

**NEW YORK EMPOWERMENT ZONE CORPORATION**

**MEETING OF THE DIRECTORS**

**Tuesday, November 12, 2019**

**NEW YORK EMPOWERMENT ZONE CORPORATION**

Meeting of the Directors  
Tuesday November 12, 2019 at 3:00 P.M.  
37<sup>th</sup> Conference Room  
Empire State Development Corporation  
633 Third Avenue  
New York, NY 10017

**AGENDA**

**ERIC GERTLER, CHAIR – CALL MEETING TO ORDER**

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<b>I. CORPORATE ACTION</b>	
A. Approval of Minutes of March 5, 2019 Meeting	<b>1</b>
B. Approval of Minutes of May 23, 2019 Meeting	<b>2</b>
C. Authorization of Matters Recommended by Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”)	
1. <u>Firelight Media, Inc</u> – Authorization of \$288,760 capacity building grant	<b>3</b>
2. <u>Museum of the City of New York</u> – Authorization of \$268,341 capacity building grant.	<b>4</b>
D. Authorization of Matters Recommended by Bronx Overall Economic Development Corporation (“BOEDC”)	
1. <u>Chocobar Cortes NYC, LLC</u> – Authorization of \$300,000 in Empowerment Zone capital loans.	<b>5</b>
2. <u>BOEDC Administrative Budget</u> – Authorization of \$708,226 administrative budget for fiscal year 2020.	<b>6</b>
E. Authorization of Matters Recommended by New York Empowerment Zone Corporation (“NYEZC”)	
1. <u>NYEZC Administrative Budget</u> – Authorization of \$644,803 administrative budget for fiscal year 2020.	<b>7</b>
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<u>UMEZ Business Initiatives De-designations</u>	<b>8</b>

**ERIC GERTLER – MOTION TO ADJOURN MEETING**

**NEW YORK CITY EMPOWERMENT ZONE CORPORATION  
MEETING OF THE DIRECTORS**

**633 Third Avenue  
37th Floor Conference Room  
New York, New York 10017**

**March 5, 2019  
11:10 A.M.**

**MINUTES**

**In Attendance**

**Directors:**

**Holly Leicht, Designee, Chairman Howard Zemsky, Empire State  
Development  
Lindsey Mayer, Designee, Vice-Chair Alicia Glen, NYC Office of the  
Mayer  
Anthony R. Jordan, Designee, Office of Congressman Jose Serrano  
Luis Miranda, Jr., Designee, Office of Congressman Adriano D.  
Espaillat  
Duncan Still, Designee, Marlene Cintron, President, BOEDC  
Blair Duncan, President & CEO, UMEZ**

**ESD Staff:**

**Marion Phillips, NYEZC  
Destiny Burns, ESD  
Richard Dorado, ESD**

**OTHERS PRESENT:**

**Jose Calderon, UMEZ  
Elizabeth Harris, UMEZ  
Yahshaanyah Hill, UMEZ  
Gaffar Mohamed, UMEZ  
Keli Rosenberg, Law Department, City of New York  
Duncan Still, BOEDC**

**Jen Yodie, Fordham WNYC**

The meeting of the New York Empowerment Zone Corporation (the “Corporation”) was called to order at 11:10 a.m. It was noted for the record that the meeting was being webcast. Before beginning with the substantive portion of the meeting, Acting Chair Holly Leicht greeted directors and welcomed Lindsey Mayer, representing Deputy Mayor Alicia Glen and Duncan Still representing Director Marlene Cintron.

Acting Chair Leicht stated that the Directors had received all written material in advance of the meeting and noted for the record the Corporation’s policy which welcomes public comments on the items on the current Agenda. She then asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda. Duncan Still recused himself from the vote on Bronx Overall Economic Development item due to potential conflicts involving his position as the CFO and presenter of the budget item and role as a Designee. She then called for a motion to approve the Minutes of the Directors’ meeting of December 18, 2018. Noting no corrections and upon the motion being duly made and seconded; the following resolution was unanimously adopted:

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE July 24, 2018 MEETING OF THE DIRECTORS OF THE NEW YORK EMPOWERMENT ZONE CORPORATION**

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**RESOLVED, that the Minutes of the Meeting of the Corporation held on October 24, 2017 as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of this Corporation.**

\* \* \*

**Acting Chair Leicht called upon Yahshaanyah Hill of the Upper Manhattan Empowerment Zone to present the next item on the agenda, Employer-Driven Bridge Hospitality Program**

**Ms. Hill explained that UMEZ is requesting approval of a grant of \$177,844 to further develop and implement the Employer-Driven Bridge Hospitality Program over a 15-month term.**

**She described the Employer-Driven Bridge Hospitality program as an employer-led training program that will lead to direct job placement and pathways to careers in the hospitality industry for Upper Manhattan residents.**

**She reminded the directors how the program connects to prior UMEZ's ten-million-dollar investment in the development of the Victoria Theater project in 2015. The Marriott Renaissance Hotel, an anchor tenant of the Victoria Theater, is expected to generate 58 full-time jobs to operate the hotel, which is scheduled to open during the first quarter of 2020. The Real Hospitality Group, the designated hotel management firm, will be responsible for the overall staffing, management and operations of the hotel. Last year, UMEZ partnered with the development team and the Real Hospitality Group to develop an employer-driven, skills-building program that will expand access to project-based employment opportunities for the underemployed and the unemployed population of Upper Manhattan residents.**

Ms. Hill detailed UMEZ's efforts partnering with the Real Hospitality group to ensure disadvantaged Upper Manhattan residents can acquire the skills that are needed to transition into industry-specific employment. She stated that UMEZ gained knowledge about the Real Hospitality Group's organizational culture, guiding principles for their branded and lifestyle independent hotels, their hiring process and the desired skill set competencies that will be required for the anticipated job openings and complimented those efforts with support of an experienced academic and career training service provider: The State University of New York, Manhattan Educational Opportunity Center (SUNY MEOC), to develop an industry-recognized Employer-Driven Bridge Hospitality Program that is tailored to meet the learning needs of the Upper Manhattan community.

She provided background on SUNY MEOC including that it has been in existence for over 50 years and it is funded by the State University of New York and administered by the Borough of Manhattan Community College. She added that SUNY MEOC was able to customize a six-course, seven-week training curriculum that will bridge the gap between the skills desired by the hotel management firm and the skills required of Upper Manhattan residents.

Acting Chair Leicht inquired if there is a fee for the course.

Ms. Hill stated that the course will be free to all upper Manhattan residents. And this is a true value add because you typically wouldn't find a training program on this level being available at no cost.

**Acting Chair Leicht asked how participants will be selected and whether the program is open to anyone.**

**Ms. Hill responded that the program is open to all Upper Manhattan residents. She stated that the recruitment strategy will consist of making a request for applications through Upper Manhattan Workforce Development providers, who will be responsible for working with the SUNY MEOC and UMEZ on marketing, outreach and recruitment.**

**Acting Chair Leicht asked if the hotel has agreed to do a first look for graduates of the program.**

**Ms. Hill responded that the hotel has made some very strong commitments. She explained that they will hire program graduates directly for open positions. She added that the goal is to staff up the 58 Victoria Project positions that are available and the hotel expressed interest in working further to staff up other hotels that they manage.**

**Director Miranda asked about another hotel that is opening on 181st Street with an additional 60 jobs and whether they were included.**

**Director Duncan responded that the hospitality industry has a lot of opportunity and that UMEZ likes this program because it integrates the economic development programs that**

UMEZ has. He cited the Victoria Theater Hotel's 10-million-dollar investment which and the Apollo expansion within the building, UMEZ provided cultural grant support. He added that UMEZ is excited about the program.

Director Miranda inquired about the range of wages that will be paid to program participants.

Ms. Hill responded that the wages would definitely be above minimum wage. She added that the hotel is currently working on their Human Resources budget and once that is solidified the actual salaries can be confirmed and housekeeping and front office positions can range from sixteen to eighteen dollars per hour.

Director Jordan asked if the grant timeline correlated to when the jobs would be available and if the specific positions have been determined.

Ms. Hill responded that all positions have been identified and that the curriculum creation relied on that available positions.

Director Duncan added that timeline is that the hotel is scheduled to open first quarter 2020. UMEZ will follow developments closely that affect the timeline or create delays. If possible, adjustments can be made. He added that the first courses will likely begin in July.

Acting Chair Leicht asked if it would be July of this year.

Director Duncan confirmed that it would, and that delay could be possible resulting from project delays. He added that UMEZ wants to ensure jobs will be available immediately upon program completion.

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

**UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Employer-Driven Bridge Hospitality Program –A \$177,844 grant to provide training for entry level and career track positions in hospitality/hotel operations industry.**

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**RESOLVED**, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (‘UMEZ’) initiative for a grant to Employer-Driven Bridge Hospitality Project (the “Initiative”) to provide training for entry level and career track positions in hospitality/hotel operations industry. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed ONE HUNDRED SEVENTY SEVEN THOUSAND EIGHT HUNDRED FORTY FOUR DOLLARS (\$177,844) for the purposes and on the terms and conditions described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

**RESOLVED**, that for the purpose of providing the funds, the Corporation is hereby authorized to accept and utilize funds for a grant an amount not to exceed ONE HUNDRED SEVENTY SEVEN

**THOUSAND EIGHT HUNDRED FORTY FOUR DOLLARS (\$177,844) in accordance with the MOU; and be it further**

**RESOLVED, that the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.**

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**Acting Chair Leicht called upon Mr. Mohamed of the Upper Manhattan Empowerment Zone to present the UMEZ Marketing Budget.**

**Mr. Gaffar explained that UMEZ is seeking approval of its Marketing Initiative for the year 2019 totaling one hundred two thousand dollars. The explained that the budget would support UMEZ's marketing, communication and promotion efforts in support of economic development in Upper Manhattan. He stated that the marketing initiative is designed to increase awareness of UMEZ, build on its investment community, both cultural and commercial, and highlight a small business lending platform. He added that UMEZ will use a range of tools to market its products and services in the community using print and online media, select placements of print and social media advertising and partnering opportunities.**

**He described the social media efforts stating that UMEZ will network with prospective clients who seek opportunities for funding and technical assistance. Using its website, UMEZ will profile past grantees and borrowers, promoting their success and experience with obtaining funding for technical assistance from UMEZ.**

UMEZ will partner with community banks to create opportunities for UMEZ to speak one-on-one with upper Manhattan businesses looking for assistance for funding and technical assistance. UMEZ will continue to partner on events in Upper Manhattan including Restaurant Week, Uptown Arts Stroll and Harlem Week. These convening efforts will enable UMEZ to partner with local community-based organizations to advance access to capital, launch awareness events for UMEZ programs, facilitate technical assistance for small businesses, develop innovative response to workforce and raise our profile with certain coalition groups.

UMEZ plans to collaborate with other CDFI small business lenders and micro lenders to empower Upper Manhattan entrepreneurs to gain expertise to launch and expand their businesses. Also, brochures and handouts will be provided and other collateral materials to create and distribute to the events described above. These efforts will increase UMEZ's visibility across Central Harlem, East Harlem, West Harlem and Washington Heights and Inwood. They will increase UMEZ's services to the cultural and commercial businesses, create employment for the community and increase awareness of access to UMEZ funding.

UMEZ will monitor the success of the program and identify metrics to measure the impact of our marketing efforts. These may include referrals for small business loan applications, inquiries about funding, intake and assessment of workforce development programs. And we will report our findings back to the staff of the NYEYC. I will pause and ask

for questions. If none, then I will ask please approve our Marketing Initiative for \$102,000 for calendar year 2019.

Acting Chair Leicht suggested UMEZ provide a matrix showing the success of marketing efforts and provide a presentation at a future meeting describing some direct success stories.

Mr. Mohamed replied that UMEZ would be happy to provide that.

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

**UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION - UMEZ Marketing - Authorization of \$102,000 marketing budget for fiscal year 2019.**

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**RESOLVED**, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”), the Directors hereby authorize a marketing budget for ONE HUNDRED TWO THOUSAND DOLLARS (\$102,000) for fiscal year 2019 pursuant to the purposes described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State (the “State”), the City (“City”), and others (“MOU”); and be it further

**RESOLVED**, the President and Treasurer, or their respective designee(s), acting jointly are hereby authorize in the name and on behalf of the Corporation to approve expenditures, execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

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**Acting Chair Leicht called upon Duncan Still of Bronx Overall Economic Development Corporation to present a budget amendment for fiscal year 2019.**

**Mr. Still requested a budget amendment for fiscal year 2019 going from a \$640,195 to \$805,613. He stated that the increase of \$165,418 relates to legal fees related to the financial years 2014, 2015, 2016 and 2017.**

**He added that these amounts are unpaid and had originally been miscoded to the BOEDC General Fund and hence, were not presented to the ESD budget. All the legal fees are related to lending activity. There are eight loans in collection, basically. The original invoices total \$195,718. He added that he had negotiated discounts of up \$30,300 and that full details were provided in packet reflecting loans and the amounts in question.**

**Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:**

**BRONX OVERALL ECONOMIC DEVELOPMENT CORPORATION – Authorization to amend BOEDC's budget for fiscal year 2019.**

**RESOLVED**, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Bronx Overall Economic Development Corporation (BOEDC), the Directors hereby authorize an amended administrative budget of EIGHT HUNDRED FIVE THOUSAND SIX HUNDRED THIRTEEN DOLLARS (805,613) for fiscal year 2019, pursuant to the purposes described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

**RESOLVED**, the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to approve expenditures, execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

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**Hearing no further business, the meeting adjourned at 11:30 a.m.**

**Respectfully submitted,**

**Marion Phillips III  
Corporate Secretary**

**NEW YORK CITY EMPOWERMENT ZONE CORPORATION**

**MEETING OF THE DIRECTORS**

**633 Third Avenue,  
37th floor Conference Room  
New York, New York 10017**

**May 23, 2019  
10:36 a.m.**

**MINUTES**

**In Attendance:**

**Directors:** Holly Leicht, Designee, Chairman Howard Zemsky, Empire  
State Development  
Lindsey Mayer, Designee, Vice-Chair Vicki Been, NYC Deputy Mayor for  
Housing & Economic  
Luis Miranda, Jr., Designee, Office of Congressman  
Adriano D. Espaillat  
Blair Duncan, President & CEO, UMEZ

**ESD Staff:** Marion Phillips, III, NYEZC  
Destiny Burns, ESD  
Richard Dorado, ESD

**OTHERS PRESENT:** Gaffar Mohamed, UMEZ  
Elizabeth Harris, UMEZ  
Yahshaanyah Hill, UMEZ  
Keli Rosenberg, Law Department, City of New York

The meeting of the New York Empowerment Zone Corporation (the “Corporation”) was called to order at 10:36 a.m. It was noted for the record that the meeting was being webcast. Acting Chair Leicht stated that the Directors had received all written material in advance of the meeting and noted for the record the Corporation’s policy which welcomes public comments on the items on the current Agenda. She then asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda.

Hearing none, she then called for UMEZ to present its first item for consideration.

Mr. Blair Smith, Chief Investment Officer for the Upper Manhattan Empowerment Zone Development Corporation Presented a request for approval of the Empowerment's Pre-Development Loan Fund.

Mr. Smith explained that the total cost for the project is \$5,250,000, funded entirely by UMEZ which is expected to be a two-year initiative. The initiative would contribute to the local investment base, creating and retaining both short term and permanent jobs and promoting the overall economic vitality of the Upper Manhattan community. He added that the Pre-Development Loan Fund would address capital gaps that serve as a barrier to strengthen the emerging developers in the Upper Manhattan community and particularly those that are led by local MWBE developers. He noted that UMEZ commissioned an independent consultant to define and understand the unmet needs of emerging real estate developers in Upper Manhattan.

Mr. Smith outlined project details, stating that projects funded have to be located in the Upper Manhattan Empowerment Zone and qualified borrowers will have to be led by developers of eligible local real estate projects. He further explained that pursuant to an RFP, UMEZ will identify and partner with a third-party service provider who will serve as an advisor to UMEZ staff who would underwrite and manage Pre-Development Loans pending NYEZ approval

Mr. Smith outlined a modified NYEZ process where a summary of each approved Pre-Development loan would be submitted at each meeting of the UMEZ Board of Directors and for

each loan UMEZ will submit to the NYEZ a summary of each approved Pre-Development Loan including the project location, type of real estate project, Name of developer, loan amount and approval date. In order to implement the modified approval process, NYEYC staff would review the proposal within 20 business days of receipt from UMEZ. However, absent any written disapproval from NYEYC staff within 20 business days, including any inaction, the proposal would be deemed approved and UMEZ would be authorized to proceed with funding. He further explained that UMEZ board will delegate authority to the EPD committee to approve Pre-Development Loan Funds that do not exceed half-a-million dollars.

