
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: DR. COLE
FROM: RILEY
SUBJECT: GOVERNOR'S MEETING WITH MABEL MURPHREE AND SANDRA PERKINS: ARC UPDATE
DATE: 10/3/00
CC: SIMMONS

Governor Musgrove had a breakfast meeting with Mabel Murphree and Sandra Perkins of the state ARC office this morning in Roanoke at the SGPB Digital Divide conference. The following items were discussed:

The Governor shared our office's comments on the state's FY 2001 Strategy Statement with Murphree. She and Perkins will make those changes and submit the plan to DC by this Friday.

In the past, most ARC money has gone to infrastructure improvements. Murphree thinks we should now balance between infrastructure and technology. The ARC has awarded grants averaging \$200,000-\$250,000.

The Governor inquired as to any of the 5 local planning and development districts that might pose problems and Murphree said that Golden Triangle tends to be the most argumentative, but that she has spoken to Rudy, the Executive Director, and explained what needs to be done.

Murphree has requested a meeting w/ MDOT in her Tupelo office later this month to discuss the Holly Springs road project. MDOT keeps changing design requirements and Holly Springs was awarded the \$4 million ARC grant 7 years ago. Holly Springs has hired Larry Britt (old friend of the Governor's) as engineer. The project is divided into 2 phases, with Phase 1 having an anticipated cost of \$3 million and Phase 2 costing \$2 million. MDOT is to put up \$1 million. The Governor instructed Murphree to pull the \$4 million if MDOT does not start moving on the project.

The ARC has requested Mississippi to spend \$516,000 by September 30, 2001, on entrepreneurship initiatives. The Governor told Murphree to move ahead on the following projects and to keep us informed of activities in this area as we can highlight them in the NGA entrepreneurship academy:

- MSU has requested funding for an incubator. Murphree has explained that the incubator must be regional in service and not be considered "owned" by MSU.

She suggested that ARC enter into a Memorandum of Understanding with MSU. TVA reportedly will put up \$800,000 for the incubator. She suggested that ARC provide \$200,000 in funding.

- Linda Clifton has requested approximately \$200,000 in funding for a computer recycling project. The community will donate old computers that middle school students will recycle and then resale to the elderly and to low-income families. Middle school students can also use the computers to mentor elementary students.
- Tim Wesson has requested approximately \$30,000 for a project to develop an entrepreneurship curriculum and training for school administrators and teachers.
- Sister Noelle at Sacred Heart Mission in Holly Springs has requested approximately \$40,000 to distribute as mini-grants (averaging \$1,500-\$2,000) to local projects.
- Approximately \$46,000 in entrepreneurship funding will remain after these projects.

The Governor asked Murphree as to her opinion of Mississippi's most distressed ARC counties. She reported that 14 of the Mississippi's 22 ARC counties are classified as distressed, with Chickasaw, Monroe and Noxubee probably being the most distressed. The Governor suggested that she start organizing some community/county leaders to initiate some strategic planning activities for these counties.

New applications for funding were due to the ARC office yesterday. Typically, the local planning and development districts have designated the projects they wanted funded. ARC is going to set up a meeting w/ the Governor towards the end of this month to provide him with its list of prioritized projects and a summary of each. ARC will take the PDD's comments into consideration, but will evaluate proposals on merit.

Murphree is going to request quarterly (?) reports from grantees. In accordance with federal regulations, projects have an 18-month start-up period. Murphree identified the following projects which could potentially pose problems or need to have their funding pulled due to a lack of activity:

- Northeast sold waste road project - \$476,000 in 1993
- Kemper County incubator (1995)
- East MS Community College Center for Technology - \$297,000 (1996) – According to the Governor, this was Eddie Briggs' project and everyone knew from the beginning there would be problems. According to Murphree, there has been no activity on this project and the project has no focus.

- Kemper County Industrial Park Improvements - \$229,000 – This project has been a little slow and Murphree has requested an update on project activities. The Governor requested Murphree to contact Senator Sampson Jackson to discuss the project.
- Starkville road improvement project - \$350,000 (1998) – Murphree has requested an update.
- Murphree showed the Governor an article from the Commercial Dispatch. The headline questioned a trip in the amount of \$7,000. I didn't get to read the article. Apparently, ARC awarded a grant to Sam Agnew of MDA. He then awards mini-grants. One of his sub-grantees took this trip and the article reported that ARC funds paid for the trip. Murphree requested a report from Agnew and he submitted receipts, but many are for food (Little Dewey's in Starkville) or do not reflect what was purchased. She is requesting additional info from Agnew and will keep us posted. She wanted to warn the Governor of potential problems and or inquiries, as well as the potential for management of these funds by Agnew to be discussed. *(I asked the Governor later if he was aware that Agnew is Tim Ford's cousin and he said that he was not, but to include that point in this memo for future reference in case we receive any phone calls.)*

Murphree reminded the Governor that the ARC meeting is in Shepherds Town, October 16th-18th, with the voting meeting being held Wednesday morning the 18th from 8:00-12:00.