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IN 1973 MAYNARD JACKSON EMERGED ON
BLACK MAYOR OF ATLANTA AND BECAME A
OVER THE NEXT 30 YEARS, HE USED HIS PROWESS
ON CONTRACTS AND POWER WHILE EXPANDING
THE RESULT: HE HELPED DEVELOP A BEVY OF
MILLIONAIRES THAT ANY OTHER PUBLIC FIGURE.

THE ULTIMATE **CHAMPION** FOR BLACK BUSINESS

THE SCENE WHEN HE WAS ELECTED THE FIRST
NATIONAL FORCE IN BUSINESS AND POLITICS.
TO BREAK THE OLD BOYS NETWORK'S HOLD
OPPORTUNITIES FOR MINORITY BUSINESSES.
B.E.100s COMPANIES AND CREATED MORE BLACK

BY DEREK T. DINGLE



THE ENTREPRENEUR:

1) JACKSON ENSURES THAT MINORITY COMPANIES GAIN A FAIR SHARE OF CONTRACTS FROM THE 1996 SUMMER OLYMPICS;

2) JACKSON WITH HIS TEAM AT JACKSON SECURITIES, ONE OF THE NATION'S LARGEST BLACK INVESTMENT BANKS;

3) JACKSON POWWOWS WITH ATLANTA'S BLACK BUSINESS ELITE, INCLUDING HERMAN RUSSELL AND JESSE HILL (SECOND AND THIRD FROM RIGHT).

"He had certain convictions about politics because he knew that politicians made choices that could affect people's lives. He saw how much good affirmative action did for well-connected white folk and he thought it ought to be tried for other people as well."

—Bill Clinton
Former President
United States of America

THE YEAR WAS 1974. MAYNARD

Holbrook Jackson Jr., who had just been inaugurated as Atlanta's first black mayor, was holding court with the city's business leadership. He told them that he was going to move forward with the expansion of Hartsfield Airport, transforming one of the nation's busiest airports into an international hub. Then, he dropped the bombshell: 25% of all contracts would be set aside for minority firms.

Members of Atlanta's business establishment recoiled as they heard this new mandate; many charged that the act was illegal. For minority businesses, however, it meant many would gain a substantial share of a project initially valued at \$450 million.

Jackson reportedly told those in opposition: "We simply won't build [the airport] if you don't agree to this. You can have 75% of the project or you can have 100% of nothing. What is your choice?"

The meeting led to a two-year battle with some of the most powerful men in the South. They used their clout to call in political chips to get

the governor and state legislature to wrest control of the airport expansion project from the Jackson administration. By 1976, however, all parties would eventually agree to Jackson's modified version of his set-aside plan: a goal of 20% to 25% participation of minority-owned firms. Ever pragmatic, the mayor used the delay to sell corporations on the previously unheard of concept of joint ventures with minority firms, as well as to reassure black businesses that they would get something heretofore denied them: fair access to their share of contracts on a major public works project.

The result: Jackson increased the percentage of contracts to minorities from less than 1% in 1973 to roughly 39% five years later. In the process, he strengthened the black middle class, created scores of black millionaires, and bolstered **BE 100s** companies such as The Gourmet Cos. and H.J. Russell & Co.

"Jackson was like Dr. Martin Luther King Jr. when it came to ensuring African Americans got a

chance to participate in the nation's economic marketplace," says Herman Russell, chairman and CEO of the nation's largest black-owned construction company. Russell maintains that his \$300 million firm would not be the size it is today if not for Jackson's policy. H.J. Russell alone did about \$100 million worth of work at Hartsfield Airport over a three-year period.

In terms of black business development, Jackson not only opened doors for African American entrepreneurs in Atlanta, but others nationally. "He got the attention of black mayors, and some white mayors, in other major cities like Detroit, Los Angeles, Boston, and Chicago," Russell adds. "He helped put us on another plateau in terms of our dollar volume, the larger jobs, and getting joint ventures with major contractors that would not look at us before. He opened the doors where we otherwise would have been shut out."

His audacious moves earned him the distinction of being considered one of the godfathers of affirmative action. Jackson used the mayor's office as an agency of change and as a bully pulpit to create a level playing field.

The death of the 65-year-old champion of black business was not without its share of allegory. He died three months ago after suffering a heart attack in Washington, D.C.'s



THE FAMILY MAN:

1) HIS FAMILY STANDS BY HIS SIDE ON THE CAMPAIGN TRAIL;

2) WITH THE JACKSON-DOBBS CLAN DURING HIS CHILDHOOD;

3) JACKSON SHARES A TENDER MOMENT WITH HIS WIFE, VALERIE.