Director Miranda inquired how long the fund is anticipated to last considering the revolving nature of the fund.

Director Duncan responded that each loan individually will be probably somewhere in the 24-month term and those will be repaid once the construction project begins.

Acting Chair Leicht added that it was like a bridge loan

Director Duncan agreed and stated that the fund would revolve and perpetuate itself for several years.

Acting Chair Leicht ask to clarify if the two-year time frame was for the initial loan payout

Director Duncan agreed and added that UMEZ anticipates that it would take two years to disburse the initial five loans.

Acting Chair Leicht if UMEZ had an idea of what a typical loan may look like and if it would be residential or commercial projects.

Director Duncan responded that commercial, mixed-use, community facilities and residential would be considered. However, residential would have to have a substantial affordability component.

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

**UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Empowerment Pre-Development Loan Fund - A \$5,000,000 loan and \$250,000 grant to capitalize a pre-development loan fund and loan loss reserves.**

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**RESOLVED**, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”) initiative for a loan and grant to Empowerment Pre-Development Loan Fund (the “Initiative”) to capitalize a pre-development loan fund and loan loss reserves. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed **FIVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$5,250,000)** for the purposes and on the terms and conditions described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

**RESOLVED**, that for the purpose of providing grant/loan for under the new Initiative, UMEZ shall require the Corporation’s Board of Directors’ approval on each individual project; and be it further

**RESOLVED**, that for the purpose of providing the funds, the Corporation is hereby authorized to accept and utilize funds for a loan in an amount not to exceed **FIVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$5,250,000)** in accordance with the MOU; and be it further

**RESOLVED**, that the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

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Acting Chair Leicht called upon Ms. Roosevelt of the Upper Manhattan Empowerment Zone to present the UMEZ Arts Engagement Regrant Program.

Ms. Roosevelt explained that the directors were being requested to approve the re-capitalization of the UMEZ Arts Engagement Re-Grant Program for calendar years '20 and '21.

She further explained that UMEZ would fund \$885,000 of the total project cost of \$1,089,900 and that the program was a new initiative in UMEZ' updated cultural investment strategy in 2017. She then characterized the program purpose and history including its initial approval of the program's pilot for calendar years 2018 and 2019 with the goal of enhancing diversity and frequency of cultural activity in Upper Manhattan by providing flexible support for artists and groups to create and develop audiences for their work.

She continued by adding that the pilot program initiative for 2018 and '19 generated 89 grants and an estimated audience of 113,000 people and the re-capitalization would continue the policies, structure and operations that have been established for UMEZ Arts Engagement Grants and extend the engagement with Lower Manhattan Cultural Council as administrator of the program.

She explained that based on analysis of the pilot initiative, modest adjustments would be implemented to strengthen the program for 2020 and 2021 including improving outreach efforts; Providing and promoting a dedicated Spanish language session; confirming a minimum of five panelists for each jury; and ensuring that the jurors give weight to applicants with a history of service to Upper Manhattan. She explained that other changes included scaling appropriately so that each year's grants will be lowered from \$400,000 and capped at \$375,000 for a total of \$750,000 over two years and the cost to administer the program would be reduced to \$135,000; from 25 to 18 percent of the grant. She then pointed out other requirements will stay in place including a one year waiting period to apply after three consecutive years of support and UMEZ would maintain oversight of the program including approval of guidelines and criteria; eligibility for jury panels; and final approval of the award.

Director Miranda inquired about the number of grants awarded to artists in 2017

Ms. Roosevelt responded that there were 89 total; 51 applicants and 36 grantees in 2018 and 74 applicants and 53 grants in 2019.

Director Miranda then asked what a typical reduction is

Ms. Roosevelt responded that there are groups that aren't eligible, although LMCC works with all the applicants to help them. Some of them simply can't get the paperwork together. Some of them are applying for grants that are purely educational, which aren't funded by the grant. She added that there is a large majority that actually get funded. She stated that it's remarkable how many have come in ready to do their work.

Director Miranda asked why the grant is limited to three consecutive years per applicant and if someone is doing good work why wouldn't it be extended for a fourth year

Ms. Roosevelt responded that only 17 grantees have received grants both years. She added that those organizations were the larger ones with the wherewithal to do this on an annual basis. She added that many of the artist apply because they have a specific project that would take place that year. The rule exists to ensure there is room for new voices and the same group is not benefitting over and over.

Ms. Mayer inquired about the median grant amount

Director Duncan responded \$7,500.

Ms. Mayer followed up requesting to know whether UMEZ is able to track how the money was spent

Ms. Roosevelt responded that complete financial records are required so that it is known how much money in addition to the grant amount was raised.

Director Duncan added that part of the reason UMEZ partnered with the Lower Manhattan Cultural Council is because they collect a lot of data required by the state and city as they administer grants for both.

Ms. Mayer then asked if the data reveal what the need was for.

Director Duncan responded yes.

Ms. Roosevelt added that artistic salaries were the most funded, then supporting staff and then space rental.

Acting Chair Leicht recalled a previous discussing involving UMEZ making presentations to the board at the beginning of each meeting to highlight its projects to bring more understanding to what the organization does. She added that visuals of the grantees would help bring it all to life and provide more than just the numbers.

Ms. Roosevelt stated that UMEZ would be happy to do that.

Director Duncan agreed that it could begin next fiscal year.

Ms. Mayer inquired if there is a list of the 89 recipients available.

Director Duncan responded that they are listed on the website and agreed to send it to the directors.

Director Miranda inquired how many of the 89 awards were to individual artists?

Ms. Roosevelt replied that she did not have a breakdown in front her but added that she would be happy to provide it and added that it was a healthy mix of recipients.

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

**UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Lower Manhattan Cultural Council –A \$885,000 grant to recapitalize Arts Engagement Grants program.**

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**RESOLVED**, that on the basis of the materials (the Materials) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (UMEZ) initiative for an additional grant to **Lower Manhattan Cultural Council** (the “Initiative”) to recapitalize UMEZ Arts Engagement Grants program. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed **EIGHT HUNDRED EIGHTY FIVE THOUSAND DOLLARS (\$885,000)** for the purposes and on the terms and conditions described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the State), the City of New York (the “City”) and others (“MOU”); and be it further

**RESOLVED**, that for the purpose of providing the funds, the Corporation is hereby authorized to accept and utilize funds for a grant an amount not to exceed **EIGHT HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$885,000)** in accordance with the MOU; and be it further

**RESOLVED**, that the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

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Acting Chair Leicht then asked Ms. Roosevelt to present her next item, a three-year capacity grant to Hip-Hop Theater Festival, more commonly known as Hi-Arts.

The total project cost is \$500,000, of which UMEZ would fund up to \$250,000.

Ms. Roosevelt explained that Hi-Arts, a new applicant to UMEZ, was established in 2000 as an annual Hip Hop Theater festival but has since broadened its programming to produce and present works by artists rooted in the Hip Hop aesthetic who are addressing contemporary issues of equity and social justice. She further explained that other programs include: Artists

residencies; Exhibitions; Co-productions with Upper Manhattan Cultural organizations; Community engagement programs; and, Arts education, both in school and after school.

She then discussed the history of the organization including its move to East Harlem in 2009 to becoming an anchor tenant at El Barrio's Art Space, P.S. 109 in 2015. She explained that the strategic move was accompanied by a change in leadership and the adoption of a strategic plan to stabilize operations, strengthen the programming and identify targeted goals for growth. She then tied the history to the current grant request with which Hi-Arts will address key element of their strategic plan including strengthening the board; Cultivating new donors; attract new audiences; and, build the marketplace for their programming.

Ms. Roosevelt concluded that UMEZ funds would support a full-time development director, a part-time marketing associate, a development consultant, and the upgrade of development of marketing materials and improvements to the website.

Acting Chair Leicht asked if P.S. 109 was the permanent home for Hi-Arts.

Ms. Roosevelt responded yes and added that they are an anchor tenant. She further discussed the business model for P.S. 109 to support arts organizations providing a small stage and plenty of office space. She described the building itself as a mini cultural community in East Harlem.

Acting Chair Leicht stated that she loves the arts space and that Hi-Arts is a good group. She then inquired about the ongoing plan to ensure staff can be retained after the grant term is complete.

Ms. Roosevelt explained that the goal of UMEZ capacity grants is to position the recipients to continue the plan and support would decrease over the three-year period, so grantees don't find themselves on a cliff at the grant's end.

Director Duncan added that the positions are development and marketing, geared directly to that.

Ms. Mayer inquired whether the grantee would be able to renew the grants with UMEZ.

Ms. Roosevelt replied yes but pointed out that HI-Arts has a good reputation and would engage corporate targets which would be the responsibility of the new full-time development staff.

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

**UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Hip-Hop Theater Festival, Inc (Hi-Arts) – A \$250,000 grant for capacity building.**

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**RESOLVED**, that on the basis of the materials (the Materials) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”) initiative for a grant to **Hip-Hop Theater Festival, Inc (Hi-Arts)** (the “Initiative”) for capacity building. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed **TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000)** for the purposes and on the terms and conditions described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

**RESOLVED, that for the purpose of providing the funds, the Corporation is hereby authorized to accept and utilize funds for a grant an amount not to exceed TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) in accordance with the MOU; and be it further**

**RESOLVED, that the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.**

**\*\*\***

**Acting Chair Leicht then called upon Gaffar Mohammed Chief Financial Officer of the Upper Manhattan Empowerment Zone to present the UMEZ Administrative Budget fiscal year ending 2020.**

**Mr. Mohamed presented an administrative budget of \$3,895,757. He noted that the budget is completely funded with loan repayments. He compared the actual expenses of fiscal year 2019 approved budget. He explained that the actual expenses for fiscal year 2019 were \$517,542 below the approved budget amounts largely due to key vacancies UMEZ is working to fill. He highlighted key variances including \$622,752 savings in the personnel line item offset by \$191,900 of temporary staffing as well as a reduction of \$55,457 in legal costs incurred from collection efforts on delinquent loans. The budget request of \$3,895,757 for fiscal year 2020 is lower the approved fiscal year 2019 budget by \$14,878.**

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

**UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Authorization of \$3,895,757 administrative budget for fiscal year 2020.**

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**RESOLVED**, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”), the Directors hereby authorize an administrative budget of **THREE MILLION EIGHT HUNDRED NINETY-FIVE THOUSAND SEVEN HUNDRED FIFTY SEVEN DOLLARS (\$3,895,757)** for the fiscal year 2020, pursuant to the purposes described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

**RESOLVED**, the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to approve expenditures, execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

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Acting Chair Leicht acknowledged the completion of corporate action and called upon Yahshaanya Hill, Vice President of Workforce Opportunity Investments at UMEZ to present, for information only, Workforce Development de-designations.

**Ms. Hill explained that the UMEZ Board of directors approved de-designations of unused funds from several previously approved human capital and workforce development initiatives in the amount of six hundred thousand four hundred and fourteen dollars. She further explained that the unused funds scheduled for de-designation were identified through a recent reconciliation of workforce development funding and the funds would be available for future workforce development projects.**

**She stated that the unused funds are being reallocated from projects that never commenced, left incomplete or completed without expending the full amount of the award.**

**Ms. Mayer inquired whether UMEZ tracked why certain grantees were unable to use the funding and where they could improve for future performance.**

**Ms. Hill responded that most of the de-designated projects were from 1999-2003 when the focus was on traditional workforce development including resume writing and workshop preparation. She added that UMEZ has now adopted a demand driven workforce development strategy that is employment driven. She concluded that UMEZ is doing workforce development is the reverse of the traditional way where they focused on the needs of employers and train the workforce to qualify so that performance will not be an issue in the future.**

**Director Duncan added that many of the recipients of the de-designated projects do not specialize in that type of job training.**

**Ms. Mayer acknowledged that UMEZ would likely not be working with those organizations again.**

**Director Duncan responded that some many get future grants but not likely for this purpose.**

**Acting Chair Leicht inquired if UMEZ is now working with the employers themselves.**

**Ms. Hill responded that UMEZ is still working with non-profit organizations, but they have to exhibit relationships with employers and have training programs that will link residents directly to employment opportunities.**

**Ms. Mayer inquired whether all the employers are located in the Empowerment Zone.**

**Ms. Hill responded that the employers don't necessarily have to be located within the Empowerment Zone. However, the residents have to be Empowerment Zone residents.**

**Director Duncan added that UMEZ is happy to have residents who work in other parts of the City.**

**Hearing no further business, the meeting adjourned at 11:08 a.m.**

**Respectfully submitted,**

**Marion Phillips III,  
Corporate Secretary**

**FOR CONSIDERATION**

November 12, 2019

**TO:** The Directors

**FROM:** Eric Gertler

**SUBJECT:** New York (New York County) - Upper Manhattan Empowerment Zone Development Corporation

**REQUEST FOR:** **Authorization for Grant to Firelight Media, Inc. and to Take Related Actions.**

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**I Initiative Summary**

**Organization Name:** Upper Manhattan Empowerment Zone Development Corporation (UMEZ)  
55 W 125<sup>th</sup> Street – 11<sup>th</sup> Floor  
New York, New York 10027

**Contact:** Blair Duncan  
President and CEO  
(212) 410-0030

**Proposed Initiative:** A \$288,760 capacity building grant.

**Total Initiative Cost:** \$620,751

**Proposed Empowerment Zone (“EZ”) Investment:** \$288,760 (Grant)

<b>Funding Sources:</b>	<b>Federal EZ SSBG Funds:</b>	<b>\$ 96,254</b>
	<b>State EZ Funds:</b>	<b>\$ 96,253</b>
	<b>City EZ Funds:</b>	<b>\$ 96,253</b>
	<b>Other:</b>	<b><u>\$331,991</u></b>
	<b>TOTAL:</b>	<b>\$620,751</b>

**Fiscal Year:** 2020

## **II Initiative Narrative**

Attached are materials prepared by UMEZ for its Board of Directors containing narrative information regarding this initiative.

## **III Conditions for Approval**

Funding is subject to the Corporation's approval of UMEZ's monitoring system which must ensure that adequate policies and procedures are adopted to safeguard against misappropriation and provide for appropriate controls with respect to each grant.

The release of funds for this initiative is subject to certification by the Deputy Mayor's Office (i) that all procurement solicitation processes fulfill all applicable requirements set forth in the Operating Principles Memorandum of Understanding (the "MOU") dated as of January 19, 1996, and (ii) that each procurement selection process has been completed in accordance with those requirements.

The release of funds for this initiative is subject to UMEZ presenting to the Corporation for approval detailed written information on implementation of this initiative and the terms and conditions for the grant from UMEZ to **Firelight Media, Inc.** The provision of funding for this initiative is contingent upon the Corporation receiving satisfactory evidence of all other funding sources for the initiative.

The disposition of recovered grants is subject to the approval of New York Empowerment Zone Corporation's Board of Directors.

## **IV Initiative Benchmarks**

The initiative will achieve the following benchmarks:

- Create 2 jobs
- Sustain its current growth for the organization's future
- Strengthen its operations

This initiative will benefit EZ residents:

- Provides support for its capacity-building initiatives

## **V. Federal Funding Goals**

This initiative will meet the following Federal funding goals:

- Achieve or maintain economic self-support, to prevent, reduce, or eliminate dependency.
- Achieve or maintain self-sufficiency by reducing or preventing social dependency.

This initiative will meet the following Federal programmatic options:

- Permanent job creation, including without limiting the foregoing, promotion, encouragement and creation of opportunities for small, medium and large business development in the EZ/EC that will create permanent jobs for the Enterprise Zone.
- Increasing the number of permanent –job creating new businesses in the EZ/EC.
- Leveraging of Federal, State, and City EZ/EC funding and not-for-profit funding with private capital.

