



Black State Employees Association of Texas Community Development Corporation, Inc.

SEPTEMBER 10, 1998

\$1.5 BILLION SOUTHERN DALLAS COMMITMENT ANNOUNCED BY NINE MAJOR FINANCIAL INSTITUTIONS

CHASE BANK OF TEXAS, BANK UNITED, GUARANTY FEDERAL BANK, COMERICA BANK, SAVINGS OF AMERICA, WELLS FARGO, COMPASS BANK, BANK ONE TEXAS, NATIONSBANK (SEPERATE \$500 MILLION COMMITMENT).
ALL NINE BANKS RECEIVED INVITATIONS TO MAKE THEIR PRESENTATION.

MEETING AGENDA:

- 1) MEETING CALLED TO ORDER/OPENING COMMENTS: DARREN L. REAGAN
CHAIRMAN/CEO
- 2) INTRODUCTION OF GUESTS: DARREN L. REAGAN, CHAIRMAN/CEO
- 3) PURPOSE OF BRIEFING: ALLEN MCGILL, PRESIDENT.
- 4) BANK PRESENTATIONS: IN ORDER AS LISTED ABOVE.
AREAS OF SPECIAL INTEREST FOR DISCUSSION INCLUDE:
 - A) THE BANK'S PLANS FOR MEETING AND/OR EXCEEDING ITS COMMITMENT.
 - B) THE BANK'S CONTRIBUTION AND PARTICIPATION IN AN EQUITY FUND DESIGNATED FOR ECONOMIC DEVELOPMENT AND HOUSING PROJECTS IN SOUTHERN DALLAS.
 - C) THE BANK PROVIDING PRE DEVELOPMENT FUNDING FOR ECONOMIC DEVELOPMENT AND HOUSING PROJECTS IN SOUTHERN DALLAS.
- * QUESTIONS, ANSWERS AND COMMENTS WILL BE TAKEN AFTER EACH INDIVIDUAL BANK PRESENTATION.
- 5) COMMUNITY ORGANIZATIONS PLANNED PROJECTS/ BUSINESS OWNERS PRESENTATIONS, AND OTHER COMMUNITY NEEDS ASSESSMENTS.
- 6) CLOSING COMMENTS/FOLLOW UP PLANS: DARREN L. REAGAN,
CHAIRMAN/CEO AND ALLEN MCGILL, PRESIDENT.

"MAKING THE VISION A REALITY"

P.O. Box 763773*Dallas, Texas 75376*(214) 339-7700*Fax (214) 331-9906



Black State Employees Association of Texas Community Development Corporation, Inc.

THE FOLLOWING IS A LIST OF OTHER INVITED BANKS/FINANCIAL INSTITUTIONS WITH A PRESENCE AND/OR HAS EXPRESSED AN INTEREST IN DOING BUSINESS IN SOUTHERN DALLAS:

BANK OF AMERICA TEXAS- CONTACT: JIM RICHARDSON- (214) 758-4658

BANK OF THE SOUTHWEST- CONTACT: LONNIE GOODMAN- (214) 330-3800

FROST NATIONAL BANK- CONTACT: JIM JOHNSON- (214) 860-4901

NORTHERN TRUST BANK OF TEXAS- CONTACT: MARTY WEILAND-
(214) 740-5837

WESTERN BANK & TRUST- CONTACT: MARK HALL- (972) 283-5000

DUNCANVILLE NATIONAL BANK- CONTACT: CHARLES ACTON-
(972) 298-7260

STATE BANK OF TEXAS- CONTACT: CHAN PATEL- (972) 253-2000

BANK OF DESOTO- CONTACT: JIMMY MONKRES, JR.- (972) 780-7777

PROVIDENT BANK- CONTACT: FRITZ HEINKE- (972) 458-0500

MAINBANK- CONTACT: MIKE MONTGOMERY- (972) 617-7377

NORWEST BANK- CONTACT: JANA P. TEIS- (817) 347-8501

FIDELITY INVESTMENTS- CONTACT: DOUGLAS REED- (972) 584-7124

SWISS AVENUE BANK- CONTACT: CARL SCHIFFER- (214) 824-4760

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CITY OF DALLAS

NEWS RELEASE

Sherrie C. Wilson • Public Information Officer • (214)670-3322 • Fax (214)670-0160

Eight Major Financial Institutions in Dallas Pledge \$1 Billion for Southern Dallas

April 22, 1998

Eight major financial institutions in Dallas have jointly committed to lend \$1 billion in Southern Dallas over the next five years. Building on their previous successful initiatives, and in recognition of the potential for development in the southern sector, these institutions have entered into this landmark agreement.

"I applaud the City of Dallas and these leading financial institutions for making such a serious commitment to Southern Dallas. This clearly demonstrates the importance and value of public/private partnerships in revitalizing our central cities," said Vice President Al Gore.

