

Investors asked to fight City Hall for funding

BY T. KEVIN WALKER
THE CHRONICLE

The proposed Eastside Cafeteria doesn't have any support at City Hall and banks aren't giving the project a second glance, but the project and its leaders do have the strong backing of some of its stockholders.

An overwhelming majority of the 40 or so investors (officials say there are more than 700 stockholders total) that attended last Thursday's stockholders meeting gave a vote of confidence to the board of directors of David Capital, the for-profit entity developed to oversee the proposed eatery. The vote essentially gave the board a stamp of approval for all of its past activities and decisions in regard to the project.

The vote capped off an exhaustive meeting, a gathering that cafeteria leaders used to not only paint the current economic picture of the project but also to try to unravel the controversy that has surrounded the building of the cafeteria ever since the projected cost of the project rose substantially and the pace at which cafeteria development was moving began to be questioned.

"We need to move because there is so much that can be done," James Grace said to stockholders. "We have been through the rough part."

Grace is a David Capital board member and director of the East Winston Community Development Corp. The EWDCDC began to seriously push the idea of the K&W-style cafeteria in 1998 when that organization teamed up with the Ministers Conference of Winston-Salem and Vicinity to form David Capital, which began to offer everyday East Winston residents a chance to buy a stake in the proposed cafeteria. Shares of stock were offered at \$10 each, and as of the end of May a little more than \$142,000 had been raised for the proposed \$2.8 million cafeteria through the selling of shares.

The U.S. Department of Health and Human Services also gave the CDC a \$250,000 grant to use for the project. With interest, David Capital, as of May 31, had collected \$399,050.92 for the project, but as of that same date, the company had a balance of \$6,283.57.

Question of Priorities

Most of the money was used



James Grace

to pay independent EWDCDC consultants and to hire an architect to create blueprints for the cafeteria. Critics of the project and some stockholders at the meeting said that the land for the cafeteria should have been purchased first.

David Capital has its eye on a \$200,000 four-acre tract off New Walkertown Road and 14th Street. The company's option on that land ends in September, but the project has no money and no good prospects for getting the cash needed to buy the property.

"Why spend so much money on the consultants' fee, when you don't have the land to build on?" Robert Baskin asked at the meeting. Baskin said he came to the meeting to gather information on the project to take back to the pastor and congregation at Wentz Memorial United Church of Christ.

Cafeteria officials said when they first started selling stock options, they envisioned that the several hundred African-American churches in Winston-Salem would take an interest in the project and that money would be generated fairly easily. Grace admitted that they overestimated the amount of support they would get from churches. Only about 20 churches have made concerted efforts to buy stock for the project and their contributions have been only about \$1,000 each, Grace said.

Grace defended the use of the funds that were raised. He said the services that were paid for with the money, which also included everything from marketing to leasing equipment, were required for a project of this nature. He added that the money should be considered "equity" in the project.

Although Grace did about 50 percent of the talking at the meeting, Bonnie Moorman, chairperson of the David Capital board, made a point of trying to distance Grace from the project. She spent time trying to clear up what the board sees as misconceptions about the cafeteria project, one of which was the impression that Grace and his CDC are behind the effort. An adamant Moorman said David Capital is the driving force behind the project and that the company is a separate entity from Grace and the CDC.

"He (Grace) does not control it," she said.

Moorman also addressed another controversy that has plagued the project. The land being proposed for the cafeteria is partly owned by Michael Grace, James Grace's brother. Grace said that, "bar none," the land is the best site for the cafeteria and that is the sole reason why it has been selected. When cafeteria officials went to the Board of Aldermen in May to try to get city funding for the cafeteria (the board said no), some aldermen complained that the \$200,000 asking price for the property was too high. One alderman brought up the relationship between James and Michael Grace.

As for the asking price for the land, Moorman said tracts adjacent to the site where the cafeteria is proposed were purchased for even higher prices.

"There is nothing questionable about the land in regards to its price or its ownership," she told stockholders.

Among the other misconceptions Moorman addressed was the notion that the project has taken too long to come to fruition.

Her response: "The time that it has taken has not been out of the ordinary for a project of this type."

A Call to Action

David Capital officials also asked stockholders to join them in fighting to get money from the city and financing from a bank. In two other motions passed by a majority of those at the meeting (only six voted no or abstained), stockholders vowed to "challenge" members of the Board of Aldermen to attend a public presentation of the cafeteria's business plan and to push their aldermen to hear David Capital's request for city money once more.

When David Capital and EWDCDC officials went to City

Hall in May, their request for \$700,000 in city loans and grants was roundly snubbed by aldermen, who said that the city would consider giving the project money only after the project secured finances from other sources, namely a bank.

But Moorman said the project is in a Catch-22 because banks will not take an interest until the city throws its financial muscle behind the project.

Aldermen were also cautious about an audit being conducted of the EWDCDC by the Department of Health and Human Services. The agency is looking into whether the \$250,000 grant it gave the project was used correctly.

The EWDCDC has hired Durham-based attorney William Graham to respond to the audit. Graham was to appear at Thursday's meeting but had a scheduling conflict shortly before the meeting. In a letter read by David Capital board member Earline Parmon, Graham said that he expects the EWDCDC will be vindicated in the final analysis, which Graham admitted could be months or years away.