## **VI. Additional Materials**

- A. Copy of UMEZ's Board of Directors' materials
- B. Copy of UMEZ's Board of Directors' resolution recommending this initiative for final approval by the Directors
- C. Resolution of the NYEYC Board of Directors

**FOR CONSIDERATION**

**TO:** NEW YORK EMPOWERMENT ZONE BOARD OF DIRECTORS

**FROM:** BLAIR M. DUNCAN, PRESIDENT AND CEO  
UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION

**DATE:** NOVEMBER 12, 2019

**SUBJECT:** FIRELIGHT MEDIA, INC.

**REQUEST FOR:** CAPACITY GRANT AWARD OF UP TO \$288,760

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**PROPOSAL SUMMARY**

**CIF PROJECT MANAGER:** Lindsey Crane

**COMPANY:** Firelight Media, Inc.

**CONTACT:** Marcia Smith, President

**ADDRESS:** 72 Hamilton Terrace, New York, NY 10031

**TELEPHONE/E-MAIL:** 212-222-1068/marcia@firelightmedia.org

**TYPE OF BUSINESS:** Media organization/documentary film

**TAX STRUCTURE:** 501(c)(3) Nonprofit organization

**IRS TAX ID#:** 11-3489379

**DATE INCORPORATED:** September 27, 2000

**TOTAL PROJECT COST:** \$620,751

**FINANCING REQUESTED:** \$288,760

**GRANT TERM:** 7/1/19 – 8/31/22

**FUNDING SOURCES:**

Federal SBG EZ Funds:	\$	96,253.33
State EZ Funds:	\$	96,253.33
City EZ Funds:	\$	96,253.34
Other:	\$	331,991
<b>Total:</b>	<b>\$</b>	<b>620,751</b>

**EMPLOYMENT:**

Projection:	EZ	UM	Other	Total
Full time	0	1	1	2
Part time	0	0	0	0
Consultant	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>

## **I SUMMARY OF INITIATIVE**

Firelight Media (Firelight) is a nonprofit organization that works with emerging documentary filmmakers of color to bring their films about underrepresented people and stories to the mainstream media. Although the organization receives significant support from the Corporation for Public Broadcasting and from major foundations, Firelight has recognized that its infrastructure has not kept pace with its expanding programs and services. A recent planning process produced a five-year strategic business plan to strengthen Firelight’s administrative operations and diversify its fundraising and revenue-generating capacity. This request is for a three-year grant of \$288,760 to implement two key components of the plan: adding the full-time positions of Director of Development and Communications, to lead the organization’s fundraising, communications, and branding; and Finance Associate, to strengthen day-to-day financial operations.

<b>Sources</b>		<b>Uses</b>	
UMEZ	\$ 288,760	Personnel	\$ 513,000
Firelight Media	\$ 331,991	Benefits	\$ 107,751
<b>Total Project Cost</b>	<b>\$ 620,751</b>		<b>\$ 620,751</b>

## **II DESCRIPTION OF INITIATIVE**

### **DESCRIPTION OF ORGANIZATION**

Firelight Media began as a Harlem-based nonprofit film production company in 1998 with the mission of developing documentary films about people, places, cultures and issues that are underrepresented in the mainstream media. The company was founded by Stanley Nelson, a MacArthur “Genius” Fellow and four-time Emmy Award-winner, and Marcia Smith, an award-winning writer who has worked extensively in philanthropy, government, and politics. During its first ten years, Firelight Media produced over 25 hours of primetime programming for public and cable television and won every major industry award, including a Primetime Emmy, du-Pont Columbia Silver Baton, Peabody Award, the International Documentary Association Award, and numerous film festival awards.

Firelight Media has earned wide recognition for its community and audience engagement efforts undertaken in connection with its films, for which it develops educational materials and communications across multiple media platforms and engages in partnerships to deepen the audience experience around a specific film. Firelight’s audience engagement and education campaigns have resulted in record-breaking ratings for the PBS Independent Lens” documentary series and the highest social media engagement numbers for any PBS program in history (*The Black Panther Party: Vanguard of the Revolution*). Firelight’s crowning achievement in this area includes a large-scale letter-writing campaign conducted in conjunction with the premiere of their 2003 film, *The Murder of Emmett Till*, which contributed to the reopening of the murder investigation into Emmett Till’s death.

In the organization’s early years, Mr. Nelson and Ms. Smith frequently provided guidance and advice to young filmmakers of color on an ad hoc basis. Recognizing that this was a critical need for the field, they restructured the organization to separate the production of Mr. Nelson’s films from the mentorship and training of young filmmakers. In 2008, Firelight Films was established as a separate, for-profit entity dedicated to producing Mr. Nelson’s work. Firelight Media’s non-profit mission was redefined to focus on mentoring, training, and developing promising young filmmakers of color who produce socially relevant films.

Firelight's flagship program is the **Documentary Lab (DocLab)**, an incubator for promising young filmmakers of color. Each year, 30+ emerging filmmakers receive an array of professional development opportunities related to their film project. Filmmakers are personally mentored by Mr. Nelson; receive artistic and technical advice; have access to networking opportunities with industry professionals; and receive publicity and promotion for their project. DocLab participants with the most promising projects are also eligible to receive financial support from Firelight's **Next Step Fund**. On average, five DocLab participants have their completed films broadcast each year. Past DocLab participants have received awards and nominations from numerous media outlets, including the Emmy Awards, Sundance Film Festival, and Tribeca Film Festival. Firelight's history of supporting these young filmmakers has resulted in the creation of over 40 award-winning films and films-in-progress.

Since 2009 Firelight Media has screened films by Firelight Films and Documentary Lab participants across New York City. In 2018 the screenings were expanded to include a new series entitled **Films by Firelight** designed to showcase films in Upper Manhattan, hosted by Mr. Nelson. Film screenings have taken place at the Apollo Theater, the Schomburg Center for Research in Black Culture, ImageNation's Raw Space, and Maysles Documentary Center. Since 2009, Firelight Media's public screenings in Upper Manhattan have attracted City-wide audiences of more than 9,500.

In 2017, Firelight Media started **Groundwork**, a series of 1 to 3-day regional workshops for filmmakers of color in under-resourced areas across the United States. The program is primarily aimed at early-stage filmmakers and focuses on helping them attain contacts with local PBS stations, funders, and industry professionals. In its first two years, 30 early stage filmmakers have participated in the program.

Firelight also launched the **Impact Producers Fellowship** in 2017. The fellowship serves 12 social change activists of color each year, all of whom receive intensive training and media networking opportunities around advanced impact and audience engagement techniques with regard to media. The Fellows have provided publicity and audience engagement support for ten films in the first two years of the program; the program has also facilitated job placement and consultant contracts for ten fellows.

Firelight's audience is wide-ranging. It begins with the emerging filmmakers and producers of color participating in the Documentary Lab, Groundwork, and Impact Producers Fellowship and extends to the audiences that attend the screenings in Upper Manhattan and around the City. Deeper audience engagement takes place in collaborations with local organizations and Firelight's formal community engagement programs; for instance, Mr. Nelson's recent film, *Tell Them We Are Rising: The Story of Historically Black Colleges and Universities*, was screened to full houses at both the Apollo Theater and Columbia University, with Q&A sessions at each. Firelight Media's audience extends nationally through its impact and engagement campaigns built around community screenings, and through PBS broadcasts of documentaries by DocLab alumni and by Firelight Films, which have been viewed by millions nationwide.

Since Firelight Media redefined its mission, they have prioritized growth of their programs with the help of several large funders. Priority on program growth has come at the expense of institutional operations; a recent strategic planning exercise with CliftonLarsonAllen, a respected accounting and consulting firm, and funded by the Ford Foundation, found that Firelight is programmatically very strong and operationally very weak. Firelight is in the process of implementing a five-year strategic plan covering 2017-2021 that prioritizes continued program growth while making meaningful investments in institutional infrastructure.

To date, Firelight has made progress in achieving several of the objectives outlined in the plan's five strategic priorities. They include:

- Firelight Media initiated the Films by Firelight program in Upper Manhattan and has plans to expand the series from five films screened each year to at least eight.
- Firelight hired a full-time Documentary Lab Coordinator in 2018, which has helped streamline communications around the DocLab program; provide daily support to the 12 current DocLab filmmakers and more than 30 alumni; and assist the Development Manager in identifying and seeking out additional funds for support of the DocLab.
- Operationally, Firelight has hired a full-time Finance and Operations Manager, a Development Manager, and contracted with communications and major gifts consultants.
- Firelight is installing Raiser's Edge, a sophisticated CRM program, to support their growing development and communication efforts.
- At the end of 2018, Firelight moved from its offices in the Hotel Theresa to a renovated townhome on Hamilton Terrace. The organization was able to secure a two-year lease from the landlord. For the first time in its history, it now hosts all of its operations under one roof.

In the near future, Firelight plans to expand the Next Step Fund, which currently offers project support only to the most promising DocLab participants, into a program in which all DocLab participants receive a \$15,000 stipend for their film. This change will be in effect for the next cohort of DocLab participants, which will be announced later this summer. Firelight also plans to expand their national Groundwork program from three sites to six in FY20.

Firelight also anticipates responding to new program opportunities that bridge several of their initiatives. For instance, a recent Groundwork session in Puerto Rico led to a request from local collaborators to not only conduct additional mentoring for Puerto Rican-based filmmakers, but also to organize a "mini" film festival highlighting the work of Puerto Rican-based filmmakers in East Harlem as a way to introduce the filmmakers to New York-based audiences and funders. Firelight is currently pursuing this initiative for the fall of 2019.

Firelight Media has ten full-time staff members and works with three consultants that handle major gifts, film curation/programming, and communications and marketing. Firelight's Board of Directors is composed of seven members; five are active, non-staff members; one is on leave from board membership and is acting as the organization's major gifts consultant; and one is Marcia Smith, who serves as President. Firelight Media's projected expenses for FY18 are \$2,502,324.

Firelight has recently received three significant, multi-year grants from the Ford Foundation, MacArthur Foundation, and Corporation for Public Broadcasting (CPB) for program expansion and related infrastructure investments. This limited, if major, support comes with both challenges and benefits. In the past, smaller grants from these entities were primarily restricted to Firelight's programs, resulting in significant fluctuations in income and expenses from year to year. The fact that Firelight has been so successful in receiving large, multi-year grants is a testament to the quality of its programs and its renown in the media field; however, reliance on large grants from major funders is not guaranteed in future years and thus is not a solution to long-term sustainability. While Firelight has maintained excellent relationships with these funders, Firelight also acknowledges it must begin diversifying its sources of support to ensure that its growth is sustainable.

In response to these challenges, Firelight has had success in asking their funders to transition some support from program-restricted to general operating support, allowing the organization more

funding for the growing infrastructure needed for their programs. Firelight was also the recipient of a Ford Foundation BUILD grant, a multi-year general operating and capacity building initiative. Firelight has used some of the BUILD funds to increase its reserve fund and add new staff positions and is requesting UMEZ support in tandem with the BUILD funds, which expire in 2020.

#### **Relationship to Firelight Films**

Firelight Media, a not-for-profit entity, is run by Marcia Smith. Ms. Smith also co-owns Firelight Films, a for-profit, documentary-producing company, with her husband Stanley Nelson. Both Mr. Nelson and Ms. Smith are paid employees of Firelight Media—Ms. Smith in her capacity as the company's President, and Mr. Nelson in his capacity as Lead Mentor to Doc Lab participants.

In 2013, Firelight Media entered into a fiscal sponsorship agreement with Firelight Films. Under the agreement, Firelight Media sponsors Firelight Films' production and development of documentary film projects, including projects commissioned by other not-for-profit organizations. Firelight Media may also accept and administer grants designed to support Firelight Films productions, ensuring that grant funds are used by Firelight Films in the way that they are intended. In return, Firelight Media retains a 5% administrative fee on all income accepted on behalf of fiscally sponsored projects. Consistent with its status and education-related mission, Firelight Media does not sponsor projects with private investors.

The two companies further delineated their fiscal and administrative relationship in 2016 under a Shared Resources and Film License Agreement. To ensure that Firelight Media "does not directly or indirectly subsidize Firelight Films," the Agreement spells out how the parties allocate the costs associated with shared space, staff, and other administrative resources. Firelight Media tracks all services that are provided for Firelight Films, which pays its allocable share for the use of those services. For example, employees of Firelight Media (including office management and finance staff) keep a detailed log of any hours worked on behalf of Firelight Films. Firelight Media also carries out community engagement, education, screenings, and professional development activities, some of which are associated with the films that are produced by Firelight Films. All shared resources are reconciled monthly to keep Firelight Media's accounts receivable as low as possible. Firelight Media may use Firelight Films' facilities without charge.

Under both Agreements, Firelight Films retains the intellectual property rights to projects produced by it, while granting to Firelight Media a royalty-free, irrevocable license to reproduce and distribute Firelight Films' documentaries as long as it advances the mission of Firelight Media.

#### **DESCRIPTION OF PROJECT**

##### **PROJECT REQUEST**

Firelight Media is requesting a grant of up to \$288,760 over a three-year period to hire a full-time Director of Development and Communications and a full-time Staff Accountant/Finance Associate. The addition of these positions would strengthen Firelight Media's capacity to expand corporate and individual fundraising efforts; increase earned income from its current low level; and provide additional support to the Finance and Operations Manager.

#### **Director of Development and Communications**

The Director of Development and Communications would lead major gifts and company-wide strategic communications initiatives. This position would allocate 10 percent of his/her time to Firelight Films for communications activities; that same portion of the total salary and benefits has been eliminated from the salary line in the proposed project budget.

The position would implement a major gifts program that would focus on cultivating individuals and corporations, both under-developed areas of support. Specifically, Firelight plans to increase fundraising efforts in major gifts (individual gifts of \$5,000 or more), annual fund giving (\$100 or more each year), fundraising from special events, and corporate sponsorships. Currently, Firelight's major gift efforts are handled by a board member who took a leave of absence from the board to work as a development consultant for the organization, providing much-needed support to Firelight's President. The addition of the Director of Development and Communications will allow the board member to re-join the board.

This position would also lead efforts to increase the visibility of Firelight's ancillary programs, another underdeveloped source of revenue with growing potential in the digital technology realm. For example, DocLab participants are currently working under a contract for video services to provide short "Masters in the Making" documentary films as part of the *American Masters* series for PBS. The \$95,000 contract Firelight signed with PBS will be reflected as earned revenue in the FY19 audit. In addition to providing earned revenue, video production services offer DocLab participants additional experience working in the field.

#### **Staff Accountant/Finance Associate**

Since her hiring at the start of 2018, Firelight's Finance and Operations Manager has improved the organization's financial systems: in less than a year, she has consolidated the accounting and payroll mechanisms into one platform, systemized planning of the yearly budget, and facilitated Firelight's yearly audit process.

To handle the increasing volume of transactions and reporting, Firelight plans to hire a full-time Staff Accountant/Finance Associate to support the Finance and Operations Manager. This new position will process payroll, handle invoices and expense reporting, and conduct other day-to-day operations tasks. The addition of the Finance Associate would allow the Finance and Operations Manager to focus on regular analysis of the organization's financial position and the creation of budgets/proposals to submit to funders, potential investors, and potential clients, among other tasks. As Firelight Films has its own bookkeeper, no part of this position will be shared with Firelight Films.

#### **SUMMARY**

To sustain its current period of growth and prepare the organization for the future, Firelight plans to hire a full-time, senior-level Director of Development and Communications and a full-time Finance Associate. The addition of these positions will allow the organization to continue strengthening its operations, while providing the needed support to existing staff who have been overwhelmed by the administrative needs of a growing organization.

#### **JOB CREATION**

UMEZ funding will be used to create two new full-time positions.

#### **PROJECTED OUTCOMES**

By diversifying its revenue streams, strengthening its operations, and building its cash reserve, Firelight will become less dependent on large grants, and will instead see broader support from a variety of institutional and individual funders. With added infrastructure, the organization will be able to better manage its finances, secure new donors, seed and grow a fledgling earned income stream based around targeted video media services, and further enhance the brand of the organization each of its acclaimed programs.

**III. FINANCING REQUESTED  
FUNDING SOURCES**

<b>Sources</b>	<b>Total</b>
Federal EZ Funds	\$ 96,253.33
State EZ Funds	\$ 96,253.33
City EZ Funds	\$ 96,253.34
<b>Total UMEZ Sources</b>	<b>\$ 288,760.00</b>
Earned Income – Ticket Sales	\$ 22,500
Earned Income – Contracted Video Services	\$ 207,291
Corporate support	\$ 30,000
Individuals, Board of Directors	\$ 23,000
Individuals, Others	\$ 49,200
<b>Total Firelight Media Sources</b>	<b>\$ 331,991</b>
<b>Total Project Cost</b>	<b>\$ 620,751</b>

**PROJECT BUDGET**

<b>Uses</b>	<b>UMEZ</b>	<b>Firelight Media</b>	<b>Total</b>
Personnel	\$ 239,250	\$ 273,750	\$ 513,000
Employee Benefits	\$ 49,510	\$ 58,241	\$ 107,751
<b>Total Project Cost</b>	<b>\$ 288,760</b>	<b>\$ 331,991</b>	<b>\$ 620,751</b>

**LIST ANY PRIOR UMEZ FUNDING OR PRIOR APPLICATIONS**

- 2005 TA grant to create strategic, operational, and business plan \$ 30,000
- 2010 TA grant to create a revenue-generation plan \$ 50,000
- 2011 Capacity-building grant to hire three new staff members \$ 225,000
- 2014 Catalyst grant with PBS and Apollo Theater to show *Homegoings* \$ 13,268

**INDICATE HOW THE PROPOSAL MEETS THE UMEZ INVESTMENT CRITERIA**

**A. Impact**

- This grant will help Firelight Media reinforce its operational infrastructure to match the growth of its renowned programs.
- The planned hires are expected to help increase Firelight’s contributed revenue and further diversify its funding sources, both contributed and earned.
- The development of more earned revenue and diversification of the donor base will help Firelight stabilize financially, helping to protect the organization from being overly reliant on large gifts from a handful of funders.

