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Agricultural Outlook Forum
U.S. Department of Agriculture

Presented: February 21-22, 2008

Factoring Community Assets Into Financing for Long-Term Sustainability

Joe Black
Senior Vice President
Southern Financial Partners

Innovative Financing for Rural America

February 22, 2008



America's Largest Rural Development Bank

Mission to help transform rural economies by creating new trends of investment in people, jobs, businesses, and property.



Initial Capital Stock Offering 1988

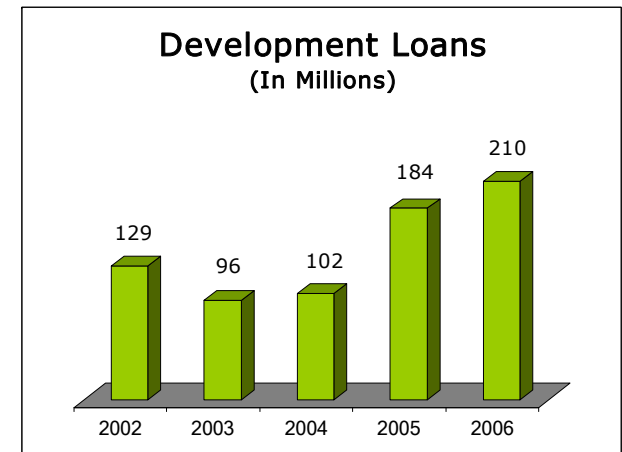
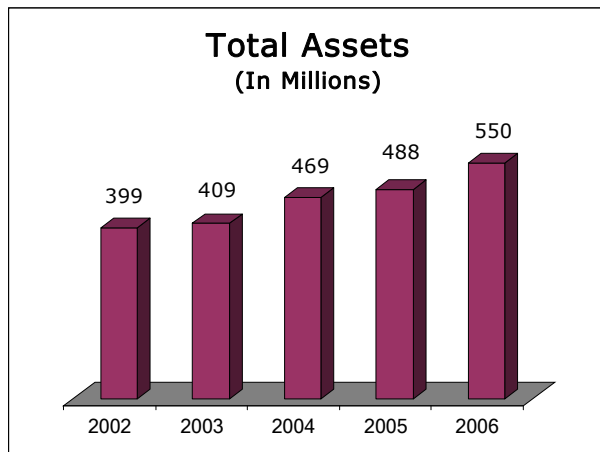
- Alltel Corporation
- Arkansas Best Corporation
- Fannie Mae
- International Paper Company
- Levi Strauss Foundation
- Metropolitan Life Foundation
- Regions Bank
- Stephens, Inc.
- Winthrop Rockefeller Foundation
- Walton Family Foundation
- Weyerhaeuser Company

Founding Board of Directors

- Hillary Clinton
- Rob Walton
- Ron Grzywinski
- Mary Houghton
- Mac McLarty
- Tom McRae
- Henry Morgan
- Walter Smiley
- Dorothy Stuck