Reagan National Airport at roughly the same time the Supreme Court upheld affirmative action in the controversial University of Michigan case (see Newspoints, this issue). Just as ironic, former Georgia Governor Lester Maddox and retired U.S. Senator Strom Thurmond, two of the nation's most rabid segregationists, died the same week. "Maynard lived because he shared the action and passion of his times. But he was also on the right side of history," says powerful attorney and childhood friend Vernon E. Jordan Jr. in his remarks at Jackson's funeral. "Lester Maddox and Strom Thurmond... shared the action and passions of their times but... unlike Maynard, were on the wrong side of history."

Activist, Politician, Entrepreneur, Maynard touched millions of lives in his various roles. He gained a great number of foes but attracted more friends and allies. This was evident by two memorial services—at Atlanta City Hall and Morehouse College, his alma mater—and a funeral that drew 5,000 people from across the nation to Boisfeuillet Jones Atlanta Civic Center.

Jackson's death has left a void. Hundreds of letters and e-mails have poured into the mayor's office from Atlantans who want the airport renamed in Jackson's honor. (At press time, Mayor Shirley Franklin, a

Jackson protégé, was in the process of appointing a committee to decide how Jackson should be honored.) A national figure, Jackson's absence will be felt at the Democratic National Committee as the nation prepares for the next presidential election. The entrepreneur who built a thriving multimillion-dollar business empire leaves some rather big shoes to fill. The biggest question is will the next generation of young African American professionals, politicians, and entrepreneurs embrace his legacy and carry forward his agenda?

"I truly believe that Maynard Jackson must be looked upon as one of the founding fathers of the New Atlanta, the New South, and the New America."

—Rep. John Lewis (D-Ga.)

Maynard Jackson had been called a "bear of a man." His large hands enveloped those he greeted. His eyes would focus like a laser beam on his subject. His rich voice could soothe, charm, chastise, or cajole.

At an early age, he seemed destined to make his mark on the world. He came from a family of activists. His father, Maynard Jackson Sr., routinely received death threats when he campaigned as the first African American to seek a seat on the Dal-

las school board. His maternal grandfather, John Wesley Dobbs, was a leading political activist who spent years fighting for voting rights for blacks in Georgia.

Jackson, a prodigy who was admitted to Morehouse at the age of 14 as a Ford Foundation Early Scholar, was inspired by his elders. He was also motivated to serve by the assassinations of civil rights leader Dr. Martin Luther King Jr. and progressive presidential candidate Robert F. Kennedy in 1968. That same year the 30-year-old legal aid attorney made history by becoming the first black to campaign for statewide office since Reconstruction. His opponent was incumbent Sen. Herman Talmadge, scion of the state's most powerful political machine. Talmadge won by a three-to-one margin, but the defeat did not dampen Jackson's resolve.

Five years later, the 35-year-old defeated incumbent mayor Sam Massell to become the first black mayor of a major southern city. In 1977, he was re-elected to a second four-year term with 63% of the vote, more than three times the ballots cast for his rival. In 1989, after a seven-year-leave of absence from politics, he returned to city hall. Gaining 79% of the vote, Jackson became the first three-time winner of the office in 50 years.

In political circles, Jackson was considered "The Kingmaker," respon-



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THE POLITICIAN:

1) JACKSON HELPS ANOTHER PROTEGE, SHIRLEY FRANKLIN, TAKE THE HELM OF CITY HALL.

2) JACKSON'S CAMPAIGN TOUCHED THE COMMON MAN;

3) JACKSON USED CITY HALL AS A CHANGE AGENCY AND A BULLY PULPIT;

4) "THE KING-MAKER" HELPED CLINTON (CENTER) GET TO THE WHITE HOUSE;

5) FORMER PRESIDENT JIMMY CARTER RESPECTED JACKSON'S POLITICAL CLOUT.

sible for the political ascent of a number of progressive candidates on a local and national level. All three of his successors—Andrew Young, Bill Campbell, and Franklin—gained the helm of Atlanta City Hall through his urging, counsel, and endorsement. And he played a major role in the making of Democratic presidents Jimmy Carter and Bill Clinton.

"Maynard set a standard for that public servant who is bold enough to challenge the establishment and bad enough to stand the storm that ensued."

—The Rev. Joseph Lowery
President Emeritus
Southern Christian
Leadership Conference

Jackson's three terms were marked by Herculean accomplishments and Sisyphean ordeals. When he came into power in 1974, he was the beneficiary of a charter change that transformed Atlanta municipal government from a weak aldermanic structure to a "strong mayor" system, giving the city's chief executive budget authority and veto power. Politically pragmatic and unyieldingly principled, Jackson was not shy about wielding power. Says Thomas Burrell, CEO of Burrell Communications Group L.L.C., who knew the mayor for 30 years: "He was a populist and a capitalist."