**B. Feasibility**

- Firelight Media is currently in the middle of a \$2.95 million grant from the Ford Foundation’s BUILD Program, which is open only to current grantees of the Ford Foundation. Firelight is using BUILD funds to support its recent hires, strategic planning process, and other infrastructure-building initiatives. UMEZ support for additional staff would dovetail with the BUILD grant and provides additional transformative support for its capacity-building initiatives.

- Firelight Media has historically received grants for project-based support. With their growing operations, the organization has begun to “convert” some of its formerly project-based funding into general operating support. Both the MacArthur Foundation and the Open Society Foundation grants are now for general operations.
- This project addresses untapped sources of earned revenue and contributed support, thus providing strong opportunities for increased income.
- Firelight Media previously received capacity support from UMEZ to hire three staff members. Of the three positions, two are still active (Development Manager and Community Engagement Manager, now Director of Partnerships and Engagement) and one is now fulfilled by a consultant (Strategic Communications Manager).

#### **C. Strengths**

- Firelight Media is an industry leader in representing and lifting the voices and viewpoints of documentary filmmakers of color. Firelight is recognized as one of the first media organizations to prioritize social justice issues, and stories and filmmakers of color.
- Firelight Media was founded by Marcia Smith, a former philanthropy executive, and Stanley Nelson, an award-winning documentarian. Mr. Nelson and Ms. Smith are both recognized as visionary and charismatic leaders in the media field. Firelight’s success thus far is largely attributed to the network and resources they have established over the last 20 years.
- Firelight Media has produced more than 20 hours of film and has supported more than 70 DocLab participants, who have created more than 40 award-winning films.
- Firelight Media is widely respected in the Upper Manhattan community, where screenings of Firelight projects have been viewed by more than 9,500 since 2009.
- Firelight is held in high esteem by its funders and is the recipient of significant support from several major funders with a national philanthropic scope, including the MacArthur Award for Creative and Effective Institutions – the organizational version of their “Genius” award.

#### **D. Risks**

- Firelight Media’s contributions from CPB and several foundations still make up as much as 85% of its annual current and future budgets.
- Firelight Media is anticipating an increase in earned revenues from 0% of total income to only 5% of total income by the end of the grant period.

#### **IV. FINANCIALS**

See Attachments

#### **V. RECOMMENDATION**

**UMEZ Grant Amount:** up to \$288,760

**Term:** 7/1/19 – 8/31/22

**Conditions:** Firelight Media’s current lease expires in July 31, 2020. Firelight must submit a lease renewal or a new lease for other space in Upper Manhattan before receiving further grant disbursements.

**STATEMENT OF FINANCIAL POSITION**

**Assets**

*Cash and Cash Equivalents*

FY14 and FY15 include restricted cash related to a fiscally-sponsored project by Firelight Films. FY18 reflects two unrestricted disbursements from the Ford Foundation totaling \$2 million.

*Grants, contracts and pledges receivable*

The increase in FY17 reflects the organization's \$2.95 million BUILD grant from the Ford Foundation. In general, fluctuation on this line reflects the large, multi-year grants that Firelight Media obtains for its programs.

*Inventory*

In FY15, the organization switched auditors, who rolled "Inventory" into "Prepaid expenses and other current assets."

*Due from Firelight Films*

This amount reflects the money that Firelight Films owes to Firelight Media for use of the space (the lease is in Firelight Media's name) and shared administrative staff and/or other costs. Originally, Firelight Media reconciled the amounts due from Firelight Films yearly. Those reconciliations now take place monthly, which means the amount Due from Firelight Films in the future should be much more modest.

**Liabilities**

*Accounts Payable and Accrued Expenses*

Increases from FY16 to FY18 reflect an increase in the operating budget and other project-specific expenses not yet paid on September 30.

*Grants Payable*

This amount reflects the grants that Firelight Media gives to filmmakers through the Next Step Fund.

*Deferred Revenue*

Deferred revenue reflects portions of Firelight's grant from the Corporation for Public Broadcasting for which income was received, but expenses were not yet incurred.

*Due to Fiscally-Sponsored Projects*

These amounts reflect monies that Firelight Media received on behalf of Firelight Films for the making of a documentary feature, for which Firelight Media served as a fiscal sponsor for Firelight Films.

**Net Assets**

*Unrestricted Net Assets*

Firelight began to accumulate a deficit in unrestricted net assets beginning in FY16. This is a result of the organization receiving mostly project-related grants, while their operations expanded. This deficit dramatically shifted to a positive figure in FY18 when they received an initial payment of \$2 million in unrestricted funds under the Ford Foundation's BUILD grant.

### ***Board designated reserve funds***

Firelight received a grant from the MacArthur Foundation in FY15, of which \$400,000 was restricted to a cash reserve. The organization is allowed to use the cash when necessary for operations but must eventually replace the monies to maintain the reserve fund balance. Firelight plans to increase the reserve fund in FY19 with \$1 million from the BUILD grant.

### ***Temporarily Restricted Net Assets***

The increase in FY17 reflects Firelight's \$2.95 million BUILD grant from the Ford Foundation. In general, fluctuation on this line reflects the large, multi-year grants that Firelight Media obtains for its programs.

## **STATEMENT OF ACTIVITIES**

The Statement of Activities presents the total of unrestricted and temporarily restricted contributions at the end of the fiscal year. Although temporarily restricted contributions do indicate that the organization has been successful at securing funds and pledges for the future, only unrestricted contributions can be applied toward expenses for the audited fiscal year, thus the Statement of Activities does not present an accurate picture of an organization's income and expense solely for the fiscal year. To gain an accurate picture of annual income and expense, please see the Annual Operating Income and Expense page, which has been adjusted to show only unrestricted income.

## **ANNUAL OPERATING INCOME AND EXPENSE**

### **Earned Income**

#### ***Other Income***

FY14-FY18 includes rental income from sublease of office space, sales, and royalty income for sales and use of DVDs. Beginning FY20, ticket sales are included.

### **Contributed Income**

#### ***Corporation for Public Broadcasting***

Firelight's contract with CPB increased to \$3 million over three years in FY18. The fluctuation from FY20 to FY21 reflects Firelight's expectation of a renewed three-year, \$3 million agreement.

#### ***Foundations***

The increase in FY18 is due in large part to the \$2 million initial disbursement of the Ford Foundation's BUILD grant. Firelight has allocated \$1 million of this grant in FY19 to support their cash reserve. (See note below.) Firelight has budgeted aggressively for contributed income for FY20, which is the organization's 20<sup>th</sup> Anniversary; approximately 75% of this amount is confirmed or identified.

#### ***Board Giving and Individuals***

Beginning in FY19, Firelight is expecting new revenues from these sources, and has begun to establish the systems for solicitation and cultivation.

### **Expenses**

#### ***Salaries, Payroll taxes and fringe benefits***

Increase in FY18 reflects additional program and administrative staff funded by the Ford BUILD grant; payroll taxes and benefits increased as the organization paid 403(b) benefits connected to the previous and current years. Beginning in FY20, the increase reflects additional program staff and the UMEZ-funded positions.

***Film Production Expenses***

Firelight Media served as fiscal sponsor for Firelight Films to produce *Tell Them We Are Rising: The Story of Black Colleges and Universities* in FY16 and *Through the Night* in FY18. Firelight Media does not function as the fiscal sponsor for Firelight Films as frequently as they have in past years, however they do anticipate continued collaboration with Firelight Films in this manner on a smaller scale.

***Professional Fees***

The increase in FY17 is inclusive of fees related to a new auditing firm, a bookkeeping and accounting firm, both organizational and financial strategic planning, and a fundraising/development consultant.

***Grant Expense***

Grant expense relates to the money that Firelight Media awards to young filmmakers through the Next Step Fund. The increases in the Next Step Fund reflect Firelight's plans to expand the program to support all incoming DocLab participants.

***Other Production Costs***

These expenses are for projects that the DocLab participants complete on behalf of Firelight Media. Increases in FY19 – FY23 reflect continued investments in programming initiatives, including expansions of several existing programs like the Films by Firelight screening series and Groundwork.

***Occupancy, Utilities***

Firelight moved into its new headquarters toward the end of FY18. Prior to moving, Firelight's existing office lease had increased. Firelight also rents office space for two employees who are based outside of New York.

***Miscellaneous expenses, contingency***

Firelight budgets for a contingency that covers increased expenses elsewhere in the budget.

***Cash Reserve***

Firelight is using \$1 million of the Ford BUILD grant to increase its cash reserve in FY19, which will help buffer the organization from future fluctuations in support from their large funders like CPB, which relies on annual appropriations from Congress.

***Total Operating Surplus/<Deficit>***

Losses incurred beginning in FY19 will be funded out of unrestricted net assets, using funds intended for those years but recognized in FY18.

Firelight Media  
Statement of Financial Position  
Historical

November 12, 2019 CIF Grant Proposal for \$288,760
-------------------------------------------------------

\$US	Fiscal Year Ending September 30				
	FY14 Audit	FY15 Audit	FY16 Audit	FY17 Audit	FY18 Draft
<b>ASSETS</b>					
Cash and Cash Equivalents	812,099	802,597	493,425	418,871	2,586,934
Grants, contracts, and pledges receivable	2,478,230	1,645,828	1,424,168	3,441,883	2,623,886
Accounts receivable	1,754	0	0	0	0
Prepaid expenses and other current assets	3,710	50,003	30,712	28,689	35,526
Inventory	22,350	0	0	0	0
Due from Firelight Films	0	0	11,528	73,917	101,953
Property and equipment, net	1,500	18,654	14,299	10,052	26,828
Security Deposit	0	11,271	19,321	19,321	28,171
<b>TOTAL ASSETS</b>	<b>3,319,643</b>	<b>2,528,353</b>	<b>1,993,453</b>	<b>3,992,733</b>	<b>5,403,298</b>
<b>LIABILITIES &amp; NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts Payable and Accrued Expenses	180,672	184,705	124,204	284,494	385,425
Grants Payable	10,000	21,000	142,000	15,000	15,000
Deferred Revenue	0	0	0	186,083	197,733
Deferred Rent	0	0	0	0	1,627
Due to fiscally-sponsored projects	300,000	401,865	0	0	0
<b>TOTAL LIABILITIES</b>	<b>490,672</b>	<b>607,570</b>	<b>266,204</b>	<b>485,577</b>	<b>599,785</b>
<b>NET ASSETS</b>					
Unrestricted Net Assets	410,665	119,036	(53,987)	(317,227)	1,858,047
Board designated reserve funds	0	400,000	400,000	400,000	400,000
Temporarily Restricted Net Assets	2,418,306	1,401,747	1,381,236	3,424,383	2,545,466
<b>TOTAL NET ASSETS</b>	<b>2,828,971</b>	<b>1,920,783</b>	<b>1,727,249</b>	<b>3,507,156</b>	<b>4,803,513</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,319,643</b>	<b>2,528,353</b>	<b>1,993,453</b>	<b>3,992,733</b>	<b>5,403,298</b>

Firelight Media  
Statement of Activities  
Historical

November 12, 2019  
CIF Grant Proposal for \$288,760

\$US	Fiscal Year Ending September 30				
	FY14 Audit	FY15 Audit	FY16 Audit	FY17 Audit	FY18 Draft
<b>REVENUES AND OTHER SUPPORT</b>					
Earned Income					
Contract income and service fees	5,986	0	0	0	0
Interest and dividend income	53	104	90	152	4,207
Fiscal sponsorship revenues	50,750	0	0	0	0
<Less: fiscal sponsorship payments>	(50,000)	0	0	0	0
Other income	6,176	7,955	58,518	40,139	14,862
<b>Total Earned Income</b>	<b>12,965</b>	<b>8,059</b>	<b>58,608</b>	<b>40,291</b>	<b>19,069</b>
Contributed Income					
Grants and contributions	3,326,902	712,828	2,587,568	3,789,965	3,779,612
<b>Total Contributed Income</b>	<b>3,326,902</b>	<b>712,828</b>	<b>2,587,568</b>	<b>3,789,965</b>	<b>3,779,612</b>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>3,339,867</b>	<b>720,887</b>	<b>2,646,176</b>	<b>3,830,256</b>	<b>3,798,681</b>
<b>% Change in Revenue</b>					
		-78%	267%	45%	-1%
<b>% Change in Expense</b>					
		99%	74%	-28%	22%
<b>Income Mix:</b>					
Earned	0%	1%	2%	1%	1%
Contributed	100%	99%	98%	99%	99%
<b>EXPENSES</b>					
Program Services	579,468	1,214,259	2,393,227	1,505,671	1,827,319
Supporting Services					
Management and general	155,502	249,132	276,478	384,986	409,594
Fundraising	81,925	165,684	170,005	159,692	265,411
<b>Total Supporting Services</b>	<b>237,427</b>	<b>414,816</b>	<b>446,483</b>	<b>544,678</b>	<b>675,005</b>
<b>TOTAL EXPENSES</b>	<b>816,895</b>	<b>1,629,075</b>	<b>2,839,710</b>	<b>2,050,349</b>	<b>2,502,324</b>
Change in Net Assets	2,522,972	(908,188)	(193,534)	1,779,907	1,296,357
Net Assets - Beginning of Year	305,999	2,828,971	1,920,783	1,727,249	3,507,156
Prior Period Adjustment					
Net Assets - End of Year	2,828,971	1,920,783	1,727,249	3,507,156	4,803,513

Firelight Media  
Annual Operating Income and Expense, Actuals and Budgets (net of depreciation)

