of the Bay Area Family of Funds, was developed by WLRA and selected as Real Estate Deal of the Year for 2003 by the *San Francisco Business Times*.

### **THE SHREVEPORT DEPARTMENT OF COMMUNITY DEVELOPMENT**

Led by Bonnie Moore, and ably assisted by Sue Boudreaux, the Shreveport Department of Community Development provided essential and ongoing assistance in the preparation of this report, including taking the lead in scheduling more than 20 site visits to potential development projects, and more than 90 interviews. The entire Fund Building Team is deeply indebted.

### **LSUS CENTER FOR BUSINESS AND ECONOMIC RESEARCH**

As with the 9/9/03 Study, “Finding the High Common Ground”, this Report could not have prepared without the outstanding data, mapping and graphic assistance, and general good counsel and constant high quality professionalism of Susan Beal and CBER.

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## 1 EXECUTIVE SUMMARY

Over the past six months, the Consulting Team has made five trips to Northwest Louisiana, has had two intense weeks of on-site visits to more than 20 development projects in the low-income target neighborhoods of the two principal cities—Shreveport and Bossier City, as well as select projects in outlying rural areas; has interviewed more than 90 developers and lenders, as well as private, community and public sector leaders; and employed a statistical analysis of data according to reliable formulae refined in previous Market Assessments of similar, now successful “Market-Rate Double Bottom Line” Initiatives and Funds from coast to coast. That formula gives us an estimated capital demand for the Fund of \$49,389,023 in private equity necessary to create successful mixed-income housing, and mixed-use commercial, industrial and housing development in the low-income neighborhoods of the ten parish region during the life of the Fund from 2005 to 2015.

### A “GO” DECISION CREATES A HEAVY RESPONSIBILITY TO CLOSE A SUCCESSFUL FUND:

Although there is, in our professional judgment, a sufficient deal flow to support a \$20 million Northwest Louisiana CDC and Fund as initially proposed, this is not a decision to be entered into lightly for a number of important reasons:

- ✓ From the standpoint of private sector and community leadership in Northwest Louisiana, the only decision worse than not choosing to build a CDC and Fund that could both [1] revitalize the targeted low income neighborhoods of Northwest Louisiana and [2] meet investor return expectations, would be to attempt to build the Fund and then have it either fail to close, or close and fail.
- ✓ From the standpoint of the Consulting Team, we are only as good as the most recent fund that has succeeded in meeting its double bottom line objectives. If we were to encourage a “Go” decision, and then have the Fund either fail to close or close and fail, we would no longer be able to design and build “market-rate double bottom line” funds elsewhere. (We should note that this is an essential fact that holds our feet to the fire, for we are not consultants, but Fund Builders who have as much to lose by failure as any local leader—we could lose our livelihood). To date, we have built every fund that reached a “Go” decision, and all of those funds have gone on to reach their double bottom line objectives. That record is 100 funds and 34 years old, and we do not intend to break that record now.

For all of us, the collective responsibility we have to the residents of the low-income communities of the cities of Shreveport and Bossier, and the ten parishes of Northwest Louisiana, is a great one.

For this reason, we are summarizing the full weight of our findings for the members of the Northwest Louisiana Strategic Action Council, the CDC and Fund Steering Committee, and other key stakeholders, so that there are no illusions on the part of any decision makers about the degree of difficulty of this lift, and so that any decision to move forward is taken with all due care for the heavy responsibility to succeed that such a decision places upon all the key participants who join in making the “Go” Decision both in Northwest Louisiana and in the Fund Building Team.

Below are outlined the Key Strengths (1.1), Potential Weaknesses (1.2), and Unique and Untested Qualities (1.3) of the Northwest Louisiana CDC and Fund that need to be fully understood by the SAC and the Steering Committee before a “Go” Decision is made:

#### 1.1 KEY STRENGTHS THAT SUPPORT A “GO” DECISION:

- ✓ Strong Leadership Support: The Fund Building Team has found a broad base of black and white civic leadership of Northwest Louisiana that has embraced the September 9, 2003 Strategic Action Platform, *Finding the High Common Ground*. This leadership acknowledges that the greatest risk to the long-term economic health of Northwest Louisiana is the growing gap between rich & poor, and black & white within the region. This leadership further appears to share the conviction that this gap will continue to widen significantly if not addressed in a fundamentally new way.
- ✓ A Strong Institutional Framework: This strong bi-racial leadership is implementing the recommendations of the Strategic Action Platform according to the highest current national standards for institutionalizing regional civic development initiatives:
  - The Northwest Louisiana Strategic Action Council (SAC) has been organized as regional facilitator and overseer of all the Initiatives proposed in *Finding the High Common Ground*, including ensuring that all the Initiatives make a substantial impact in revitalizing the region’s low-income neighborhoods. To carry out these Initiatives, the SAC is adopting the current national best practice which finds that:
    - Regional economies grow more rapidly if residents of low-income areas are encouraged and equipped to participate fully in the developing regional economy;
    - Low-income areas can be most successfully revitalized within a larger regional economic development context.
  - The Northwest Louisiana Comprehensive Community Development Corporation (the Comprehensive CDC) is being designed as an umbrella not-for-profit according to national best practice to sponsor and oversee the Fund in ways that ensure substantial benefit to the current residents of LMI neighborhoods, and
  - The Northwest Louisiana Community Development Fund (the Fund) is being designed according to national best practice to mobilize and invest market capital and management to rebuild low-income areas for the mutual profit of community stakeholders, residents and investors.
- ✓ High Per Capita Social Entrepreneurship: The Fund Building Team found a relatively high per capita concentration of “social entrepreneurship” in the faith-based community, the community-based not-for-profit sector, and the public sector in Northern Louisiana. This concentration is in many ways a higher per capita concentration than we find in the San Francisco Bay Area, which is internationally recognized as the global leader in entrepreneurship. Given our extensive engagement in the Bay Area over many years, and our key role in building the paradigm Bay Area Family of Funds, we can make that statement with substantial authority.
- ✓ Significant Number of Potential Deals: The Fund Building Team visited more than twenty projects in the field which have the *potential* to be viable investment deals for the Fund, subject to finding a proven fund manager with the capacity to work with

developers (both for-profit developers and not-for-profit community developers) to shape them into deals which can, in fact, produce both bottom lines.

- ✓ Measurable Estimated Capital Demand of \$49, 389,023: The same data formula that has been successfully used to estimate the capital demand for mixed-income housing and mixed-use commercial and industrial developments in low-income areas for the more than \$500 million of pioneer “market-rate double bottom line” funds (see Appendix 7.4) demonstrates that there is a 2½ times deal flow—smaller than the ratios of five and six times that we have found in some buoyant markets on the East and West Coasts, but sufficient to support a Fund capitalized at \$20 million or more, as this Market Assessment and Investment Strategy has proposed.
- ✓ Necessary Public Sector Support: This Market Assessment and Investment Strategy is explicitly expected to assess whether or not there is a sufficient public sector commitment and capacity to provide the necessary infrastructure and entitlement support to make the Fund successful.

As the Fund Building Team engaged in the extensive site visits described in Section 3.5 and interviews listed in Appendix 7.5, we were struck by how many public sector professionals in the organizations described in Section 3.7 exhibited a highly creative entrepreneurial orientation, with a willingness to undertake large efforts, take risks, cut red tape, and think outside of the box.

These individual parts do not, however, currently make a whole greater than the sum of these parts. Thus, in this Market Assessment, we found a continuation of the “silo” phenomenon that was such a significant “Weakness” in the “SWOT” analysis undertaken in the Phase I Strategic Analysis, *Finding the High Common Ground*.

In this Phase II Market Assessment, we now find that the public agencies in the region have substantial latent capacity to contribute to the revitalization of the target neighborhoods, but they need an overall coherent strategy and instrument that can bring together these diverse talents and resources. There must be a committed civic leadership that connects these discrete and isolated public efforts with private partners who can provide the development know-how, the deal structuring, and the private equity deal finance expertise to transform currently isolated undertakings into a dynamic engine of change in the target neighborhoods. This combination has the possibility of unleashing the full entrepreneurial energy that is so much a part of the culture of Northwest Louisiana, and focusing that energy on the “double bottom line” developments that can transform the LMI neighborhoods in the region. The overall strategic instruments with the potential to bring these resources together are the CDC and Fund.

This integration of the civic initiatives at the regional and neighborhood levels—public, private and not-for-profit—is a heavy lift, but a “do-able” one so long as there is the committed and capable leadership now found in the SAC, the CDC and Fund Steering Committee, and in the larger civic leadership of the seven original “investor” organizations that financed the Phase I Strategic Action Platform, *Finding the High Common Ground*’.

1.2 KEY WEAKNESSES THAT EFFECT A “GO” DECISION:

- ✓ Support for the CDC and the Fund appears to be both wide and shallow: Although there appears to be broad support for this Initiative, there is also a danger that the support is not as deep and sustained as necessary to ensure the success of the building of the CDC and the Fund.