More

In addition, Secretary of the Treasury Robert E. Rubin said. "I congratulate the Dallas financial community for stepping up to this challenge. Access to capital is the lifeblood of communities. Working together, we can help to bring all Americans into the economic mainstream."

Today's signing evidences the ongoing efforts of the following financial institutions in the southern sector: **Bank One, Texas N.A.; Bank United; Chase Bank of Texas; Comerica Bank-Texas; Compass Bank of Texas; Guaranty Federal Bank; Savings of America, and Wells Fargo Bank (Texas).**

"All of Dallas will benefit from this investment in the revitalization and development of the southern sector," said U.S. Senator Kay Bailey Hutchison. "I commend the mayor and the financial institutions for creating this unique partnership. It is an outstanding example of local, private-public efforts that can make a difference."

"The major financial institutions of Dallas have stepped forward to play a significant role in carrying out the City's **Global Strategy for Expanding Development in Southern Dallas,**" said Dallas Mayor Ron Kirk. "Southern Dallas presents abundant growth opportunities with its large tracts of developable land, strong transportation infrastructure, and documented retail potential."

These financial institutions have recognized the opportunity to make money in Southern Dallas, and have positioned themselves to do so, he said.

With its large, diverse workforce, a crime rate that's lower than many U.S. cities, and incentives available through the state enterprise zones and federal Enterprise Community, Southern Dallas is poised for growth and development. "The opportunities I have encouraged over the years have come to fruition. I'm delighted that financial institutions see the value of investing in Southern Dallas. Both the financial institutions and the city of Dallas will realize great returns," said U.S. Representative Eddie Bernice Johnson, 30th District, Southern Dallas.

A Commitment to Southern Dallas

Recognizing the significant role the southern sector plays in the City of Dallas' economy, the City has commenced a Global Strategy for Expanding Development in Southern Dallas. The multi-faceted Global Strategy includes plans for workforce training/development, business development and job creation, with emphasis on industrial development; marketing of the unique advantages of the southern sector of the city; and strategies for retail and small business development. The City of Dallas is committed to carrying out this plan and is prepared to assign City staff and resources.

The undersigned financial institutions acknowledge the current efforts of the City and embrace the goals set forth in the City's Global Strategy for Expanding Development in Southern Dallas. These institutions also understand the key role they can play as one financing source for development in the southern sector. Using 1996 as a base year, these financial institutions have set forth within the context of safe and sound banking practices, a collective goal of increasing efforts which would result in the funding of \$1 billion in loans in the southern sector of Dallas over five years.

Just as the City recognizes the financial institutions as key partners in the Strategy, the undersigned recognize the City's role in generating increased demand for development in the southern sector. In conjunction with the financial institutions' goals, the City will provide a forum for communication between the City, local corporate and business entities, financial institutions, non-profits and community groups. These linkages will allow the City to leverage its resources while stimulating opportunities for growth and investment in the southern sector of the city.

Executed this 22 day of April, 1998.

City of Dallas

Bank One, Texas N.A.

Bank United

Chase Bank of Texas

Comerica Bank - Texas

Compass Bank of Texas

Guaranty Federal Bank

Savings of America

Wells Fargo Bank (Texas)

A Commitment to Southern Dallas

Bank	Signing Participant
Bank One, Texas N.A.	Larry Helm Chairman and CEO of Dallas Region
Bank United	Jeffrey S. Balentine Senior Vice President Community Reinvestment
Chase Bank of Texas	Marlin S. Cox President
Comerica Bank	Jim Gwladnia 969-6414 Senior Vice President-Community Banking
Compass Bank	Robert Sewell Vice Chairman
Guaranty Federal Bank, F.S.B. 360-1671	Tom Coveri Mark Central Chief Credit Officer
Savings of America	Patricia A. Vatali Vice President-Lending
Wells Fargo Bank (Texas)	Harold Stealy Senior Vice President and Division Manager

Separate + \$500 million - Nations Bank - Tim Aroult, Pres. Central/SW Region
 Stand Alone Commitment



Black State Employees Association of Texas Community Development Corporation, Inc.

August 31, 1998

Ms. Karen Alnes
Director of Community
Reinvestment Programs
Norwest Corporation
Norwest Center
6th & Marquette
Minneapolis, Minnesota 55479-1011
Via Fax (612)667-4947

Dear Karen;

On behalf of Darren, Lee Alcorn and other coalition members, we appreciated your attendance and participation in our community discussion concerning the potential affect the merger will have in this market and on community development projects in this area.

I was reassured that Norwest and Wells will do everything possible to maintain continuity of support and funding for our organizations and projects.

We welcome Norwest to Southern Dallas.

I hope you were able to "see" BSEAT's "Hampton Road Vision" after the quick tour.