November 12, 2019  
CIF Grant Proposal for \$288,760

\$US	Fiscal Year Ending September 30									
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
	Audit	Audit	Audit	Audit	Draft	Projection	Budget	Budget	Budget	Budget
<b>REVENUES AND OTHER SUPPORT</b>										
Earned Income										
Contract income and service fees	5,986	0	0	0	0	95,000	95,000	109,250	125,638	144,484
Interest and dividend income	53	104	90	152	4,207	0	0	0	0	0
Fiscal sponsorship revenue (net)	750	0	0	0	0	0	0	0	0	0
Other income/ticket sales	6,176	7,955	58,518	40,139	14,862	0	15,000	20,000	25,000	25,000
<b>Total Earned Income</b>	<b>12,965</b>	<b>8,059</b>	<b>58,608</b>	<b>40,291</b>	<b>19,069</b>	<b>95,000</b>	<b>110,000</b>	<b>129,250</b>	<b>150,638</b>	<b>169,484</b>
Contributed Income										
Government										
Corporation for Public Broadcasting	292,509	314,684	797,208	457,068	937,930	750,000	500,000	1,300,000	1,000,000	1,000,000
National Endowment for the Arts	50,000	0	600,000	0	0	0	25,000	25,000	25,000	25,000
NYC Department of Cultural Affairs	0	0	0	0	17,100	25,000	25,000	25,000	25,000	25,000
New York State Council on the Arts	22,000	22,000	22,000	0	0	40,000	40,000	40,000	40,000	50,000
New York City Council	0	0	0	0	0	0	10,000	10,000	10,000	10,000
UMEZ support	0	20,730	55,500	0	0	0	144,388	96,249	48,124	0
Foundations	768,735	971,973	1,133,371	1,288,827	3,694,510	2,070,000	2,200,000	1,700,000	1,700,000	1,700,000
Corporations	0	0	0	0	0	0	0	10,000	20,000	25,000
Board Giving	0	0	0	0	0	10,000	10,000	15,000	20,000	25,000
Individuals	0	0	0	923	8,989	50,000	70,000	100,000	125,000	150,000
<b>Total Contributed Income</b>	<b>1,133,244</b>	<b>1,329,387</b>	<b>2,608,079</b>	<b>1,746,818</b>	<b>4,658,529</b>	<b>2,945,000</b>	<b>3,024,388</b>	<b>3,321,249</b>	<b>3,013,124</b>	<b>3,010,000</b>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>1,146,209</b>	<b>1,337,446</b>	<b>2,666,687</b>	<b>1,787,109</b>	<b>4,677,598</b>	<b>3,040,000</b>	<b>3,134,388</b>	<b>3,450,499</b>	<b>3,163,762</b>	<b>3,179,484</b>
<b>% Change in Revenue</b>		17%	99%	-33%	162%	-35%	3%	10%	-8%	0%
<b>% Change in Expense</b>		99%	74%	-28%	22%	12%	13%	16%	2%	2%
<b>Income Mix: Earned</b>	1%	1%	2%	2%	0%	3%	4%	4%	5%	5%
<b>Contributed</b>	99%	99%	98%	98%	100%	97%	96%	96%	95%	95%
<b>EXPENSES</b>										
Salaries	529,431	749,789	740,797	758,852	967,529	990,000	1,201,000	1,516,000	1,546,320	1,577,246
Payroll taxes and fringe benefits	110,086	211,000	170,624	173,052	399,983	335,214	396,330	500,280	510,286	520,491
Film Production Expenses	0	0	1,130,000	0	20,000	135,000	135,000	150,000	165,000	180,000
Professional fees and contracted services	100,589	158,324	251,519	416,711	331,938	418,080	407,080	487,080	487,080	487,080
Honorarium	0	27,650	27,476	27,800	4,000	15,912	133,672	133,672	133,672	133,672
Grant expense	10,000	195,000	166,000	136,400	120,700	180,000	180,000	180,000	180,000	180,000
Other production costs	0	15,223	11,560	90,632	128,799	195,000	75,000	75,000	75,000	75,000
Marketing	27,755	0	0	0	0	15,000	15,000	15,000	15,000	15,000
Occupancy, Utilities	6,600	75,381	75,101	118,954	151,863	222,600	232,950	232,950	237,609	242,361
Travel and Lodging	9,758	116,801	200,653	270,241	299,503	111,908	208,530	208,530	212,701	216,955
Supplies, Office expenses	11,849	43,263	31,506	20,446	30,950	7,760	36,842	36,842	37,579	37,759
Telephone	983	10,496	6,449	11,891	14,803	30,648	20,648	20,648	21,061	21,061
Postage	2,313	2,493	975	2,065	1,154	21,402	1,500	1,500	1,530	1,550
Insurance	3,814	7,769	6,505	3,756	8,134	18,836	18,836	18,836	19,213	19,213
Repairs	0	7,852	12,247	11,569	11,700	10,000	10,000	10,000	10,000	10,000
Miscellaneous expenses, contingency	3,031	5,365	3,943	3,733	6,421	77,721	75,000	75,000	75,000	75,000
<b>TOTAL EXPENSES</b>	<b>816,209</b>	<b>1,626,406</b>	<b>2,835,355</b>	<b>2,046,102</b>	<b>2,497,477</b>	<b>2,785,081</b>	<b>3,147,388</b>	<b>3,661,338</b>	<b>3,727,050</b>	<b>3,792,389</b>
Cash Reserve	0	0	0	0	0	1,000,000	0	0	0	0
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OPERATING SURPLUS / &lt;DEFICIT&gt;</b>	<b>330,000</b>	<b>(288,960)</b>	<b>(168,668)</b>	<b>(258,993)</b>	<b>2,180,121</b>	<b>(745,081)</b>	<b>(13,000)</b>	<b>(210,839)</b>	<b>(563,288)</b>	<b>(612,905)</b>

Firelight Media  
 Project Budget  
 Proposed Grant Term: 07/01/19 - 8/31/22  
 Proposed Expense Period: 07/01/19 - 06/30/22

November 12, 2019  
 CIF Grant Proposal for \$288,760

\$US	Year 1 07/01/19 - 06/30/20			Year 2 07/01/20 - 06/30/21			Year 3 07/01/21 - 06/30/22			TOTAL PROJECT		
	UMEZ Funds	Org Funds	Total	UMEZ Funds	Org Funds	Total	UMEZ Funds	Org Funds	Total	UMEZ Funds	Org Funds	Project
<b>REVENUES AND OTHER SUPPORT</b>												
Contributed Revenue												
UMEZ	144,388	0	144,388	96,249	0	96,249	48,124	0	48,124	288,760	0	288,760
Earned Income - Ticket Sales	0	5,000	5,000	0	7,500	7,500	0	10,000	10,000	0	22,500	22,500
Earned Income - Video Services	0	42,542	42,542	0	66,561	66,561	0	98,188	98,188	0	207,291	207,291
Corporate Support	0	0	0	0	10,000	10,000	0	20,000	20,000	0	30,000	30,000
Individuals - Board of Directors	0	5,000	5,000	0	8,000	8,000	0	10,000	10,000	0	23,000	23,000
Individuals - Others	0	10,000	10,000	0	18,600	18,600	0	20,600	20,600	0	49,200	49,200
<b>TOTAL REVENUES &amp; OTHER SUPPORT</b>	<b>144,388</b>	<b>62,542</b>	<b>206,930</b>	<b>96,249</b>	<b>110,661</b>	<b>206,909</b>	<b>48,124</b>	<b>158,788</b>	<b>206,911</b>	<b>288,760</b>	<b>331,991</b>	<b>620,751</b>
<b>OPERATING EXPENSES</b>												
Personnel												
Director of Development & Communications	77,625	37,375	115,000	51,750	63,250	115,000	25,875	89,125	115,000	155,250	189,750	345,000
Finance Associate	42,000	14,000	56,000	28,000	28,000	56,000	14,000	42,000	56,000	84,000	84,000	168,000
<b>Total Personnel</b>	<b>119,625</b>	<b>51,375</b>	<b>171,000</b>	<b>79,750</b>	<b>91,250</b>	<b>171,000</b>	<b>39,875</b>	<b>131,125</b>	<b>171,000</b>	<b>239,250</b>	<b>273,750</b>	<b>513,000</b>
Employee Benefits												
FICA	9,151	3,930	13,082	6,101	6,981	13,082	3,050	10,031	13,082	18,303	20,942	39,245
SUTA	4,785	2,055	6,840	3,190	3,650	6,840	1,595	5,245	6,840	9,570	10,950	20,520
Workers' Compensation (.25%)	299	128	428	199	228	428	100	328	428	598	684	1,283
Disability (.22%)	263	113	376	175	201	376	88	288	376	526	602	1,129
Health Insurance	10,264	4,941	15,205	6,833	8,351	15,184	3,416	11,770	15,186	20,513	25,062	45,575
<b>Total Fringe and Benefits</b>	<b>24,763</b>	<b>11,168</b>	<b>35,930</b>	<b>16,499</b>	<b>19,411</b>	<b>35,909</b>	<b>8,249</b>	<b>27,662</b>	<b>35,911</b>	<b>49,510</b>	<b>58,241</b>	<b>107,751</b>
<b>TOTAL PROJECT BUDGET</b>	<b>144,388</b>	<b>62,543</b>	<b>206,930</b>	<b>96,249</b>	<b>110,661</b>	<b>206,909</b>	<b>48,124</b>	<b>158,787</b>	<b>206,911</b>	<b>288,760</b>	<b>331,991</b>	<b>620,751</b>
<b>SURPLUS / &lt;DEFICIT&gt;</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RESOLUTION OF  
THE BOARD OF DIRECTORS OF  
UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT  
CORPORATION**

**REGARDING APPROVAL TO FUND A  
CULTURAL INVESTMENT FUND PROJECT**

**AT A BUSINESS MEETING HELD ON THE 27<sup>th</sup> DAY OF JUNE 2019**

**WHEREAS**, the Cultural Investment Fund Committee has reviewed the materials presented to it, a copy of which has been filed with the records of the Upper Manhattan Empowerment Zone Development Corporation (UMEZ), relating to a grant for a period of thirty-eight (38) months to Firelight Media, Inc., for capacity-building (the "Project"); and

**WHEREAS**, the Cultural Investment Fund Committee has found it to be a desirable project, consistent with the New York Empowerment Zone's Strategic Plan, and the investment criteria for initiatives seeking financial support.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors approves the Project and authorizes UMEZ to submit the Project to the New York Empowerment Zone Corporation for authorization to fund a grant for a period of thirty-eight (38) months not to exceed TWO HUNDRED EIGHTY-EIGHT THOUSAND SEVEN HUNDRED SIXTY DOLLARS (\$288,760), subject to terms and conditions substantially similar to those included in the presentation materials; and be it

**FURTHER RESOLVED**, that the approval of the Project authorized by these resolutions shall expire nine (9) months after the adoption of these resolutions; and be it

**FURTHER RESOLVED**, that the President and CEO or his/her respective designees, are hereby authorized on behalf of UMEZ to make such changes to the terms and conditions of the transaction as may be appropriate, execute and deliver any and all documents and take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

November 12, 2019

**UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Firelight Media, Inc. – A \$288,760 capacity building grant.**

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RESOLVED, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”) initiative for a grant to **Firelight Media, Inc.** (the ‘Initiative’), a capacity building grant. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed **TWO HUNDRED EIGHTY EIGHT THOUSAND SEVEN HUNDRED SIXTY DOLLARS (\$288,760)** for the purposes and on the terms and conditions described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

RESOLVED, that for the purpose of providing the funds, the Corporation is hereby authorized to accept and utilize funds for a grant in an amount not to exceed **TWO HUNDRED EIGHTY EIGHT THOUSAND SEVEN HUNDRED SIXTY DOLLARS (\$288,760)** in accordance with the MOU; and be it further

RESOLVED, that the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

\*\*\*

**FOR CONSIDERATION**

November 12, 2019

**TO:** The Directors

**FROM:** Eric Gertler

**SUBJECT:** New York (New York County) - Upper Manhattan Empowerment Zone Development Corporation

**REQUEST FOR:** **Authorization for Grant to the Museum of the City of New York and to Take Related Actions.**

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**I Initiative Summary**

**Organization Name:** Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”)  
55 W 125th Street, 11th floor  
New York, NY 10027

**Contact:** Blair Duncan  
President and CEO  
(212) 410-0030

**Proposed Initiative:** A \$ 268,341 capacity building grant.

**Total Initiative Cost:** \$592,567

**Proposed Empowerment Zone (“EZ”) Investment:** \$ 268,341 (Grant)

<b>Funding Sources:</b>	<b>Federal SBG EZ Funds:</b>	<b>\$ 89,447</b>
	<b>State EZ Funds:</b>	<b>\$ 89,447</b>
	<b>City EZ Funds:</b>	<b>\$ 89,447</b>
	<b>Other:</b>	<b><u>\$324,226</u></b>
	<b>TOTAL</b>	<b><u>\$592,567</u></b>

**Fiscal Year:** 2020

**II Initiative Narrative**

Attached are materials prepared by UMEZ for its Board of Directors containing narrative information regarding this initiative.

### **III. Conditions for Approval**

Funding is subject to the Corporation's approval of UMEZ's monitoring system, which must ensure that adequate policies and procedures are adopted to safeguard against misappropriation and provide for appropriate controls with respect to each grant.

The release of funds for this initiative is subject to certification by the Deputy Mayor's Office (i) that all procurement solicitation processes fulfill all applicable requirements set forth in the Operating Principles Memorandum of Understanding (the "MOU") dated as of January 19, 1996, and (ii) that each procurement selection process has been completed in accordance with those requirements.

The release of funds for this initiative is subject to UMEZ presenting to the Corporation for approval detailed written information on implementation of this initiative and the terms and conditions for the grant from UMEZ to **Museum of the City of New York**. The provision of funding for this initiative is contingent upon the Corporation receiving satisfactory evidence of all other funding sources for the initiative.

The disposition of recovered grants is subject to the approval of New York Empowerment Zone Corporation's Board of Directors.

### **IV. Initiative Benchmarks**

The initiative will achieve the following benchmarks:

- This project will create 3 new full-time jobs

### **V. Residents Benefits**

This Initiative will benefit EZ residents by:

- Same as above

### **VI. Federal Funding Goals**

This initiative will meet the following Federal funding goals:

- Achieve or maintain economic self-support, to prevent, reduce, or eliminate dependency.

This initiative will meet the following Federal programmatic options:

- Assistance to nonprofit organizations and community and junior colleges so they will be able to provide disadvantaged individuals with opportunities for short-term training courses in entrepreneurship, self-employment, and other skills.
- New physical infrastructure development, which is feasible, attainable in the current economic environment and sustainable.

- Leveraging of Federal, State, and City EZ/EC funding and not-for-profit funding with private capital.

**VII. Additional Materials**

- A. Copy of UMEZ's Board of Directors' materials
- B. Copy of UMEZ's Board of Directors' resolution recommending this initiative for final approval by the Directors
- C. Resolution of the Directors

**FOR CONSIDERATION**

**TO:** NEW YORK EMPOWERMENT ZONE BOARD OF DIRECTORS

**FROM:** BLAIR M. DUNCAN, PRESIDENT AND CEO  
UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION

**DATE:** NOVEMBER 12, 2019

**SUBJECT:** MUSEUM OF THE CITY OF NEW YORK

**REQUEST FOR:** CAPACITY GRANT AWARD OF UP TO \$268,341

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**PROPOSAL SUMMARY**

**CIF PROJECT MANAGER:** Lindsey Crane

**COMPANY:** Museum of the City of New York

**CONTACT:** Corin Infantino, Director – Institutional Giving

**ADDRESS:** 1220 Fifth Avenue, New York, NY 10029

**TELEPHONE/E-MAIL:** 917.492.3325/cinfantino@mcny.org

**TYPE OF BUSINESS:** Museum

**TAX STRUCTURE:** 501(c)(3) Nonprofit organization

**IRS TAX ID#:** 13-1624098

**DATE INCORPORATED:** July 1923

**TOTAL PROJECT COST:** \$592,567

**FINANCING REQUESTED:** \$268,341

**GRANT TERM:** 10/1/19 – 11/30/22

**FUNDING SOURCES:**

Federal SBG EZ Funds:	\$	89,447
State EZ Funds:	\$	89,447
City EZ Funds:	\$	89,447
Other:	\$	324,226
<b>Total:</b>	<b>\$</b>	<b>592,567</b>

**EMPLOYMENT:**

Projection:	EZ	UM	Other	Total
Full time	0	1	2	3
Part time	0	0	1	1
Consultant	0	0	1	1
<b>Total</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>5</b>

## **I SUMMARY OF INITIATIVE**

The Museum of the City of New York recently finished a comprehensive, 10-year renovation and modernization that resulted in an expansion of the Museum's exhibition and public space and the creation of the Museum's first permanent exhibition on the history of New York. Following a strategic planning process, the Museum is now guided by a strategic plan designed to prepare the organization for the celebration of its Centennial in 2023. The Museum is requesting a Capacity Grant to hire three full-time positions, one temporary part-time position, and one consultant to continue boosting earned and contributed revenue generation.

<b>Sources</b>		<b>Uses</b>	
UMEZ	\$ 268,341	Personnel	\$ 421,384
Museum of the City of New York	\$ 324,226	Benefits	\$ 108,683
		Consultants	\$ 50,000
		Development Materials	\$ 12,500
<b>Total Project Cost</b>	<b>\$ 592,567</b>		<b>\$ 592,567</b>

## **II DESCRIPTION OF INITIATIVE**

### **DESCRIPTION OF ORGANIZATION**

The Museum of the City of New York (MCNY, the Museum) fosters understanding of the distinctive nature of urban life in the world's most influential metropolis by celebrating, documenting and interpreting New York City's past, present and future. Founded in 1923 as a non-profit corporation, the Museum has occupied a landmarked Georgian Colonial-Revival designed building in East Harlem on Fifth Avenue between 103<sup>rd</sup> and 104<sup>th</sup> Streets since 1932. The Museum serves the people of New York and visitors from around the world through exhibitions, school and public programs, publications and collections.

The Museum recently completed a comprehensive \$97 million modernization and expansion of its landmarked 113,900 square-foot facility. Despite its elegant façade, the Museum's facility had needed significant updates to bring its galleries in step with the standards published by the American Alliance of Museums. Beginning in 2005, the Museum renovated the building in phases to keep its doors open to the public. Phase I included renovations to the Fifth Avenue terrace and lobby rotunda as well as the construction of a three-story addition to the original building, which added new exhibition space and a curatorial center. Phase II included renovation of the South Wing, the addition of educational classrooms, conversion of storage areas into administrative offices, creation of two new galleries and new space for the Museum's gift shop, effectively doubling their shop space. Phase III encompassed the modernization of the Museum's entire North Wing, and the installation of the *New York at its Core*, the Museum's first-ever permanent exhibition on the historical, cultural, and social evolution of New York City. With all phases complete, the Museum now consists of three contiguous stories of modern, climate-controlled exhibition space, state-of-the-art curatorial facilities, classrooms, and improved visitor amenities.