While cafeteria officials admitted that mistakes were made, they also contend that they have not been given a fair shake by Derwick Paige (the city's development director), the aldermen, banks and the news media. Gregory Chin, David Capital consultant, went as far as to compare the way Grace has been treated to the treatment of Wen Ho Lee, a Taiwanese-American who was wrongfully accused in 2000 of spying and spent nearly 300 days in jail before a groundswell of support from Asian Americans aided his release.

Trials and Tribulations

Grace sounded like a Baptist preacher at times when he took the podium, stating at one point to the audience that his faith has helped him through what he says have been unfair personal attacks.

"I have learned an awful lot by falling on my face," Grace said as many in the audience shouted their approval. "I have learned a lot by having darts thrown at me."

Other biblical references were made. David Capital is named for the biblical David, and one speaker dubbed City Hall "Goliath."

The appeals did not sit well with all shareholders. Minnie Blakely said she came for

David Capital Expenses

Accounting.....	1,250.00
Architect.....	103,579.42
Bank Charges.....	918.03
Capital Additions.....	1,118.46
Consultants (EWDCDC).....	135,300.00
Consultants (Independent).....	80,218.21
Dues/Memberships/Subscriptions.....	4,620.00
Equipment Lease/Maintenance.....	2,169.72
Insurance.....	300.00
Legal.....	11,168.69
Marketing, Advertising & Promotions.....	20,522.02
Meetings/Events.....	8,115.21
Office Supplies.....	827.48
Postage/Express Mail.....	1,535.94
Public Relations/Printing.....	19,373.87
Rent/Utilities/Parking.....	-
Telephone/Fax.....	750.00
Travel.....	-
Allowance for Doubtful Acct.....	1,000.00
TOTAL EXPENDITURES:	392,767.35
BALANCE (Deficit)	\$6,283.57

answers, not inspiration.

"I did not come here to be preached to," said Blakely, who voted against all three motions. "The majority of the funds have been utilized, and we need to start over from the beginning. I needed some answers but I did not get them."

Blakely said she still supports the project.

Strong, unconditional support for the cafeteria was not hard to find at the meeting. Stockholder Odessa Gaither recalled when black-owned businesses lined the streets of Winston-Salem in the '50s and '60s. She said the cafeteria would again give blacks something to call their own.

"I think it is a disgrace that we don't stand behind our own," she said. "I get sick and tired of crossing (Highway) 52 to eat, especial-

ly on Sunday. I am 100 percent behind (the cafeteria)."

John Green, a High Point resident, said he jumped aboard the cafeteria bandwagon as soon as he heard about the project. He said the cafeteria would be something that all blacks can be proud of.

"I have never seen us owning anything...I am 55 years old," he said.

He also told critics to lay off the folks trying to make the cafeteria a reality.

"It is wrong for me to sit in my seat and do nothing and cast stones," he said.

Officials told stockholders that shares are still for sale and urged them to tell friends about the project and to consider buying more stock themselves.

"This project is far from dead," Moorman said.

Respected coach dies

SPECIAL TO THE CHRONICLE

Henry Jones Jr., a former educator, passed July 19 after an extended illness.

He was a native of Winston-Salem and received his bachelor of science degree from Winston-Salem State University, master of arts degree from New York University, administration certificate from N.C. A&T State University, and educational specialist degree from Appalachian State University. Mr. Jones was a World War II veteran.

His professional background included teacher, coach and administrator in Winston-Salem/Forsyth County Schools for 41 years. He earned many labels in the community: compassionate, understanding, master teacher, impartial administrator and disciplinarian.

Out of all the various hats that he wore, putting on his coaching hat was his favorite. Melville Mauney and Paul Ledbetter remembered Jones as an outstanding basketball, football, baseball and track coach at 14th Street School, which was the primary feeder for Atkins High School. Willis Johnson, who worked and coached with him at Kennedy Junior High, remembers him as a caring coach who opened up his heart to all students, believing that every child could succeed and be something no matter where he came from. No task was ever too great when it came to helping others.

As an outgrowth of his teaching and coaching, Herman Gilliam, Talmadge Hill, William McCoy and Happy Hairston became professional players in the NBA and NFL.

Joseph Daniels, Winslow Lowery, Marie Matthews, Bernice Davenport and Jakay Ervin - all former students, co-workers, classmates, fraternity brothers and friends - concur that Mr. Jones encouraged young people to work hard to succeed.



Henry Jones, center, receives a Lifetime Achievement Award in March at The Chronicle's annual awards banquet.

Coach Big House Gaines was impressed with Mr. Jones' dedication and enthusiasm to his alma mater and the Alumni Association of Winston-Salem State University, where he was a volunteer fund-raiser and special assistant to the athletic department.

He is survived by his wife,

Mary M. Jones, curriculum coordinator for Winston-Salem/Forsyth County Schools; and a daughter, Katrina Jones-Rice (Lonnice V. Rice III). Mr. Jones was the proud grandfather of Aryonna Lael Rice.

His peers loved him for what he was - just Henry.

THE CHRONICLE



BOB NEILL PONTIAC GMC

Welcomes



Billy Harris

New & Pre-Owned Vehicle Specialist

"I'll walk you through your auto purchasing experience from start to finish! Because buying an automobile shouldn't be a task, but a pleasure. I will exceed your expectation and put you in the driver's seat this summer!!"

Over 250 New & Pre-Owned Vehicles In Stock!!!

BOB NEILL PONTIAC-GMC

2710 University Pkwy.

Winston-Salem, NC 27105

Bus. Phone: (336) 723-0536 and 1-800-232-2262

Fax: (336) 727-0935

Visit us on the web: www.bobneillpontiacgmc.com