We of the Fund Building Team learned a long time ago that we cannot outperform the client. We can help an excellent and deeply committed client create something beyond its own expectations of itself, but we cannot help build the CDC and the Fund and oversee its successful implementation without the deepest, sustained commitment of key leadership in both black and white communities—key leadership who are also committed to a close, confidential working relationship with each other throughout what will often be an arduous and difficult ten-year undertaking (the life of Fund I).

In the presentation of this Final Report to the Northwest Louisiana Strategic Action Council and to the CDC and Fund Steering Committee, we noted this concern. We were reassured that their leadership and memberships were deeply committed to investing their fullest civic energies and resources in the success of this undertaking—both through the Phase III fund raising and the ten-year successful double bottom line investment phase of the CDC and Fund I.

- ✓ The Estimated Capital Demand of \$49,389,023 is just sufficient to consider a Fund: Multiples in other settings have been as high as five and six times the size of the Fund, not simply 2½ times. This is coupled with other factors that give seasoned, sophisticated local real estate developers pause about the overall majority market for real estate development in the region, as well as about the market in the low income neighborhoods:

- Slow growth: The region has experienced slow growth in both population and per capita income for some time, and the dominant city, Shreveport, has essentially grown through annexation (its current geographic area is more than 2½ half times that of either San Francisco or Boston).
- Intra-regional movement rather than significant regional immigration: The dynamic real estate development to the South and East of Shreveport is largely persons moving out to the suburban ring from the urban core—both black and white.
- Hesitancy of middle and upper income African-Americans to return to mixed-income developments in the urban core: Shreveport and its neighborhoods are quite different today from the Shreveport we knew even as recently as 20 years ago in the mid ‘80s. A positive consequence of the civil rights movement is that middle and upper income African-Americans have much broader choices for living than they did several decades ago. While this is of great personal benefit for them, their families and their neighbors, the truly inner city neighborhoods of Queensborough and Allendale and many other of the 16 target neighborhoods, do not have the economically integrated management and leadership living in these areas that they had 25 and 35 years ago.

Given the choices currently available to middle and upper income African-Americans, there is as yet no current incentive for them to choose to move from attractive suburban locations into mixed-income developments even on the

fringes of low-income inner city neighborhoods. In those East and West Coast urban markets where mixed-income developments have successfully worked in low-income neighborhoods, the change has taken place over a decade or two, and has involved a concerted public policy effort and a dynamic real estate market.

Over time, mixed income neighborhoods can be developed in low income neighborhoods of Northwest Louisiana, but it will mean a very large concerted civic, public and private investment in creating a uniquely attractive core urban environment that has “zip and zing” to appeal to mixed-income and mixed ethnic living. Again, the lift can be done, but not without the concerted public-private-civic leadership and management mentioned above.

- The overwhelming prevalence of a subsidized, not-for-profit, fee-driven (rather than profit-driven) real estate developer practice among virtually 100% of the projects and practitioners currently engaged in development in the low income target neighborhoods is a practice that discourages entrepreneurship, takes too long, costs too much, provides too little return to the Church and Community sponsors, all the while providing fee income to the developers who take no risk for the success or failure of each individual development. The CDC and Fund must address this practice head on, provide a much more energetic alternative, and create the first few successful investments. Success will change the paradigm; successes will beget success. This issue is more extensively discussed in Section 3.5, Deal Flow, below.

### 1.3 UNIQUE, UNTESTED FEATURES OF THE NORTHWEST LOUISIANA CDC AND FUND MUST BE UNDERSTOOD BEFORE A “GO” DECISION:

The “Uniqueness” of this Northwest Louisiana CDC and Fund must also be fully understood by the SAC and Steering Committee in order to make an informed “Go” decision. The civic leadership of Northwest Louisiana needs to be mindful of both those aspects of this initiative which are not unique, and those which are. Those which are unique are therefore untested, and pose risks to the Fund raising, closing and success:

- ✓ First, Many Aspects of this SAC, CDC and Fund Initiative are Not Unique: The following elements of this Strategic Plan are well established in many working models from Boston to San Diego and from Portland, Oregon to Miami:
  - The Strategic Action Council (SAC): Regional civic strategic action mechanisms such as the SAC are well established nationally as integrated regional private sector and civic instruments for concerted economic and social action that successfully tie targeted inner city revitalization to effective regional economic development;
  - The Comprehensive CDC: Not-for-profit sponsors such as the Comprehensive CDC are a recent, but now well-established mechanism for overseeing market-rate double bottom line private equity funds that only invest in revitalizing low income areas;
  - The Fund: Market-rate Double Bottom Line Private Equity Funds that invest only in revitalizing low income areas are now established all across the country, have more than \$3 billion of committed capital, and have been consistently producing