During the mid-1970s, the young mayor worked with William T. Coleman, secretary of transportation under President Gerald Ford, to gain approval and funding for the expansion of Hartsfield Airport and the development of Metropolitan Atlanta Rapid Transportation (MARTA). Coleman, the second black presidential cabinet appointee in history, would laud Jackson's efforts as the creation of the twin engines of Atlanta's astounding growth over the next two decades.

His core component of municipal projects was minority business set-asides. In fact, Jackson's plan proved so successful at the Atlanta airport, it prompted the Federal Aviation Administration to get minority contractors involved in other airport projects nationally. This Southern municipality has since produced three times more general contractors than any other U.S. city. "Using the clout of government contracts, he developed minority involvement that had never before existed and might not exist today," says Leo F. Mullins, chairman and CEO of Delta Air Lines. "Maynard championed above all the fundamentally American idea that when you expanded economic opportunity to more people, the circle of prosperity expands."

Bernard Beal, CEO of New York-based M.R. Beal & Co. (No. 5 on the BE

INVESTMENT BANK list with \$2.65 billion in senior/co-senior managed issues) says Jackson was firmly committed to including minorities not only in the construction and operation of the airport, but also in every bond financing that involved the city of Atlanta. He maintains: "In short, Jackson created a model which many mayors of cities big and small could and did replicate and some still use today."

Jackson, however, faced his share of political and administrative challenges. While in office, he had to contend with strikes from sanitation workers and municipal employees that threatened to paralyze the city in 1977. And no one can forget the fear that gripped the city in 1979 when 29 young black males were killed as part of the heinous Atlanta child murders.

In his third term, the crowning achievement was bringing the Olympic gold to Atlanta. In 1990, he partnered with his mayoral successor and predecessor Andrew Young, chairman of the Atlanta Organizing Committee, the group that structured the city's bid, to lead a delegation to Tokyo to sell the International Olympic Committee on Atlanta as the locale for the 1996 Summer Games. His masterful presentation enabled Atlanta to beat Athens, Greece—the birthplace of the Olympics—as host for the centennial event.



1)



2)



As with other municipal projects, the seasoned mayor wanted to make sure that minority business would receive its fair slice of the Olympic contract pie. He remembered the treatment black firms received during the 1984 Olympics in Los Angeles, which amounted to little more than table scraps when it came to contracts, ranging from construction to concessions.

Jackson, however, did not renege on his pledge. From 1992 to March 1994, the Atlanta Committee for the Olympic Games awarded \$23.9 million in contracts to architects and engineers. Of that amount, \$10.7 million went to minority suppliers, and more than 60% of the minority firms were black. Also, a considerable number of **BE 100s** companies managed to reap Olympian dividends. For instance, the construction firms of H.J. Russell and C.D. Moody were part of the team that won the \$209 million Olympic Stadium project. And Terry Manufacturing, the Roanoke, Alabama, apparel manufacturer, became the first black-owned company to obtain a licensing agreement to produce clothing with the Olympic logo.

In 1992, Jackson underwent a six-way heart bypass. The following year, he declined to run for re-election, citing personal and health reasons.

"He used his big city mayoral experience to add things that differentiated us from other firms. He hustled and worked harder than any of us."

—*Reuben McDaniel III*
President & CEO
Jackson Securities LLC
on Jackson's leadership

During the course of his political career, Jackson had a hand in developing more **BE 100s** companies than any other mayor. After a stint as a bond attorney for Chicago-based law firm Chapman & Cutler he launched his own enterprise in 1987: Jackson Securities LLC (No. 7 on the **BE INVESTMENT BANKS** list with \$1.466 billion in senior/co-senior managed issues). Today, some observers wondered whether the firm will enjoy the same level of success without Jackson's strategic guidance and political muscle.

CEO McDaniel says Jackson was "very involved" in the firm's day-to-day activities. As chairman, he spent much of his time calling on current and potential institutional clients and helping set corporate policy. "He was a master salesman," McDaniel says of Jackson, who sold encyclopedias door-to-door before he went to North Carolina Central University's law school. "He had no problem picking up the phone, cold calling, or going to meet whoever he needed to."

For instance, the former mayor played a critical role in helping the firm land a \$100 million municipal bond contract with Jersey City last year—its largest revenue-generating deal in 2002. In fact, the city's mayor relied on Jackson's counsel to work through difficult agenda items and cash flow issues in order to complete the transaction. The bottom line: Jackson's political clout and business savvy made the deal happen. "He had a clear understanding of how to sell things politically inside the city, but also [how to] sell constituents on how transactions would be completed," McDaniel says.

What about Jackson Securities' future? The company's management team certainly did not expect the chairman's death to come so soon. The firm, McDaniel maintains, is on solid footing, though. Five years ago, Jackson put together a team of top-flight professionals to manage the firm so it could continue without him. The CEO believes he has the personnel and financial resources to remain competitive. "Our plan now is not to immediately change anything," says McDaniel, who expects Jackson Securities to expand through acquisitions or joint ventures and to realize the founder's vision of becoming a full-service national investment banking firm.