UMEZ supported the Museum several times during the renovation. A grant of \$550,000 during Phase I supported the Museum as it launched a large-scale digitization of its collection of New York City photography and the creation of a user-friendly Collections Portal. A TA grant during Phase II allowed the Museum to work with a consultant to research and identify new earned revenue strategies. The Museum leveraged the recommendations from that TA grant for outside support of a new website, a Manager for Licensing and Reproductions, and new product concepts and selections for an expanded Museum Shop. A Capacity Grant in 2014 supported late phase capital renovations, including fit-out of

revenue generating spaces like the Museum Café, Museum Shops, and *Timescapes* Gallery, as well as updates to the Auditorium. Additionally, the UMEZ grant helped the Museum hire six additional staff members to support their anticipated expansions in admissions and site rentals as a result of the renovation.

Since completing the capital project, the Museum's presence in the New York cultural landscape has heightened. The cornerstone of the Museum's presence is *New York at its Core*, a multi-media exhibition exploring 400 years of New York City history installed across three galleries on the Museum's first floor. It is the first-ever permanent exhibition on the City's history and gives the Museum an intellectual framework for much of its future programming. Since its opening, the Museum has welcomed more than 595,000 visitors and the exhibition has received popular and critical acclaim. In 2018, the American Alliance of Museums awarded the exhibition its highest honor for Excellence in Exhibitions.

In addition to maintaining *New York at its Core*, MCNY also has a rotating series of approximately 10 exhibitions each year that draw on its collection of 750,000 objects, art, and artifacts. Recent exhibits have included: *Rhythm & Power: Salsa in New York*; *Beyond Suffrage: A Century of New York Women in Politics*; *AIDS at Home: Art and Everyday Activism*; and *Germ City: Microbes and the Metropolis*. The Museum's programming is augmented by a robust roster of 60 public programs designed to bring to life the subjects and ideas portrayed in the exhibitions. In FY18, more than 12,000 attendees came to lectures, panels, film screenings, tours, tastings, and performances, with an additional 5,500 virtual attendees who watched broadcasts of Future City Lab programming on the Manhattan Neighborhood Network public access channel.

The Museum is a proven tourist destination: of the 320,000 visitors in FY18, 40% were from New York City, 30% were from the U.S. more broadly, and 30% were international visitors. The Museum has a suggested admission policy of \$18 for adults, \$12 for students, and is free for children under 19. Since 2003, the Museum has offered an "I'm a Neighbor" program that provides free admission to anyone who lives, works or attends school in the East Harlem community. Thus far in FY19, the Museum has welcomed 1,509 visitors through this program.

As it works to build its audience, The Museum has engaged with consulting firm Audience Research & Analysis to analyze its audience. Findings show that the Museum is continuing to reach a wide audience: visitorship from suburban areas of the New York metro region and international visitors have increased since 2016. The Museum has also noticed that the average age of its audience has decreased from 47 to 44. Over a quarter of the Museum's visitors identified as a person of color, with the majority of this population identifying as Latinx or Hispanic.

The Museum also welcomes many visitors through the programs offered by its acclaimed Frederick A.O. Schwarz Education Center. The Center offers standards-based field trips, out-of-school-time programs, and professional learning workshops for teachers. In FY18 the Center welcomed over 54,000 K-12 students, teachers, and caregivers, a 19% increase over visitorship in FY17. The Center is committed to working directly with New York City students and educators to address the persistent citywide problem of student underachievement in social studies and to nurture participants' interest in history and creative expression.

The vast majority (75%) of the Museum's student population comes from under-resourced schools. 40% identify as Hispanic/Latinx, 28% as African-American, 15% as Asian, and 15% as White, with nearly 79% qualifying for free or reduced school lunches. The Museum also offers programming to children

and families living in the city's shelter system through a long-standing partnership with the NYC Department of Homelessness Services. A pilot program funded by private foundations and launched in FY18 provided 494 field trip fee waivers for schools in East Harlem and the Bronx, reaching more than 13,000 children and adults. The Museum has expanded the footprint of this program in the 2018-19 school year and aims to offer free field trips to all Title I public and charter schools throughout all five boroughs.

With previous UMEZ support, the Museum began a major multi-year initiative to catalog and digitize its rich collections and make information from its collections accessible through a user-friendly Collections Portal. With a Collections Portal, over 190,000 of the Museum's collections items and 205,000 digital images have become available to its global audience of researchers, scholars, and the interested public. The online availability of the Museum's collections not only helps to grow the Museum's presence in the cultural community, it has also helped the Museum to quadruple outgoing loans of collection materials between 2015-2017.

The Museum's digitized collections have also resulted in fruitful partnerships with other institutions. The Museum curates content that is distributed on more than 1,500 LinkNYC kiosks, reaching more than 11 million people weekly. The Museum has also begun a partnership with the mobile app Urban Archive, which utilizes 13,000 architectural photos from its collection to create off-site user experiences such as walking tours and scavenger hunts with an eye towards historical context.

MCNY's staff consists of 81 full-time and 60 part-time employees. The staff is also assisted by 67 volunteers and 10-15 interns, depending on the time of year. The Museum contracts with approximately 275 independent contractors, nearly half of which support exhibitions and publications, with the remaining contractors supporting education, development, the Museum Shop, and general management. Whitney Donhauser, the Ronay Menschel Director & President, oversees all Museum activities and is supported by an Executive Staff made up of seven senior officers. The board is composed of 44 members and is chaired by James G. Dinan, CEO of York Capital Management. MCNY's most recent operating expense budget was \$15,992,628 in FY18. MCNY's budget has increased steadily in the last five years due to their expanded facility and programming.

**DESCRIPTION OF PROJECT  
PROJECT REQUEST**

The renovation of the building, addition of new gallery space, and launch of *New York at its Core*, has brought new challenges to the Museum. Since 2013, the Museum's operating budget has continued to expand by approximately 5% each year in support of its increased programmatic endeavors, much of which is presented with modest or no charge to the public; and the Museum's fully-operational building now costs more to maintain. While the Museum receives support through special events and institutional donors, including the City of New York, contributions from individuals remain quite modest (apart from the Board). In addition, the Museum wishes to capitalize on its heightened profile and digitization of collections by promoting its loan and touring programs, which can generate new earned revenue. In response, the Museum has developed a five-year strategic plan approved by the Board of Trustees in June 2018, to address these and future challenges.

Based on the plan's goals, MCNY is requesting UMEZ support for three full-time positions, one part-time position, one consultancy, and support for development materials related to increasing the Museum's capacity to generate earned and contributed revenue, as follows.

### Traveling Exhibitions Coordinator

Over the past five years, the Museum has successfully toured a number of exhibitions, such as *City as Canvas: Art from the Martin Wong Graffiti Collection*, *The Original Mad Man: Illustrations by Mac Conner* and *Jacob Riis: Revealing New York's Other Half* to domestic and international venues like the Library of Congress, Washington, D.C.; the Norman Rockwell Museum, Stockbridge, MA; the Museum of History, Bologna, Italy; and the Ribe Kunstmuseum in Denmark. The Museum is now actively marketing *A City Seen: Todd Webb's Postwar New York* and *Through a Different Lens: Stanley Kubrick's Photography*. However, the loan program is currently handled by the VP of Collections, who does not have the appropriate time to devote to this effort.

The Museum plans to hire a Traveling Exhibitions Coordinator to market selected exhibitions to domestic and international museum venues. The Traveling Exhibitions Coordinator will work with the Curatorial Department to identify potential touring exhibitions and will utilize existing relationships as a starting point for establishing tours. They will also work with the Marketing Department to promote the exhibitions in a manner that is consistent with the Museum's institutional style. This position will also support exhibition logistics, maintain all relevant exhibition records in the collections management system, and carry out administrative collections stewardship duties. This will enable the Museum to conduct a more aggressive marketing of its loan program and to offer more exhibitions for loan, with the result that the Museum will generate greater revenue from these loans. Beyond enhanced revenue, a more robust traveling exhibitions program will contribute to greater national and international visibility for the Museum and help them build their institutional relationships.

### Prospect Researcher

Prospect research, analysis, and portfolio management serve as the foundation of all fundraising initiatives, which directly contribute to the Museum's success. While the Museum has a solid core of funders, the strategic plan identified support from individuals as a major area for growth and expansion of its donor pool. Gifts from individual donors currently make up only 1.8% of MCNY's contributed revenues, while they make up an average of 10% of contributed revenues for arts museums nationwide (source: Association of Art Museum Directors, 2018). To support this effort, the Museum plans to hire a Prospect Researcher to engage in research and identification of fundraising prospects from the Museum's existing membership lists and beyond. This position, through active research, database maintenance and reporting, and data analysis, will assist in targeting donor prospects for operational and programmatic needs. In addition, this position will also be responsible for defining, implementing, and managing the process for identifying, researching, and tracking donors and prospects to optimize their colleagues' portfolios and ultimately, to build a stronger prospect pipeline.

Reporting to the Assistant Vice President of Institutional Advancement, the Prospect Researcher will further support the entire Development Department by liaising with department leadership and frontline fundraisers, coordinating all research requests from Museum leadership, and developing methods to improve prospect data integrity. While the primary focus of this position will be on research of individual giving prospects, the researcher will also work with foundation, government, and corporate giving areas to provide support and resources holistically.

### Planned Giving Consultant, Planned Giving Administrative Assistant, and Planned Giving Officer

As part of its overarching goal to boost individual giving, the Development Department conducted a cursory examination of its current membership base. Results of this review showed that a substantial proportion of members have been subscribing to the Museum for at least 10 years, with another significant portion of these members having subscribed for more than 20 years. MCNY believes that

this group of individuals is primed for planned giving requests, which allow patrons of less significant financial resources with the chance to make a lasting, legacy gift to beloved institutions. Currently, the Museum facilitates planned giving requests on an ad hoc basis and is at risk of losing potential income without having such a program in place. MCNY believes that it is critical to begin this investment in planned giving in light of the Museum's upcoming Centennial and associated campaign.

To remedy this, MCNY proposes engaging a Planned Giving Consultant for one year who will work with Museum staff to create the framework for a program. The first phase of the program will focus on identifying and cultivating prospects, reenergizing the Museum's existing legacy society, and creating collateral materials. MCNY is also requesting UMEZ support for the creation of planned giving specific materials to engage potential prospects.

In addition to the consultant, the planned giving initiative will be facilitated in Years 1 and 2 by the addition of a part-time Administrative Assistant devoted specifically to supporting this effort. The PT Administrative Assistant will work with the Prospect Researcher to identify and cultivate planned giving prospects from the Museum's existing membership, annual fund donors, and public programs attendees; will assist with the project management of the creation of planned giving materials; and prepare and track outreach to potential planned giving prospects. This position will be replaced by the hiring of a full-time Planned Giving Officer in Year 3 of the grant. The Officer will be responsible for the program's long-term administration, donor stewardship, and coordination with the Department's individual giving strategies.

The Planned Giving Program will include active engagement with current and past board leadership who are expected to make personal commitments and assist in promoting planned giving to others.

#### **SUMMARY**

As part of a holistic and proactive initiative to increase the Museum's capacity for revenue generation, the addition of three full-time positions, one temporary part-time position, and a consultancy to support individual giving efforts and exhibition touring would play an essential role in strengthening and diversifying the Museum's sources of earned and contributed revenue; in fact, the projected increases in individual contributions and contracted bookings would not be possible without the addition of these new positions. The Museum expects the Touring Exhibitions Coordinator to be a fully-funded position by the end of the grant with the additional revenue raised from contracted bookings. The Prospect Researcher and the new staff and consultant for a planned giving program would facilitate the Museum's goal to increase individual and planned giving, an underdeveloped source of increased contributions.

#### **JOB CREATION**

UMEZ funding would be used to create three new full-time positions, one temporary part-time position, and one consultancy.

#### **PROJECTED OUTCOMES**

The expected increase in exhibition bookings would grow the Museum's brand and content outside of its own walls and would further position the Museum as a thought leader amongst its colleagues. The investment in planned giving efforts and the hiring of a Prospect Researcher would help the Museum continue to build individual giving, which has growth capacity. The anticipated, significant increase in support from individuals and booking income would result in larger surpluses that would in turn allow the Museum to sustain these positions in the long-term. These initiatives would prepare

the Museum for its upcoming centenary, ultimately helping MCNY to establish itself as a continued “must-see” cultural and educational destination in New York City for years to come.

**III. FINANCING REQUESTED  
FUNDING SOURCES**

<b>Sources</b>	<b>Total</b>
Federal EZ Funds	\$ 89,447
State EZ Funds	\$ 89,447
City EZ Funds	\$ 89,447
<b>Total UMEZ Sources</b>	<b>\$ 268,341</b>
Earned Income – Exhibition Fees	\$ 169,226
New Contributed Revenue	\$ 155,000
<b>Total Museum of the City of New York Sources</b>	<b>\$ 324,226</b>
<b>Total Project Cost</b>	<b>\$ 592,567</b>

**PROJECT BUDGET**

<b>Uses</b>	<b>UMEZ</b>	<b>Museum of the City of New York</b>	<b>Total</b>
Personnel	\$ 208,341	\$ 213,043	\$ 421,384
Employee Benefits	\$ 0	\$ 108,683	\$ 108,683
Consultancy	\$ 50,000	\$ 0	\$ 50,000
Planned Giving Materials	\$ 10,000	\$ 2,500	\$ 12,500
<b>Total Project Cost</b>	<b>\$ 268,341</b>	<b>\$ 324,226</b>	<b>\$ 592,567</b>

**LIST ANY PRIOR UMEZ FUNDING OR PRIOR APPLICATIONS**

- 2005 Capacity grant for workforce, marketing/audience development \$ 284,832
- 2008 Capacity and infrastructure grant for digitization project \$ 550,000
- 2011 TA grant for creation of an earned revenue strategy \$ 50,000
- 2014 Capacity grant for workforce and capital renovation \$ 1,000,000

**INDICATE HOW THE PROPOSAL MEETS THE UMEZ INVESTMENT CRITERIA**

**A. Impact**

- The new staff positions would grow the institution’s earned and contributed revenues in two areas that are currently underdeveloped and for which there is excellent growth potential.
- This project would help stabilize the organization following a major capital renovation, which increased both operational and programmatic costs.
- This project would help the Museum prepare for its Centennial in 2023, for which the Museum plans to undertake a substantial fundraising campaign.

**B. Feasibility**

- MCNY has successfully completed several past projects with UMEZ support. In the last capacity grant, the Museum was able to maintain six new staff positions.
- Previous investments from UMEZ have achieved the Museum’s desired outcomes. The Museum’s rental, admissions, and gift shop income have risen following its successful capital renovation, installation of *New York at its Core*, and the expansion of the Museum Shop.

- MCNY is working with a strategic plan that is designed to strengthen the organization in every area as it approaches its Centennial.

**C. Strengths**

- MCNY is led by a strong staff, including Whitney Donhauser, Ronay Menschel Director & President, and Polly Rua, Vice President of Institutional Advancement. MCNY's Board of Trustees are very generous to the organization. Giving efforts are led by the Board Chairman, James G. Dinan.
- The Museum is programming thoughtful, engaging exhibitions. The American Alliance of Museums awarded the Museum its highest honor for Exhibition Excellence in 2018.
- The Museum has developed partnerships with many organizations, including local groups like the Maysles Institute and El Museo del Barrio.

**D. Risks**

- While planned giving can be an underutilized source of funds for non-profit organizations, the income that is generated from a dedicated planned giving position is not normally received until much later after the gift is promised. Thus, the Museum would need to rely on increases in general operating support and earned revenue to sustain this position in its early stages.
- MCNY's recent growth has meant that its budget has expanded from just under \$13.6 million in FY12 to \$15.9 million in the most recently audited fiscal year. MCNY must continue to increase its contributed and earned revenue sources to keep up with the growth in its operations and programs.

**IV. FINANCIALS**

See Attachments

**V. RECOMMENDATION**

**UMEZ Grant Amount:** up to \$268,341

**Term:** 10/1/19 – 11/30/22

**Conditions:** N/A

**STATEMENT OF FINANCIAL POSITION**

**Assets**

*Cash*

Amounts increased in FY15 and decreased in subsequent years due to the renovation of the building.