Momentum for investment is building and interest is currently high in southern Dallas. This new found interest means higher prices for land and the possibility of unwanted development, in our neighborhoods, unless we are able to control key parcels of land.

In July 1998, the Wall Street Journal in its economic focus section described this new interest in southern Dallas, "*Development is progressing nonetheless. Builders are putting up moderately prices homes...A few intrepid investors are bargain-hunting for undeveloped land. Perhaps most telling, major grocery chains are returning to the area with large, well stocked stores*".

That story was followed by a four day series in the Dallas Morning News on economic development in southern Dallas. As a result, we expect the price of land to increase, therefore causing our projects to become more expensive to build and creating the risk BSEAT will not be able to develop the property in a timely manner.

To facilitate developing a comprehensive approach to Southern Dallas investment, BSEAT is hosting a forum with the nine financial institutions that announced a 1.5 billion commitment to southern Dallas to jointly plan a community investment program.

"MAKING THE VISION A REALITY"

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Page 2
8/31/98
Karen Alnes
Norwest

Norwest has been invited to attend the forum.

We will be seeking agreement on the following key elements of a comprehensive community investment program

- Bank's Community Development Corporation
- Community Development Financial Institutions
- Make a Difference Center
- Community Development Lending
- Housing Fund
- Child Care Center Development Loan Program
- Neighborhood Development Group
- Small Business Investment Company

We hope you will support this community investment program that is designed, "*to get at it.*"

Specifically, we need Norwest's financial assistance to bring key parcels under our control and Norwest participation in BSEAT's pre-development and equity needs.

Additionally, we urge you to place our request for a branch in the West Cliff Shopping Plaza on the fast track and to give Ms. Gail Terrell a call at (214)374-5775 with some feedback as soon as possible.

I am looking forward to meeting your Texas team on September 2nd, and to getting your thoughts on the issues we have raised.

My number is (214)374-5775. Please call if I can provide you with any additional information.

Sincerely,



Allen McGill



Panel 8

Black State Employees Association of Texas, Inc.

DR. DARREN L. REAGAN
Chairman/CEO

ALLEN MCGILL September 17, 1998
President
Vice Chairman

GAIL TERRELL
Executive Secretary

LINDA WILKINS
Executive Treasurer

Federal Reserve Bank
of Minneapolis
90 Hennepin Avenue
Post Office Box 291
Minneapolis, Minnesota 55480-2091

Re: *Testimony, Norwest Corporation/Wells Fargo & Company
Proposed Merger*

Good Afternoon. My name is Allen McGill, I am the President of the Black State Employees Association of Texas, Inc.(BSEAT). BSEAT's Chief Executive Officer, Mr. Darren Reagan will be testifying also.

BSEAT supports the planned merger between Norwest Corporation and Wells Fargo & Company.

BSEAT has had a long and valued relationship first, with Linnet Deily then with First Interstate (a Wells Fargo acquisition) and later with Karen Wegmann and Byron Reed of Wells Fargo.

During similar hearings and smaller group meetings, Wells Fargo assured the Association and its coalition members that it would honor and significantly expand any commitments made by First Interstate to organizations in the Texas market.

BSEAT was very concerned, as it is now, as to how the merger would affect existing branches and employees, particularly African American employees.

Of particular concern, was the branch in Southeast Oak Cliff, Dallas, Texas. In 1992, in an area 38 square miles, with a population of 108,000, 90% African American, with a medium income of \$31,000, the community did not have a bank. BSEAT, lead by the efforts of Mr. Reagan, successfully sold the community as a profitable location.

Wells Fargo said the branch would not be closed...they have kept their word.

"CONTINUOUS PROGRESSIVE CLIMB FOR JUSTICE AND EQUALITY"

P.O. Box 763773*Dallas, Texas 75376*(214) 339-7700*Fax (214) 339-7704

September 17, 1998
Page Two
Federal Reserve Bank
of Minneapolis
Re: *Testimony, Norwest Corporation/Wells Fargo & Company*

However, BSEAT is concerned about the investment and loan strategy for the Texas markets. BSEAT and its coalition partners have emphasized the need to create an investment and lending model that will address the capital needs in Texas low and moderate income neighborhoods.

During a series of public forums and small group meetings BSEAT and its coalition partners outlined the following elements of a comprehensive neighborhood investment plan:

- A. *the creation of a bank community development corporation*
- B. *set aside a percentage of earnings to invest in community development financial institutions*
- C. *invest in a small business investment company*
- D. *create a below market interest rate mortgage pool*
- E. *create a commercial/retail equity fund*
- F. *take the leadership in developing public and private local partnerships willing to provide technical assistance to developers of commercial/retail projects.*

BSEAT and its coalition partners strongly recommend the creation of a streamlined process for providing financial support for pre-development and equity needs.