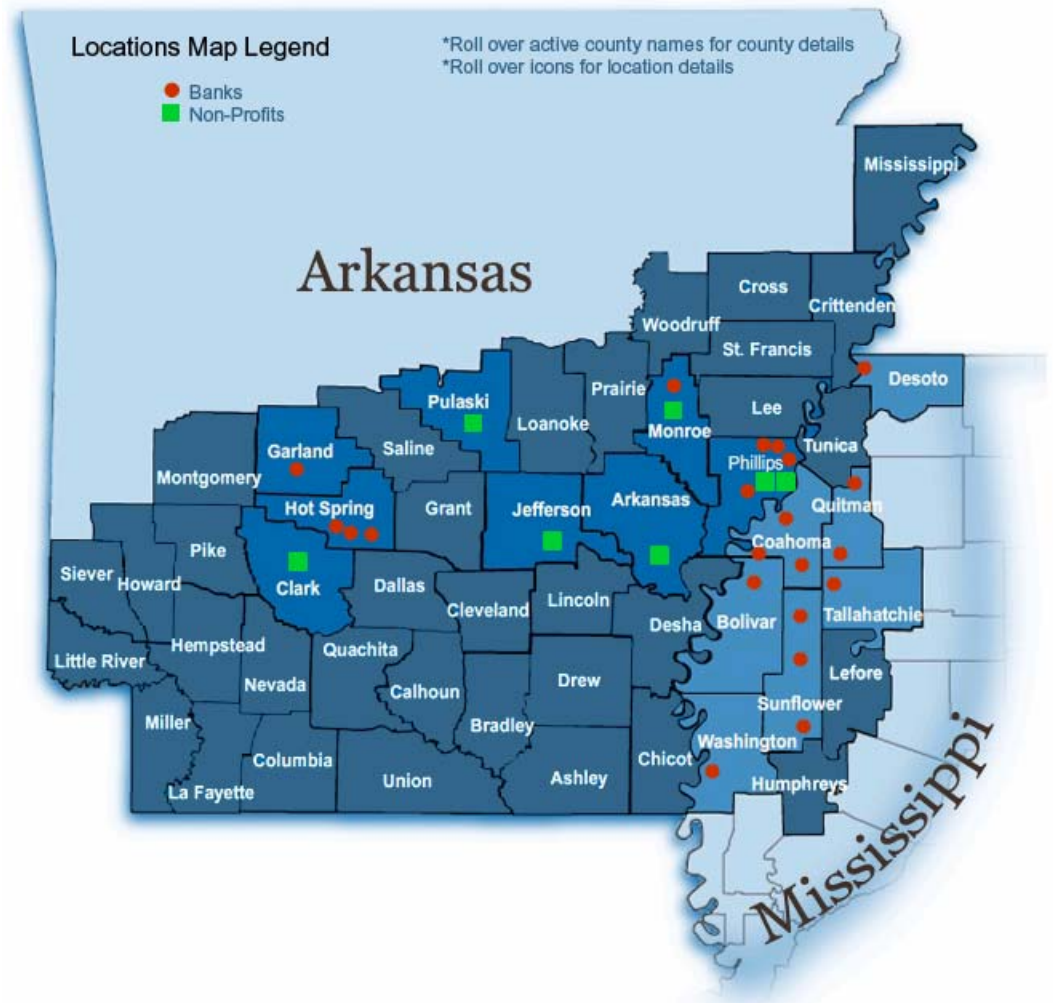
Southern Bancorp in 2007

- Total Assets: \$575 Million
- Total Shareholders Equity: \$53 Million
- Development Loans Funded: \$1.6 billion



Southern's Reach

- 40 locations
- 250 employees



Southern Companies



Delta Bridge Project

Comprehensive development initiative:

- Economic Development
- Education
- Healthcare
- Housing
- Leadership



Phillips County – The Poorest County in Arkansas



- 30% poverty
- 33% child poverty

Key Project Milestones



- Launched 2004
- Phillips County Strategic Community Plan unanimously ratified => unified vision
- Phillips County Plan launch on August 8, 2005; 400+ attended
- Structured process & governance
- Implementation, implementation, implementation
- Delta Bridge funded for next three years (2006)
- Delta Bridge replicated in Clark County and Sunflower County, MS

Helena – West Helena

2005

- Publication of the Phillips County Strategic Community Plan
- Political and educational division
- Vote to merge the cities of Helena and West Helena
- Take over of the Helena-West Helena School System by the State of Arkansas
- Election of a new generation of leadership in Helena-West Helena for the newly merged city

2006

- Seating of new municipal leadership
- Stabilization of the Helena-West Helena School District
- Economic development progress
- Several new projects: Delta AHEC facility, Boys and Girls Club etc.
- Re-election of the municipal leadership