*Investments*

The Museum received a \$10 million endowment gift in FY17, which was promptly invested.

*Contributions and grants receivable, net*

Amounts increased in FY15 and decreased in subsequent years due to the renovation of the building.

*Construction in progress*

Construction costs were moved to Building and equipment as work was completed.

*Building and equipment, net*

Increase in FY16 is due to the completion of the capital project.

**Liabilities**

*Accounts Payable and Accrued Expenses*

Increase in FY16 is due to capital costs; subsequent amounts reflect operating and programming budget increases.

*Deferred Revenue and Rent*

Increase reflects pre-payments of rental contracts and deposit payments for the subsequent year.

**Net Assets**

*Temporarily Restricted Net Assets*

FY14-FY16 included gifts toward the capital improvements, collections, exhibitions, and programs in future years. In FY17, MCNY released \$10,080,609 for collections, exhibitions, and programming, and released \$1,566,906 for capital improvements. At the end of FY18, there were no temporarily restricted net assets for capital purposes.

*Permanently Restricted Net Assets*

Increase in FY17 is the result of a \$10 million endowment gift.

**STATEMENT OF ACTIVITIES**

The Statement of Activities presents the total of unrestricted and temporarily restricted contributions at the end of the fiscal year. Although temporarily restricted contributions do indicate that the organization has been successful at securing funds and pledges for the future, only unrestricted contributions can be applied toward expenses for the audited fiscal year, thus the Statement of Activities does not present an accurate picture of an organization's income and expense solely for the fiscal year. To gain an accurate picture of annual income and expense, please see the Annual Operating Income and Expense page, which has been adjusted to show only unrestricted income.

## **ANNUAL OPERATING INCOME AND EXPENSE**

### **Earned Income**

#### *Admissions, Membership Dues, Rental Income*

Increases reflect the completion of the renovation and the opening of the permanent exhibition, *New York at its Core*. Increases in admissions and rental income are directly related to improvements made under the previous UMEZ grant.

#### *Licensing Fees*

Budget increases reflect the expected impact of the Traveling Exhibits Coordinator position.

#### *Beverage Income*

This line represents income MCNY is able to generate after obtaining its own liquor license.

### **Contributed Income**

#### *Government Support*

MCNY is a member of the Cultural Institutions Group and receives operating support directly from the City of New York.

#### *Individual and Institutional Giving*

The expected increase in contributed support related to the hiring of the Prospect Researcher is included in these lines through FY23.

#### *Board Support*

In FY18 MCNY estimates that 19% of total contributed revenue is made up of board affiliated giving. MCNY's Board of Trustees gives through both individual and institutional sources of support.

#### *Miscellaneous support*

Miscellaneous support is made up of fulfilled bequest payments, reimbursements from city agencies, commissions and contributions that are categorized as one-off and are not better categorized in any other way.

### **Expenses**

#### *Salaries, Payroll Taxes, and Employee Benefits*

Personnel costs have increased since FY14 as the organization began to expand into the completed facility.

#### *Catering and Entertainment*

This line reflects the cost of the Museum's special events. The gross income from those events is listed under earned revenue. For the period of FY19 – FY23, the special events expense has been estimated based on the average percentage the Museum spent from FY14 – FY18.

#### *Operating Expenses*

Increase in FY17 reflects the impact of completed renovations, including the expiration of temporary restrictions related to collections, exhibitions, and programs, and the first full year of programming in its newly renovated building, including the installment of its permanent exhibition, *New York at its Core*.

FY18 expenses decreased primarily because of reduced professional fees, office supplies, and program expenses, following a year in which each category saw unusually high expenses.

Museum of the City of New York  
Statement of Financial Position  
Historical

November 12, 2019 CIF Grant Proposal for \$268,341
-------------------------------------------------------

\$US	Fiscal Year Ending June 30				
	FY14 Audit	FY15 Audit	FY16 Audit	FY17 Audit	FY18 Audit
<b>ASSETS</b>					
Cash	3,449,295	9,259,634	6,988,561	5,916,323	4,076,847
Investments	23,237,601	23,273,305	23,564,818	28,245,504	29,416,066
Contributions and grants receivable, net	2,961,363	3,410,801	3,517,853	2,114,426	1,280,122
Prepaid expenses and other assets	90,009	445,948	825,212	629,678	543,568
Inventory	82,302	87,478	149,439	166,784	214,307
Construction in progress	3,179,378	5,069,242	556,297	135,682	36,304
Building and equipment, net	18,676,831	17,981,714	22,441,844	22,929,903	22,320,052
<b>TOTAL ASSETS</b>	<b>51,676,779</b>	<b>59,528,122</b>	<b>58,044,024</b>	<b>60,138,300</b>	<b>57,887,266</b>
<b>LIABILITIES &amp; NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	591,083	789,494	1,098,919	903,509	953,101
Deferred revenue	0	0	0	185,944	243,525
Deferred rent	114,057	49,245	108,343	158,462	199,286
<b>TOTAL LIABILITIES</b>	<b>705,140</b>	<b>838,739</b>	<b>1,207,262</b>	<b>1,247,915</b>	<b>1,395,912</b>
<b>NET ASSETS</b>					
<b>Unrestricted</b>					
Operating	3,101,467	7,539,968	4,141,093	3,698,842	3,857,982
Board-designated endowment	0	937,706	4,346,219	4,474,660	4,804,373
Plant (net)	21,856,209	23,050,956	22,998,141	23,065,585	22,356,356
Temporarily restricted	15,491,987	17,737,991	16,216,338	7,282,269	4,660,751
Permanently restricted	10,521,976	9,422,762	9,134,971	20,369,029	20,811,892
<b>TOTAL NET ASSETS</b>	<b>50,971,639</b>	<b>58,689,383</b>	<b>56,836,762</b>	<b>58,890,385</b>	<b>56,491,354</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>51,676,779</b>	<b>59,528,122</b>	<b>58,044,024</b>	<b>60,138,300</b>	<b>57,887,266</b>

Museum of the City of New York  
Statement of Activities  
Historical

November 12, 2019  
CIF Grant Proposal for \$268,341

\$US	Fiscal Year Ending June 30				
	FY14 Audit	FY15 Audit	FY16 Audit	FY17 Audit	FY18 Audit
<b>REVENUES &amp; OTHER SUPPORT</b>					
Earned Income					
Admissions	804,874	826,502	907,535	1,035,704	1,057,379
Membership dues	312,743	302,009	287,262	301,808	488,946
Exhibits and educational programs	264,044	354,534	442,379	517,189	475,338
Licensing fees	379,859	591,832	406,130	275,442	352,844
Rental fees	346,830	476,503	505,866	522,931	827,085
Merchandise sales (net)	326,653	340,412	325,750	143,136	328,085
Investment income (loss)	2,927,167	(21,250)	(602,227)	2,886,225	2,031,192
Special events (net)	2,564,791	2,485,843	2,499,169	2,469,034	2,313,749
Total Earned Income	7,926,961	5,356,385	4,771,864	8,151,469	7,874,618
Contributed Income					
Government support	2,014,863	1,676,456	1,656,889	1,725,718	1,727,140
Other grants and contributions	9,705,068	16,399,739	9,950,375	14,513,909	4,331,421
Loss on bad debt	0	0	0	0	(395,000)
Total Contributed Income	11,719,931	18,076,195	11,607,264	16,239,627	5,663,561
<b>TOTAL REVENUES &amp; OTHER SUPPORT</b>	<b>19,646,892</b>	<b>23,432,580</b>	<b>16,379,128</b>	<b>24,391,096</b>	<b>13,538,179</b>
<b>% Change in Revenue</b>					
		19%	-30%	49%	-44%
<b>% Change in Expense</b>					
		22%	16%	22%	-28%
<b>Income Mix: Earned</b>					
	40%	23%	29%	33%	58%
<b>Contributed</b>					
	60%	77%	71%	67%	42%
<b>EXPENSES</b>					
Management	1,178,911	1,364,794	1,399,975	1,769,212	1,558,869
Program / Exhibit expense	9,574,921	12,410,640	14,499,090	18,337,530	12,141,141
Capital renovations	367,499	265,510	432,566	265,932	202,044
Membership and development	1,794,188	1,733,309	1,994,693	1,993,569	2,090,574
<b>TOTAL EXPENSES</b>	<b>12,915,519</b>	<b>15,774,253</b>	<b>18,326,324</b>	<b>22,366,243</b>	<b>15,992,628</b>
Provision for bad debts	(14,908)	0	0	0	0
Sale of collection material	161,350	59,417	94,575	28,770	55,418
Change in Net Assets	6,877,815	7,717,744	(1,852,621)	2,053,623	(2,399,031)
Net Assets - Beginning of Year	44,093,824	50,971,639	58,689,383	56,836,762	58,890,385
Prior Period Adjustment	0	0	0	0	0
Net Assets - End of Year	50,971,639	58,689,383	56,836,762	58,890,385	56,491,354

\$US	Fiscal Year Ending June 30									
	FY14 Audit	FY15 Audit	FY16 Audit	FY17 Audit	FY18 Audit	FY19 Budget	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected
<b>REVENUES AND OTHER SUPPORT</b>										
Earned Income										
Admissions	804,874	826,502	907,535	1,035,704	1,057,379	1,091,199	1,145,759	1,203,047	1,263,199	1,326,359
Membership Dues	312,743	302,009	287,262	301,808	488,946	645,000	677,250	711,113	746,668	784,002
Exhibits and other educational programs	264,044	354,534	442,379	517,189	475,338	648,150	680,558	714,585	750,315	787,830
Licensing Fees	379,859	591,832	406,130	275,442	352,844	235,000	246,750	285,888	344,432	361,653
Rental fees	346,830	476,503	505,866	522,931	827,085	1,060,000	1,113,000	1,168,650	1,227,083	1,288,437
Merchandise Sales (gross)	662,933	632,981	598,905	526,687	650,540	674,189	707,898	743,293	780,458	819,481
Beverage Income	0	0	0	0	0	275,000	288,750	303,188	318,347	334,264
Investment Income <Loss>	937,475	(11,062)	(297,921)	1,103,514	525,290	1,227,836	1,289,228	1,353,689	1,421,374	1,492,442
Special Events (gross)	2,990,985	3,113,682	3,049,990	3,088,241	2,784,408	3,181,000	3,340,050	3,507,053	3,682,405	3,866,525
<b>Total Earned Income</b>	<b>6,699,743</b>	<b>6,286,981</b>	<b>5,900,146</b>	<b>7,371,516</b>	<b>7,161,830</b>	<b>9,037,374</b>	<b>9,489,243</b>	<b>9,990,506</b>	<b>10,534,281</b>	<b>11,060,993</b>
Contributed Income										
Government Support	2,014,863	1,676,456	1,656,889	1,725,718	1,727,140	1,360,074	1,428,078	1,499,482	1,574,456	1,653,178
UMEZ Funding	0	799,772	0	67,022	133,206	0	147,500	65,990	54,851	0
Individual Giving	4,024,643	8,056,092	7,980,284	2,821,029	2,860,775	2,433,707	2,697,466	3,059,246	3,580,493	3,844,308
Institutional Giving	2,527,764	6,357,232	3,466,805	11,093,463	4,561,068	3,139,379	3,234,274	3,319,081	3,416,751	3,502,798
Miscellaneous	26,626	29,665	8,425	15,117	65,929	89,000	93,450	98,123	103,029	108,180
<b>Total Contributed Income</b>	<b>8,593,896</b>	<b>16,919,217</b>	<b>13,112,403</b>	<b>15,722,349</b>	<b>9,348,118</b>	<b>7,022,160</b>	<b>7,600,768</b>	<b>8,041,922</b>	<b>8,729,580</b>	<b>9,108,464</b>
Less Capital Net Assets Released	2,153,456	2,273,299	1,198,276	1,566,906	288,574	0	0	0	0	0
Less Capital - UMEZ Funds	0	383,525	276,160	109,595	0	0	0	0	0	0
<b>Total Capital Related Income</b>	<b>2,153,456</b>	<b>2,656,824</b>	<b>1,474,436</b>	<b>1,676,501</b>	<b>288,574</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>13,140,183</b>	<b>20,549,374</b>	<b>17,538,113</b>	<b>21,417,364</b>	<b>16,221,374</b>	<b>16,059,534</b>	<b>17,090,011</b>	<b>18,032,428</b>	<b>19,263,861</b>	<b>20,169,457</b>
<b>% Change in Revenue</b>		56%	-15%	22%	-24%	-1%	6%	6%	7%	5%
<b>% Change in Expense</b>		25%	15%	23%	-29%	0%	5%	5%	6%	5%
<b>Income Mix: Earned</b>	51%	31%	34%	34%	44%	56%	56%	55%	55%	55%
<b>Contributed</b>	65%	82%	75%	73%	58%	44%	44%	45%	45%	45%
<b>EXPENSES</b>										
Salaries, Payroll Taxes Employee Benefits	7,191,521	8,684,293	9,718,709	10,241,727	10,162,955	9,929,816	10,452,154	11,055,650	11,777,851	12,366,743
Legal and accounting	166,484	110,777	42,452	51,362	99,635	55,200	57,960	60,858	63,901	67,096
Professional Fees	1,123,506	1,452,831	1,550,436	3,929,849	922,822	1,412,448	1,501,677	1,576,761	1,655,599	1,738,379
Office Supplies and Expense	525,890	898,083	688,104	1,168,191	545,179	472,435	496,057	520,860	549,403	576,873
Printing and publications	191,424	213,488	175,157	196,967	204,143	530,370	556,889	584,733	613,970	644,668
Occupancy Costs	1,169,753	910,870	970,380	1,019,701	1,004,372	668,774	702,213	737,323	774,190	812,899
Advertising, Marketing, Public Relations	69,154	310,402	139,392	70,601	245,235	337,420	354,291	372,006	390,606	410,136
Program / Exhibit Expense	942,287	1,690,669	3,372,372	3,876,040	1,165,722	888,033	932,435	979,056	1,028,009	1,079,410
Cost of sales	336,369	292,569	273,155	383,551	322,455	521,500	547,575	574,954	603,701	633,887
Interest	630	18	0	0	0	0	0	0	0	0
Investment fees	122,053	123,079	92,563	106,388	103,067	109,430	109,430	109,430	109,430	109,430
Insurance	0	0	0	192,881	186,805	199,750	209,738	220,224	231,236	242,797
Computing services	156,923	245,926	245,049	278,522	204,908	154,418	162,139	170,246	178,758	187,696
Catering and Entertainment	339,842	502,915	503,740	559,304	470,659	540,770	567,810	596,199	626,009	657,309
Other expenses	491,896	541,737	564,764	493,494	346,308	237,106	254,432	272,626	291,729	311,787
<b>TOTAL EXPENSES</b>	<b>12,827,732</b>	<b>15,977,657</b>	<b>18,336,273</b>	<b>22,568,578</b>	<b>15,984,265</b>	<b>16,057,470</b>	<b>16,904,798</b>	<b>17,830,925</b>	<b>18,894,390</b>	<b>19,839,109</b>
<b>TOTAL SURPLUS / &lt;DEFICIT&gt;</b>	<b>312,451</b>	<b>4,571,717</b>	<b>(798,160)</b>	<b>(1,151,214)</b>	<b>237,109</b>	<b>2,064</b>	<b>185,213</b>	<b>201,503</b>	<b>369,471</b>	<b>330,348</b>

Museum of the City of New York  
 Project Budget  
 Proposed Grant Term: 10/01/19 - 9/30/22  
 Proposed Expense Period: 10/01/19 - 11/30/22