- upper quartile 15-18% returns, while creating measurable job, wealth and community revitalization;
- Proven Investors: Of the now many bank, insurance company, foundation, pension fund and other institutional investors that have successfully invested in these funds in other parts of the country, there are several banks and foundations that would appear to be willing to play the role of key lead investors in the Northwest Louisiana CDC and Fund;
  - Proven Fund Managers: Of the now many proven private equity fund managers that have successfully managed these “double bottom line” funds in other parts of the country, there are several fund managers that would appear to be willing to explore serving as fund manager for the Northwest Louisiana Community Development Fund;
- ✓ But, Key Aspects of the Northwest Louisiana CDC and Fund Remain Unique and therefore Untested: The following elements of this CDC and Fund Initiative have never been tried before in any other part of the country either individually or in combination:
- The Size of the Region: The first market-rate double bottom line funds were built in large East and West Coast markets like Boston, Miami, Los Angeles, the San Francisco Bay Area and San Diego—what we have come to call “primary markets”. The smallest markets in which these funds have been successfully built to date are in Sacramento, California; Albuquerque, New Mexico and Portland, Oregon—what we have come to call “secondary markets”. This Fund is the first to have been tried in what can properly be called a “tertiary market”.
  - The Nature of the Regional Housing Market—Size, Strength and Policy: The first market-rate double bottom line funds that were built in large East and West Coast markets like Boston, Miami, Los Angeles, the San Francisco Bay Area and San Diego were all built in very strong real estate markets with the constant pressure of consistently rising housing costs and constant housing shortages. These markets—with the exception of Miami, and the addition of Portland, Oregon—are also ones in which there are very strong civic and political pressures to control growth by *pulling* “smart growth” in, rather than *pushing* sprawl out. These strong regional strategies and regulatory policies contribute to strong markets for these double bottom line funds.
- More recent funds are in considerably “flatter” real estate markets like St. Louis and Baltimore. The growth which is occurring in these markets is outwardly directed toward increasing sprawl. This outward sprawl is, in turn, sapping already weakening inner city markets. In these markets, some additional buoyancy is needed from Federal New Markets Tax Credits (NMTC) to make the Fund viable. The need for such additional buoyancy from NMTC may be necessary in the case of this CDC and Fund in Northwest Louisiana. Key lead investors who participate in early discussions in Phase III will be the best judge of this.
- The Geographic Location of the Fund: If one draws a straight line across the country from the Northeast to Southern California, one would find that all of the funds built to date are above that line, with the exception of Miami (Albuquerque would be right on the line). No funds have been built yet in the true South

(Miami is not in any conventional sense in the South). Only the current difficult effort in St. Louis would qualify as a heartland region removed from the dynamics of immigration found along the Atlantic, Gulf and Pacific Coast regions.

- The Size of the Fund: Conventional wisdom states that a \$50-75 million Fund is the minimum for a freestanding fund, a size not yet supported by the market in Northwest Louisiana. Although we understand and agree with this general maxim, there are successful exceptions. To date there are three well functioning double bottom line funds in the \$20-30 million range: Miami, Albuquerque and Sacramento. These smaller funds are viable because the fund manager is managing multiple funds in different locations that partially absorb a common overhead. Among the fund managers listed in the text are several that are currently managing successful multiple funds, and are also interested in—and capable of—managing a smaller fund in Northwest Louisiana. This approach to building a smaller fund in Northwest Louisiana must be tested and proven in the selection process in Phase III.
  - The use of New Markets Tax Credits (NMTCs) may also be necessary to insure the viability of the Fund for investors. The use of NMTCs is also likely to ameliorate the relatively small size of the Fund.
  - In the end, the Fund size is a matter to be negotiated among the investors, the Fund Manager, and the SAC & the CDC.
- ✓ Finally, we should note that it is precisely these unique and unproven characteristics—including especially the location of the CDC and the Fund in Northwest Louisiana—that attracts some of the national foundations and other potential key lead investors to be interested in supporting this Initiative.

#### FINDINGS OF THE FUND BUILDING TEAM AS TO THE “GO/NO-GO” DECISION:

People are the key to success: This Market Assessment and Investment Strategy provides a proven blueprint for success in building and implementing the CDC and the Fund in Phase III. All of the steps taken to date by the SAC in implementing the September 9, 2003 Strategic Action Platform, *Finding the High Common Ground*, and by the CDC Steering Committee in overseeing this Phase II Market Assessment are consistent with that blueprint. These actions bode well for a successful Phase III to build the CDC and the Fund.

