



Mark D. Webb & Associates
Management Consulting - Training & Technical Assistance

Ms. Sarah D. Olson, Specialist
U.S. Dept. of Housing and Urban Development
Southwest Office of Native American Programs
One North Central Avenue, Suite 600
Phoenix, AZ, 85004-2361

July 31, 2008

Subject: Big Pine Paiute Resident Opportunity and Self-Sufficiency Project (ROSS) 2006
Performance Narrative

Dear Ms. Olson:

This letter serves to provide report of progress on the Big Pine Paiute ROSS project, The HUD ROSS project is designed to run 36 months and build upon the foundation created by the 2005 RHED program which set up the Economic Development Corporation, hired staff, updated the Comprehensive Economic Development Strategy, is completing predevelopment work on the Travel Plaza and Big Pine Paiute Industrial Park management plan. The ROSS proposal was sent (9/8/6) for training support, as well, which has now been funded and has expanded the Economic Development effort. Entrepreneurial training support has now been obtained through retention of Elliott Belinn and OVDC Tribal TANF and CIMC have now been approached for job training support. The second ROSS progress report is now due.

The expansion of the program, resulting from HUD ROSS and OVDC TANF support, has resulted in hiring of an Economic Development Manager In Training, Mr. Topah Spoonhunter, a Tribal member who has recently graduated with a degree in Business Administration from Haskell Indian Nations University. In addition to Mr. Webb, Mr. Elliott Belinn has been brought on board as a consultant to assist with Mr. Spoonhunter's training as point person for the Travel Plaza project. The Manager is responsible for implementation of the 2006 ROSS program of job creation, business incubation and development, and supportive services. This position works in partnership with Tribal management. He is currently completing the Big Pine Paiute Industrial Park Management Plan and gearing up for providing oversight on the Business Incubator Project. He recently decided to return to graduate studies and is enrolled in the MBA program at Gonzaga University. Recruitment is underway for his successor.

The Big Pine Paiute Economic Development Corporation (BPPEDC) has been awarded 2007 Rural Housing and Economic Development Program (RHED) funds in conjunction with this 2006 ROSS program to capitalize a revolving loan program to provide gap capital to existing and start-up businesses participating in the program. 2005 RHED and 2006 ROSS funds are being used to provide the capacity for program implementation. Debt servicing and receipts from future Industrial Park tenants will provide ongoing operational capacity.

HUD ROSS funds will continue to provide the staff capacity to support project implementation, combined with \$100,700 in cash and in-kind contributions provided for the next 24 months through the ROSS program (covering most of the administrative and all of the program costs) in conjunction with \$300,000 in funds from the U.S. Dept. of Housing and Urban Development 2007 RHED program to capitalize loans during the first year and revolve to provide additional financing for years two and beyond. As discussed above, BPPEDC has two advisors, Elliott Belinn and Mark Webb, who have created and administered revolving loan programs for the City of Bishop and Bishop Tribe and several SBA and BIA guaranteed loans. They will help the Economic Development Manager to implement the proposed revolving loan program in order to create or expand 15 businesses which will each borrow up to \$20,000 from the RHED capitalized revolving fund resulting in the creation/retention of an average of 5 jobs each for a total of 75 jobs at a cost per job of \$2,000.

Participating entities include Big Pine Paiute Economic Development Corporation, Canyon National Bank , Owens Valley Career Development Center, National Center for American Indian Enterprise Development, Weill Institute Small Business Development Center, California Indian Manpower Consortium, and OVCDC Tribal TANF. Identified existing businesses requiring gap financing, with their associated job generation, include Big Pine Paiute Travel Plaza (Gas station, convenience store) (15), Sonic Fast Food (8), and the Big Pine Paiute Wellness Wing (5), In addition, the two buildings in the Big Pine Paiute Business Park will be leased and tenants may require financing. Five businesses will be started during the first year of the revolving loan program with an average of 5 jobs each for a total of 25.

In terms of the budget, newly obtained funds from ROSS and most recently RHED, a consolidated economic development budget is shown, below:

	RHED 2005	ROSS 2006	RHED 2007	TOTAL
STAFF	20,800.00	53,000.00	0.00	73,800.00
Topah Spoonhunter, General Manager in Training, beginning at \$20/hour				
PAYROLL COST	5,615.00	14,310.00	0.00	19,925.00
Big Pine Tribal 27% of base staff				
TRAVEL	6,000.00	12,000.00	0.00	18,000.00
RENT	0.00	20,000.00	0.00	20,000.00
Based on \$1,000/mo for 20 mos. Commencing 8/1/07				
SUPPLIES	11,455.00	9,306.00	0.00	20,761.00
Support supplies for Board and staff capacity building and TBIC				
CONTRACTUAL	71,260.00	35,250.00	0.00	106,510.00
Webb	565 hours x 50/hr	352 hours x 50/hr		
Belinn	360 hours x 50/hr	352 hours x 50/hr		
OTHER	2,880.00	3,002.00	300,000.00**	305,882.00
Includes audit and phone expense as well as \$300,000 loan fund				
TOTAL DIRECT	118,010.00	146,868.00	300,000.00	564,878.00
INDIRECT	<u>11,443.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,443.00</u>
TOTAL BUDGET	129,453.00*	146,868.00	300,000.00	576,321.00

*RHED 2005 is now completely spent

**\$300,000 Revolving Loan Fund

BPPEDC has sent a proposal, BIG PINE PAIUTE BUSINESS INCUBATION PROGRAM to the 2008 HUD Rural Housing and Economic Development program, requesting \$247,799 which will assist in maintaining economic development capacity until Travel Plaza and Business Park proceeds are developed. An earlier version of this proposal was submitted for 2007 ROSS consideration but was not funded.

In addition it has requested \$450,000 for Travel Plaza predevelopment costs from the Administration for Native Americans Social and Economic Development Strategy program (3/26/08). This will continue establishment and operation of the Big Pine Paiute Small Business Development Center and use Tribal resources to create Business Incubation Program at Big Pine Paiute Business Park. BPPEDC is providing office space for the Economic Development Center at the Big Pine Paiute Commercial Park, incubation space within 8,000 sf and 16,000 sf commercial buildings (\$1.00/sfm value results in \$24,000/month contribution), computers for participant use in the transition from welfare to work, administrative support to the project including financial management and reporting to both the Tribal Council and HUD, operating the Tribal Business Information Center (TBIC), and sourcing proposals for commercial development to provide job and revenue generation.

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BPPEDC coordination and evaluation of program amounts to a \$62,500 annual in-kind contribution. The Tribe will contribute \$1,045,440 in land value (based on \$4.00/sf value for the 6-acre Travel Plaza. Canyon National Bank has agreed to provide a BIA-guaranteed loan of \$2,811,410 value. A pre-application has been submitted requesting preconstruction expenses including architectural, engineering, legal and environmental costs, totaling \$400,000, from the Economic Development Administration. No word has been received as yet from ANA. The EDA proposal is moving forward favorably in the approval process. Finally, an Indian Community Development Block Grant has been submitted for Travel Plaza initial inventories of fuel, food, and merchandise (\$604,000).

The logic model semi-annual progress report for this 2006 ROSS project has been previously sent to SWONAP addressing the job training, housing counseling, and vocational objectives. The SF-269A will be forwarded separately.

Please call with questions and/or suggestions

Sincerely,

Mark D. Webb

Mark D. Webb, MCP
RHED Coordinator