2007 Events

- Passage of the two-cent sales tax in May, 2007

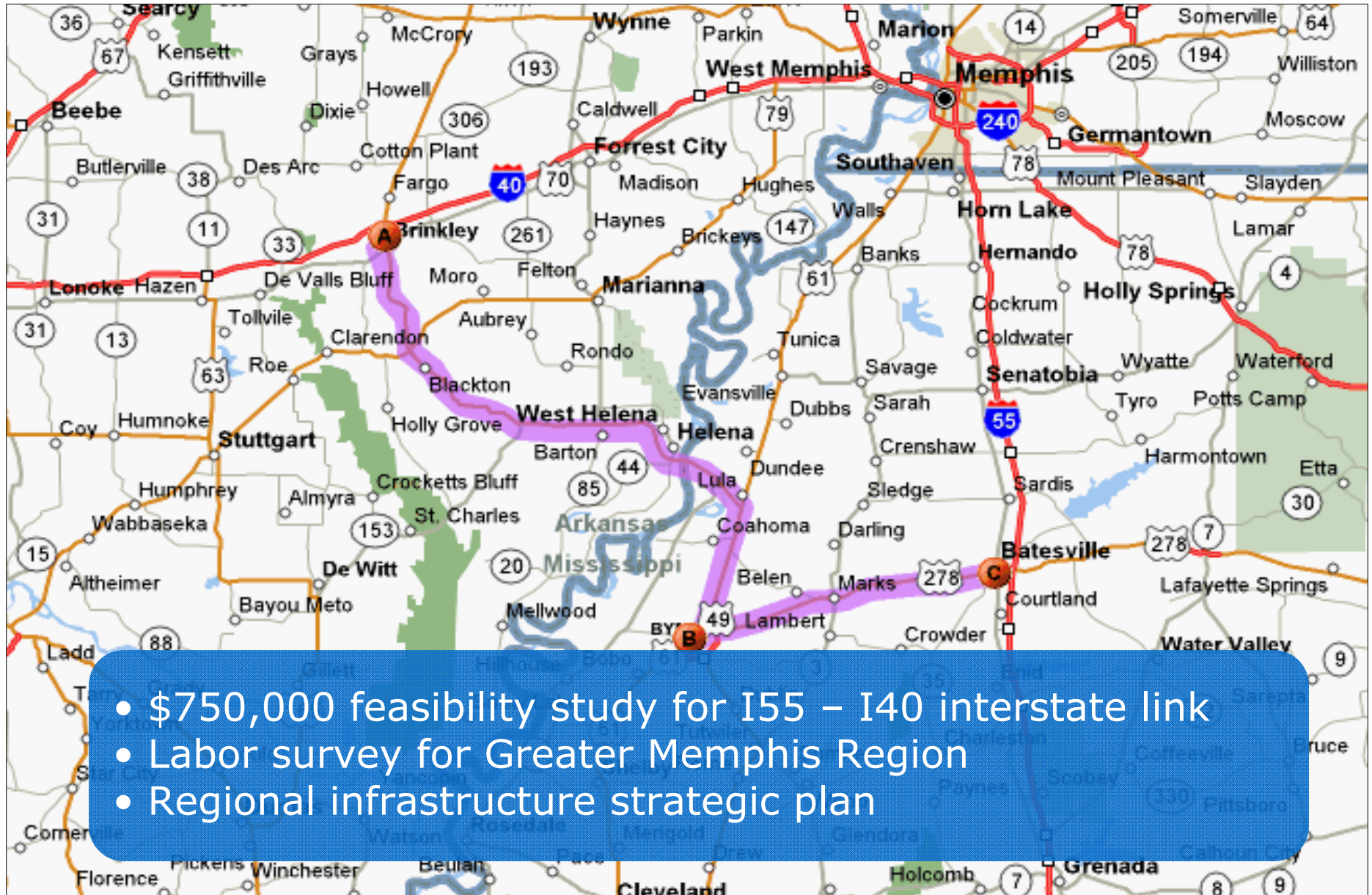
Funding Leverage



- WFF funding: \$ 5,135,775
- Southern funding: \$ 7,451,726
- Other funding: \$40,163,602
- TOTAL investment: \$52,751,103