In the end, however, the best design and institutional framework mean nothing, if the CDC and the Fund are not peopled by the most competent leaders and professionals at both the Board and Management level. Management matters most. This important Initiative can only succeed if the strongest, most able, most committed civic leadership with “staying power” is employed to form the CDC, and if the highest quality professionals are chosen to head the CDC and serve as the Fund Manager.

The Workplan for Phase II noted that:

*“The Phase II six-month trial period is essential to assess whether all parties are committed to the same high common ground necessary to the success of the Shreveport-Bossier Comprehensive CDC and the Community Development Fund.*

- *Unless leaders from the black and white communities can come together in a common commitment to implement and operate the Comprehensive CDC*

*according to the highest national standards for best community investment practice,*

- *unless the cities of Shreveport and Bossier City can demonstrate their willingness to make a strong commitment of their powers and entitlement, regulatory, and financial resources to build essential infrastructure and to facilitate private investment in low-income neighborhoods,*
- *unless leading Northwest Louisiana banks and other investors are willing to join national investors in backing a Comprehensive CDC that is structured to meet national standards,*
- *establishing the Comprehensive CDC and the Community Development Fund runs the great risk of failure.”*

The Fund Building Team now finds that, subject to the Strengths, Weaknesses and Unique Qualities described above, all the conditions for success are present at the conclusion of Phase II, *if* the course of action outlined in the Final Report is properly executed in Phase III.

Therefore, we counsel the SAC & CDC Steering Committee to accept this Final Report to conclude Phase II and “Go” to the Phase III CDC and Fund Building process, *subject to* agreement by the SAC and the CDC Steering Committee that *at each step of the Phase III Fund Building Process* they undertake a careful review that the highest quality persons have been chosen to insure the successful closing and implementation of the CDC and the Fund:

Step 1—Establish the CDC Board:

The workplan for Phase II noted that

*“The first order of business in the implementation of the Shreveport-Bossier Comprehensive CDC is the recruitment, selection and engagement of the most highly regarded, responsible and independent blacks and whites in the region to come together as a small board of directors (seven to eleven) to act as the collective, confidential group willing to bring the Comprehensive CDC into life and action, and address community issues facing Shreveport, Bossier City and the region.”*

This is an organic process that should begin at the beginning of Phase III and be concluded before the CDC President and Fund Manager are chosen. The details of “Next Steps for Building the CDC” are found in Section 5.0 of the text, and the “Qualifications for the Members of the Comprehensive CDC Board” are found in Section 5.5.

Step 2—Identify and Hire the CDC President:

The CDC President is the embodiment of the CDC, and therefore a measure of the capacity of the CDC to oversee the Fund and perform the functions outlined in the Report. This is the second critical step to be reviewed by the SAC and the CDC Steering Committee.

Step 3—Identify and Hire the Fund Manager:

As the Phase II workplan noted:

*“Management matters most. In order to achieve appropriate rates of return; a fund needs the best-proven management. If management is weak, even with every other element being ideal, a fund will fail to perform to expectations. Investors will expect to see a management team with a successful track record of fund investment performance in similar low-income target areas.”*

In Phase II, we have identified a reasonable group of potential fund managers who will be willing to compete in Phase III to lead fund raising and close the Fund in Phase III (Section 4.6, “Identifying and Selecting a Fund Manager”).

Phase III must now engage in a very proactive effort through the RFQ process to choose the fund manager most qualified to achieve the goals of the CDC and the Fund. This is the third critical step to be reviewed by the SAC and the CDC Steering Committee (Section 6.1, “Identify and Select a Proven Fund Manager”).

Step 4—Complete the First Close:

A first close of \$10 million allows the Fund Manager to begin operation.

Step 5—Complete the Final Close:

A final close of \$20 million allows the Fund Manager to go into full operation.

On Wednesday, September 22, 2004 with the CDC Steering Committee, and then on Thursday, September 23, 2004 with the full Northwest Louisiana Strategic Action Council, the Fund Building Team carefully reviewed in depth each of the Strengths, Weaknesses, Unique Untested Qualities, and Findings of the Fund Building Team with regard to the market and investment strategy for the CDC and the Fund as outlined above.

The Fund Building Team concluded each of those meetings with deep confidence that both the CDC Steering Committee and the SAC fully understood and accepted the dangers and opportunities inherent in a “Go” Decision to build the CDC Initiative and the Fund, and the responsibilities that each agreed to undertake in order to successfully close and implement the Fund.

The CDC Steering Committee and the SAC concluded each of those meetings with a carefully considered and unanimous decision to “Go” to the Phase III Fund Building stage. The Fund Building Team unanimously concurs in this decision.