The Federal Reserve System's own studies and our anecdotal experience indicate our neighborhoods will continue their marginal existence unless financial institutions and regulators are willing to direct funds into an organization's pre-development and equity needs.

The combined institutions indicated in its filing, a bank CDC will be formed. We urge the combined institutions to allocate a larger proportion of its initial funding, than presently indicated, to commercial/retail development. And particularly to funding equity and pre-development needs to support these projects.



"CONTINUOUS PROGRESSIVE CLIMB FOR JUSTICE AND EQUALITY"

September 17, 1998

Page Three

Federal Reserve Bank
of Minneapolis

Re: *Testimony, Norwest Corporation/Wells Fargo & Company*

We appreciate this opportunity to address some of the Texas market community concerns as this merger is being considered.

Sincerely,



Allen McGill
President

Attachments:

August 31, 1998 letter to Karen Wegmann

August 31, 1998 letter to Karen Alnes

September 10, 1998 BSEAT Agenda from Public Forum



Black State Employees Association of Texas Community Development Corporation, Inc.

August 31, 1998

Ms. Karen Wegmann
Executive Vice President
Wells Fargo Bank
394 Pacific Avenue
3rd Floor
San Francisco, California 94163
Via Fax (415)397-2987

Dear Karen;

On behalf of Darren, Lee Alcorn and other coalition members, we appreciated your attendance and participation in our community discussion of the potential affect the merger will have in this market and on our organizations' community development projects and funding.

We were reassured that continuity will be maintained with funding and projects as the merger progresses.

We were glad to show you BSEAT's "*Hampton Road Vision*", the residential project is in the presentation stage, and as you know the retail center's loan closing should happen within 45 days. The project materials for both projects have been sent to Byron.

Karen, as the merger process unfolds, BSEAT is requesting your support for Phase II of it's "*Hampton Road Vision*". Pre-development and equity funds are BSEAT's critical needs for the project. BSEAT has invited the nine banks that made the 1.5 billion dollar commitment to southern Dallas, to discuss plans for getting the dollars out on the street and to put our projects in the pipeline. Byron has indicated, he will be able to attend the forum representing the bank.

We will be encouraging the participating institutions to agree to some key elements of a comprehensive neighborhood investment plan. We believe those elements should include:

- Bank's Community Development Corporation
- Community Development Financial Institutions
- Make a Difference Center
- Community Development Lending
- Housing Fund
- Child Care Center Development Loan Program
- Neighborhood Development Group
- Small Business Investment Company

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Page 2
8/31/98
Karen Wegmann
Wells Fargo Bank

In addition, we have invited state and local public officials, neighborhood based organizations, business persons, and Jim Reid, Southern Dallas Development Corporation(SDDC) to participate in these discussions.

I thank you for giving Byron the support he needs, so that he was able to respond to our request to attend promptly. I am also requesting your support and the bank's investment in the neighborhood investment program. My number is (214)374-5775, if there is any additional I can provide.

Sincerely, .



Allen McGill

8. According to the application, a new national CDC will be created after the merger. Please describe this proposal in detail, including, but not limited to, whether this CDC will be a non-profit organization or a bank, when the CDC will be created and become operational, where it will be located, what its focus will be and in what markets it will operate.

The combined organization will seek to form a Community Development Corporation at the holding company level after the proposed merger is completed to engage in general community development activities. Although plans are not complete, as envisioned at this time, the CDC will be a for-profit subsidiary of the holding company. It will serve our banking markets in the 21 states where the combined company has depository institutions which are subject to CRA. We have not yet determined where the CDC will be located.

The proposed CDC will provide short- and longer- term financing for community development projects, such as 15-30 year financing for multi-family affordable housing, and other lending which is generally not within our local bank's scope. The CDC will also make community development investments in such instruments as Low Income Housing Tax Credits and purchase exempt housing debt instruments as well as invest in other secondary community development funds such as the National Equity Fund. The CDC will provide debt or equity financing for organizations engaged in community development activities, including constructing affordable housing, financing small and micro businesses, providing services to low- and moderate-income individuals and revitalizing low- and moderate-income communities.

The proposed CDC will purchase at fair market value the existing CRA loans and investments of the various entities of the combined company. The CDC will work to source, package and structure loans and investments. These loans and investments will be allocated, by geography, to the various bank entities for CRA examination purposes. The loan programs will be based on safe and sound lending practices, but will attempt to reach more potential borrowers by having the flexibility to develop innovative lending programs.

The proposed CDC will be created as soon as possible after the merger, with a plan to be operational by second quarter of 1999.

We believe the creation of a CDC will allow the bank to increase the amount of community development lending in all of its states, engage in innovative and flexible lending, develop new products, and work with affordable housing developers and technical assistance providers to increase market opportunities for all segments of our communities.