Strategic Plan Goal	Southern	Walton	Other	Total
Economic Development*	\$ 3,533,062	\$ 2,617,500	\$ 26,618,594	\$ 32,769,156
Education	1,637,510	1,438,375	7,125,510	\$ 10,201,395
Healthcare	1,883,497	250,000	2,133,498	\$ 4,266,995
Housing	161,037	426,000	1,490,000	\$ 2,077,037
Tourism, Recreation, Quality of Life	225,600	163,900	2,150,000	\$ 2,539,500
Leadership	11,020	240,000	646,000	\$ 897,020
Total	\$ 7,451,726	\$ 5,135,775	\$ 40,163,602	\$ 52,751,103

Infrastructure Planning



City Beautification



- Burned out liquor store abated
- Abandoned strip mall razed
- 60 cinderblock units abated on Biscoe
- Over 175 structures abated in city
- 400+ abandoned cars removed
- Five lots acquired for donation to city

Economic Development: Biodiesel



- 40 million gallon per year biodiesel production facility
- \$30,000 feasibility study turned into eight-figure investment
- Scheduled to open March 2008



Housing: Southern Place



- Southern Place opened in June 2007
- 20 units of high quality affordable housing
- Over 80 applications received



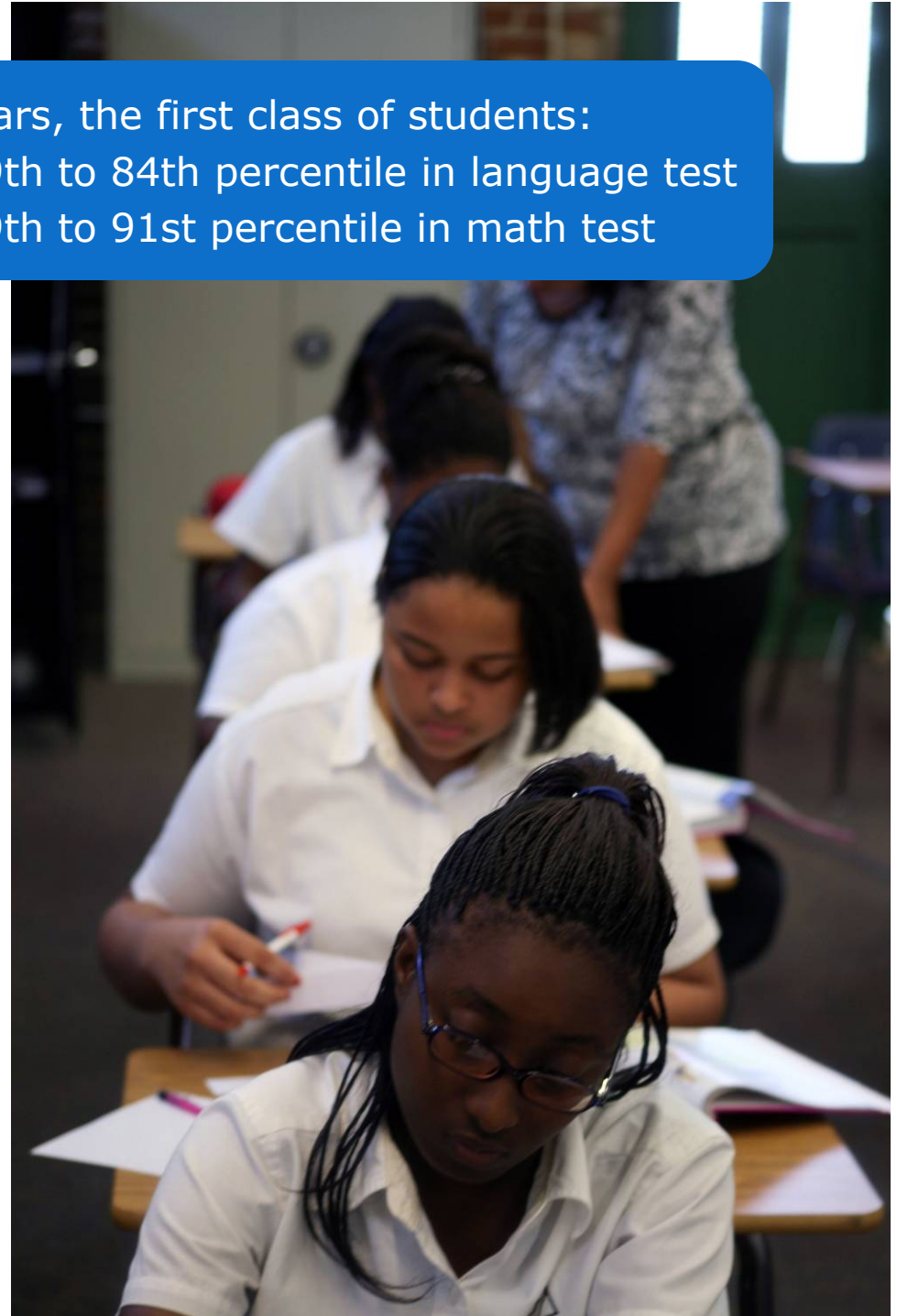
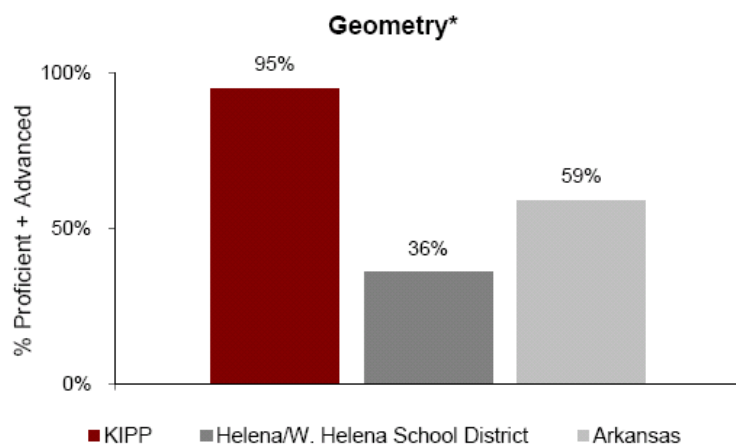
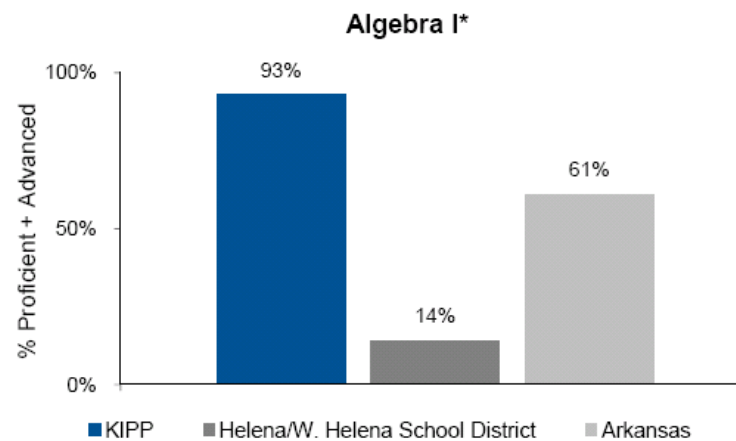
Building Communities.
Changing Lives.

Public Education: KIPP Delta

In five years, the first class of students:

- From 29th to 84th percentile in language test
- From 29th to 91st percentile in math test

End-of-Course Exam Results



Leadership Development: Boys and Girls Club of Phillips County



Health Care: Delta AHEC



- \$4.5 million facility
- 3000+ active members

Model Replication



- Replicated in Clark County, Arkansas and Sunflower County, MS.
- Community college forming partnerships with other external groups





Delta Bridge
Project



By 2010, Phillips County will be a model community for the Delta by:

- **Promoting equality among all residents**
- **Building strong leadership**
- **Advancing economic development**
- **Preserving cultural history and natural resources**
- **Supporting quality healthcare and education**