Jackson's other business interests are moving forward as well. In 1994, he,

THE ACTIVIST:

1) FORMER ATLANTA MAYORS BILL CAMPBELL (SECOND FROM LEFT) AND ANDREW YOUNG (FAR RIGHT) SAW THEIR PREDECESSOR AS A TRUE FORCE FOR SOCIAL CHANGE;

2) JACKSON MET WITH WORLD LEADERS LIKE FORMER SOUTH AFRICA PRESIDENT NELSON MANDELA (HOLDING UMBRELLA) ABOUT HUMAN RIGHTS;

3) JACKSON ALWAYS FOUND TIME TO MENTOR TEENS AT THE MAYNARD JACKSON YOUTH FOUNDATION;

4) JACKSON HELPS ANOTHER CONCERNED CITIZEN IN NEED.

ONE VOICE TOWERS ABOVE THE REST

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TRIBUTE

his daughter, Brooke Jackson Edmond, and food industry veteran Daniel Halpern launched Jackmont Hospitality Inc., an Atlanta-based food-services company that grosses roughly \$24 million annually and employs about 180 people. Says Halpern, Jackmont's president: "He had a passion for being in business with his daughter. It was something he really cared about and enjoyed."

The two learned quickly about Jackson's take-no-prisoner's style of management. In 1996, when Jackmont was in the process of developing a T.G.I.F.'s franchise at Hartsfield Airport, Halpern and Jackson Edmond, the company's senior vice president, thought they would not meet the construction timetable. "We looked at each other and asked who's going to tell him," recalls Halpern. "Maynard listened and looked and said, 'Let me tell you one thing. I built the entire airport ahead of schedule and under budget. I know you will get one restaurant built under budget.'"

They accomplished their mission. "He was adamant that we succeed in that endeavor," Jackson Edmond remembers of her father's guidance and persistence to make it happen. (Jackson had four other children, Elizabeth, Maynard III, Valerie Amanda, and Alexandra.)

Today, the franchise is the biggest revenue-producing airport outlet, based on square footage. Annual revenues are about \$6 million, accounting for roughly 25% of Jackmont's total sales.

With businesses in the Washington, D.C., and Memphis, Tennessee, metro areas, Jackmont is seeking to acquire seven new restaurants on the Eastern seaboard that would add another \$30 million in revenues to the company coffers, making it a candidate for the **BE INDUSTRIAL/SERVICE 100**. What's holding up the deal? "Losing the biggest component of our personal balance sheet," says Halpern.

The loss of Jackson "definitely put a hiccup" in our plans, he concedes. But they still have financial backing, and Halpern expects the deal to close by the end of the year.

"Maynard was a fearless, courageous, audacious leader... Maynard was self-confident and willing to sacrifice personally for things he believed in. He was a lion of a man."

—Atlanta Mayor Shirley Franklin

In business and politics, colleagues and protégés alike say Jackson would not make a deal that was either legally or ethically questionable or compromised his principles. He created organizations like the National Association of Securities Professionals (NASP) or jumped into frays such as his heated battle with Clinton crony and fundraising "magician" Terry McAuliffe for the chairmanship of the Democratic National Committee in 2001 to give blacks—whether high-powered professionals or ordinary folk—vehicles to gain economic and political empowerment.

Jackson never missed a chance to serve as teacher and mentor. In fact, he was passionate about reaching out to young people, which led to the formation of The Maynard Jackson Youth Foundation, an organization that introduces young people to the rudiments of law, politics, and finance. Most of the foundation participants are either college-bound or have attended a university.

Jackson's activism kept him on the road and, often, from his family. His wife, Valerie, wrote: "To be a member of Maynard Jackson's family is to be a part of a much wider circle of sharing.... We understood that our individual needs and desires sometimes had to be subordinated to the demands of the city he loved, the nation he cherished, and a world he, in typical fashion, Maynard fashion, invited home to Atlanta, for the 1996 Olympic Games."

In terms of Jackson's legacy, Christopher Williams, CEO of The Williams Capital Group L.P. (No. 2 on the **BE INVESTMENT BANK** list with \$78.54 billion in senior/co-senior managed issues), remembers his last conversation with Jackson at the June NASP conference days before Jackson's death. (Almost prophetically, it was announced at the conference that the organization's board had named NASP's Entrepreneur of the Year Award after Jackson.) Williams recalls Jackson's diatribe about "windy politicians," people who are in a position to effect change or help shape laws but refused to exercise their power. Says Williams: "He didn't expect people to just fold up and not fight. He found that surprising because when he was not afraid to open his mouth, he was not afraid to fight." **BE**

—Additional Reporting
by Jeffrey McKinney