November 12, 2019  
 CIF Grant Proposal for \$268,341

\$US	Year 1 10/01/19 - 09/30/20			Year 2 10/01/20 - 09/30/21			Year 3 10/01/21 - 09/30/22			TOTAL PROJECT		
	UMEZ Funds	Org Funds	Total	UMEZ Funds	Org Funds	Total	UMEZ Funds	Org Funds	Total	UMEZ Funds	Org Funds	Total Project
<b>REVENUES AND OTHER SUPPORT</b>												
Contributed Revenue												
UMEZ	147,500	0	147,500	65,990	0	65,990	54,851	0	54,851	268,341	0	268,341
Earned Income - Exhibition Fees	0	29,066	29,066	0	50,786	50,786	0	89,374	89,374	0	169,226	169,226
New Contributed Revenue	0	25,000	25,000	0	45,000	45,000	0	85,000	85,000	0	155,000	155,000
<b>TOTAL REVENUES &amp; OTHER SUPPORT</b>	<b>147,500</b>	<b>54,066</b>	<b>201,566</b>	<b>65,990</b>	<b>95,786</b>	<b>161,776</b>	<b>54,851</b>	<b>174,374</b>	<b>229,225</b>	<b>268,341</b>	<b>324,226</b>	<b>592,567</b>
<b>OPERATING EXPENSES</b>												
Personnel												
Traveling Exhibitions Coordinator	37,500	12,500	50,000	25,521	25,521	51,042	13,079	39,239	52,318	76,100	77,260	153,360
Prospect Researcher	33,750	11,250	45,000	22,969	22,969	45,938	11,772	35,314	47,086	68,491	69,533	138,024
P/T Administrative Assistant	18,750	6,250	25,000	15,000	15,000	30,000	0	0	0	33,750	21,250	55,000
Planned Giving Officer	0	0	0	0	0	0	30,000	45,000	75,000	30,000	45,000	75,000
<b>Total Personnel</b>	<b>90,000</b>	<b>30,000</b>	<b>120,000</b>	<b>63,490</b>	<b>63,490</b>	<b>126,980</b>	<b>54,851</b>	<b>119,553</b>	<b>174,404</b>	<b>208,341</b>	<b>213,043</b>	<b>421,384</b>
Employee Benefits												
FICA	0	9,180	9,180	0	9,714	9,714	0	13,342	13,342	0	32,236	32,236
SUTA	0	4,800	4,800	0	5,079	5,079	0	6,976	6,976	0	16,855	16,855
Workers' Compensation	0	480	480	0	508	508	0	698	698	0	1,686	1,686
Disability	0	83	83	0	83	83	0	124	124	0	290	290
Health Insurance and Other Benefits	0	9,523	9,523	0	16,912	16,912	0	31,181	31,181	0	57,616	57,616
<b>Total Employee Benefits</b>	<b>0</b>	<b>24,066</b>	<b>24,066</b>	<b>0</b>	<b>32,296</b>	<b>32,296</b>	<b>0</b>	<b>52,321</b>	<b>52,321</b>	<b>0</b>	<b>108,683</b>	<b>108,683</b>
Consultants and Other Expenses												
Planned Giving Consultant	50,000	0	50,000	0	0	0	0	0	0	50,000	0	50,000
Planned Giving Program Collateral	7,500	0	7,500	2,500	0	2,500	0	2,500	2,500	10,000	2,500	12,500
<b>Total Consultants and Other Expenses</b>	<b>57,500</b>	<b>0</b>	<b>57,500</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>	<b>2,500</b>	<b>60,000</b>	<b>2,500</b>	<b>62,500</b>
<b>TOTAL PROJECT BUDGET</b>	<b>147,500</b>	<b>54,066</b>	<b>201,566</b>	<b>65,990</b>	<b>95,786</b>	<b>161,776</b>	<b>54,851</b>	<b>174,374</b>	<b>229,225</b>	<b>268,341</b>	<b>324,226</b>	<b>592,567</b>
<b>SURPLUS / &lt;DEFICIT&gt;</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RESOLUTION OF  
THE BOARD OF DIRECTORS OF  
UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT  
CORPORATION**

**REGARDING APPROVAL TO FUND A  
CULTURAL INVESTMENT FUND PROJECT**

**AT A BUSINESS MEETING HELD ON THE 27<sup>th</sup> DAY OF JUNE 2019**

**WHEREAS**, the Cultural Investment Fund Committee has reviewed the materials presented to it, a copy of which has been filed with the records of the Upper Manhattan Empowerment Zone Development Corporation (UMEZ), relating to a grant for a period of thirty-eight (38) months to the Museum of the City of New York, Inc., for capacity-building (the “Project”); and

**WHEREAS**, the Cultural Investment Fund Committee has found it to be a desirable project, consistent with the New York Empowerment Zone’s Strategic Plan, and the investment criteria for initiatives seeking financial support.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors approves the Project and authorizes UMEZ to submit the Project to the New York Empowerment Zone Corporation for authorization to fund a grant for a period of thirty-eight (38) months not to exceed TWO HUNDRED SIXTY-EIGHT THOUSAND THREE HUNDRED FORTY-ONE DOLLARS (\$268,341), subject to terms and conditions substantially similar to those included in the presentation materials; and be it

**FURTHER RESOLVED**, that the approval of the Project authorized by these resolutions shall expire nine (9) months after the adoption of these resolutions; and be it

**FURTHER RESOLVED**, that the President and CEO or his/her respective designees, are hereby authorized on behalf of UMEZ to make such changes to the terms and conditions of the transaction as may be appropriate, execute and deliver any and all documents and take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

November 12, 2019

**UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Museum of the City of New York – A \$268,341 capacity building grant.**

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RESOLVED, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Upper Manhattan Empowerment Zone Development Corporation (UMEZ) initiative for a grant to **Museum of the City of New York** (the “Initiative”) a capacity building grant. The Corporation is hereby authorized to disburse funds to UMEZ an amount not to exceed **TWO HUNDRED SIXTY EIGHT THOUSAND THREE HUNDRED FORTY ONE DOLLARS (268,341)** for the purposes and on the terms and conditions described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

RESOLVED, that for the purpose of providing the funds, the Corporation is hereby authorized to accept and utilize funds for a grant an amount not to exceed **TWO HUNDRED SIXTY-EIGHT THOUSAND THREE HUNDRED FORTY-ONE DOLLARS (268,341)** in accordance with the MOU; and be it further

RESOLVED, that the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

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**FOR CONSIDERATION**

November 12, 2019

**TO:** The Directors

**FROM:** Eric Gertler

**SUBJECT:** South Bronx (Bronx County) - Bronx Overall Economic Development Corporation - Empowerment Zone

**REQUEST FOR:** **Authorization for Loan to Chocobar Cortes NYC, LLC., and to Take Related Actions.**

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**I Initiative Summary**

**Organization Name:** Bronx Overall Economic Development Corporation (“BOEDC”)  
198 East 161st Street, Suite 201  
Bronx, NY 10451

**Contact:** Marlene Cintron  
President  
(718) 590-3948

**Initiative Site:** Bronx, New York

**Proposed Initiative:** A \$300,000 in Empowerment Zone capital loans.

**Total Initiative Cost:** \$670,000

**Proposed Empowerment Zone (“EZ”) Investment:** \$200,000 (EZ Loan Fund)  
\$100,000 (Environmental Revolving Loan Fund)

**Funding Sources:**

Federal EZ SSBG funds:	\$ 100,000
State EZ funds:	\$ 100,000
City EZ funds:	\$ 100,000
Bronx Initiative for Energy And Environment	\$ 100,000
Owner:	\$ 270,000
<b>TOTAL:</b>	<b>\$670,000</b>

**Fiscal Year:** 2020

## **II. Initiative Narrative**

Attached are materials prepared by BOEDC for its Board of Directors containing narrative information regarding this initiative.

## **III. Conditions for Approval**

Funding is subject to the Corporation's approval of BOEDC's monitoring system, which must ensure that adequate policies and procedures are adopted to safeguard against misappropriation and provide for appropriate controls with respect to each loan.

The release of funds for this initiative is subject to certification by the Deputy Mayor's Office (i) that all procurement solicitation processes fulfill all applicable requirements set forth in the Operating Principles Memorandum of Understanding (the "MOU") dated as of January 19, 1996, and (ii) that each procurement selection process has been completed in accordance with those requirements.

The release of funds for the initiative is also subject to BOEDC presenting to the Corporation for approval detailed written information on implementation of this initiative and the terms and conditions for the loan from BOEDC to **Chocobar Cortes NYC, LLC**. The provision of funding is contingent upon the Corporation receiving satisfactory evidence of all other funding sources for the initiative.

The disposition of interest and principal payments for the loan made under this initiative is further subject to the approval of New York Empowerment Zone Corporation's Board of Directors.

## **IV. Initiative Benchmarks**

The initiative will achieve the following benchmarks:

- 8 full time jobs will be created
- 10 part time jobs will be created

## **V. Resident Benefit**

This initiative will benefit EZ residents

- Create 4 full time jobs
- Create 5 part time jobs

**VI Federal Funding Goals**

**This initiative will meet the following Federal funding goals:**

- **Achieving or maintaining self-sufficiency, including reduction or prevention of dependency.**

**This initiative will meet the following programmatic options:**

- **New physical infrastructure development, which is feasible, attainable in the current economic environment and sustainable.**
- **Permanent job creation, including, without limiting the foregoing, promotion, encouragement and creation of opportunities for small, medium and large business development in the EZ/EC that will create permanent jobs for the Enterprise Zone.**
- **Increasing the number of permanent-job creating new businesses in the EZ/EC.**

## **VII. Additional Materials**

- A. Copy of BOEDC's Initiative Proposal**
- B. Copy of BOEDC's Board of Directors' resolution recommending this initiative for final approval by the Directors**
- C. Resolution of the Directors**

**FOR CONSIDERATION**

**TO:** The New York Empowerment Zone Corporation Board of Directors

**FROM:** Marlene Cintron, President  
Bronx Overall Economic Development Corporation

**DATE:** November 12, 2019

**SUBJECT:** **Chocobar Cortes NYC, LLC**

**REQUEST FOR:** Approval Loan of up to \$300,000.00

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**I. PROPOSAL SUMMARY**

**BOEDC CONTACT:** PEDRO BARRY  
851 GRAND CONCOURSE, ROOM 123  
BRONX, NY 10451  
TELEPHONE: 718-590-3949

**CONTACT:** **CARLOS M. CORTÉS**

**PERSONAL ADDRESS:** **406 West 22<sup>nd</sup> Street, New York, NY 10011**

**EMAIL:** [CCORTES@CHOCOLATECORTES.COM](mailto:CCORTES@CHOCOLATECORTES.COM)

**PHONE/FAX:** **787-370-0702**

**COMPANY:** **CHOCOBAR NYC, LLC**

**BUSINESS ADDRESS:** **137-141 ALEXANDER AVENUE, BRONX, NY 10451**

**TYPE OF BUSINESS:** **FULL-SERVICE RESTAURANT NAICS – 722511**

**TAX STRUCTURE:** **LLC**

**IRS TAX ID#:** **83-150084 (SUBJECT TO CHANGE)**

**DATE INCORPORATED:** **8/8/2018**

**TOTAL PROJECT COSTS:** **\$670,000.00**

**EZ - FINANCING REQUESTED: \$300,000.00 LOAN (FUNDING FROM LOAN REPAYMENT)**

EMPLOYEE STAFFING: **8 FTE & 10 PTE** – Including Management and Restaurant

<b>Projection:</b>	<b>EZ</b>	<b>SB</b>	<b>Other</b>	<b>Total</b>
Full Time:	4	2	2	8
Part time:	5	3	2	10
Consultant:				
Total:				18

## **II. PROJECT OVERVIEW**

The launch of the Chocobar NYC is planned for first quarter 2020 in the Port Morris section of the Bronx Empowerment Zone. Their intention is to serve delectable chocolate infused dishes and signature drinks to Bronx residents and visitors to the area. The restaurant will have a consistent chocolate theme and a reflection of Puerto Rican culture and heritage as its backdrop. The primary target market is chocolate lovers of any age interested in enjoying a uniquely savory meal in an attractive atmosphere without having to go to other parts of the city to do so. The restaurant will join the increase of a number of recent small businesses added to a community that has begun to become a destination for young creative professionals. The Port Morris area is transitioning from a commercial warehouse area to a place where young professionals want to live and companies want to move to due to its access to Manhattan and destinations South and North.

Chocobar is the first business from Puerto Rico that is opening in The Bronx since Hurricane Maria, a direct response to New York State's unflinching support since the island was devastated. Due to its parent's store success in San Juan, Puerto Rico we expect Chocobar will become one of the more popular eating establishments in Port Morris.

Chocobar will lease and operate in a newly constructed building at 137-141 Alexander Avenue. The principal of Chocobar NYC is Carlos Cortés. Mr. Cortés is the 100% stakeholder of the enterprise. His father, Ignacio Cortés will be the guarantor of the requested loan. Ignacio Cortés has personal wealth valued at  $\geq$  low to mid 8 figures and owns substantial assets to guarantee the loan. The financials and projections for this venture will be primarily based on the financial performance of the Chocobar originated and based in Puerto Rico. The BOEDC Empowerment Zone team has determined that the establishment of Chocobar NYC based on its business plan will generate sufficient revenue to service the debt that is projected to be incurred by the construction and operation of the restaurant.

**BOEDC's proposed EZ loan for \$300,000 will be matched by another \$100,000 from our Energy Efficiency funds that will be used for the purchase of energy efficient machinery for the restaurant.**

- **\$200,000 (two hundred thousand dollars) from the Empowerment Zone Loan Fund ("EZLF") at 3.00% interest**
- **\$100,000 (one hundred thousand dollars) from the Bronx Empowerment Zone Environmental Revolving Loan Fund ("BEZ-ERLF) at 0.00% interest**

The Total project cost is \$670,000.00 and includes construction of leasehold improvements, equipment, furniture & fixtures, and professional fees. Landlord and borrower have executed a 10-year lease (with two additional five-year option periods under an escalating annual rent).

### **III. DETAILED DESCRIPTION OF PROJECT**

#### ***Borrower History, Organization and Management:***

ChocoBar Cortés NYC, LLC is newly formed company, as of September 2018, and owned 100% by Carlos Marcel Cortés. Chocobar Cortés NYC, LLC plans to open a chocolate confectionary shop and Caribbean themed, full-service restaurant in the Port Morris section of the Bronx Empowerment Zone, at 137-141 Alexander Avenue in The Bronx.

With a long history in the industry, an extensive brand identity, vertically integrated supply channels, and proven track record in the chocolate manufacturing and restaurant business, the principal and advisory team have a strong foundation for expansion to New York.

The Cortés family has deep roots in the chocolate business. Chocolate Cortés was founded in 1929 and is involved in its processing and manufacturing. This four generation chocolate company is a farm-to-bar chocolate manufacturer with strong roots and name recognition in Puerto Rico, the Dominican Republic, and other areas of the Caribbean. The company processes over 8,000 tons of chocolate annually, making it the leading chocolate-based manufacturer in the Caribbean. Finished products are sold worldwide on the company owned online shop as well as Amazon. Chocolate Cortés is also a leading supplier to international chocolate manufacturers such as Hershey's and Mars.

In 2013, the family developed and opened their first "Chocobar Cortés", a chocolate shop and Caribbean themed restaurant located in the old town of San Juan, Puerto Rico. This innovative gastronomic concept incorporates chocolate into many dishes and drinks, celebrating the rich history of Chocolate Cortés. Since opening, Chocobar Cortés has enjoyed critical and commercial success and was awarded the 2017 Best Restaurant in the Caribbean by USA Today Reader's Choice. It has also been featured in publications such as the New York Times and Bon Appétit.

A management plan has been submitted by Mr. Cortés as part of the business which provides details about the day-to-day operations of the business. The business will initially have up to a total of 18 full-time and part-time employees, including management and operations. The Chocobar NYC employment is detailed as follows:

**Carlos M. Cortés – Principal and General Manager** will be responsible for all aspects of the business. In addition, Cortés will be coordinating advertising, events and marketing of the new venture.

**Ricardo de Obaldía – Executive Chef** responsible for food preparation and service, food quality, menu creation, sourcing, and kitchen/service management. Chef de Obaldía has been the driving force behind the culinary development of the Chocobar Cortés PR. He is a young Latin chocolatier renowned for his elaborate and imaginative chocolate creations. Prior to becoming the executive chef of Chocolate Cortés PR in 2013, Chef de Obaldía trained in some of the best restaurants in the world, including Le Calandre in Padua, Italy, giving him the culinary pedigree required to succeed in a highly competitive NYC market.

**Elaine Shehab – Creator of Chocobar concept.** Ms. Shehab and Carlos Cortés will be responsible for the design, layout, and décor of the new space, they are working closely with the architect on the leasehold improvements. Once completed, Mrs. Shehab will periodically review the space design and décor to make adjustments as market conditions require.

**Josué Merced-Reyes –Business and marketing strategist.** Mr. Merced-Reyes has been the business strategist behind Chocobar Cortés, Puerto Rico since inception. An experienced global-marketing executive and hospitality consultant, he is affiliated with the International School of Hospitality and Culinary Arts (ISHCA) of the Universidad del Este and an Honorary Lifetime Member of the Caribbean Hotel & Tourism Association. Josué brings not only his business expertise but also hands-on experience in the world of food & beverage, coupled with his corporate marketing background.

**Juan Pablo Obregón – Juan Pablo is the head of Financial and Accounting at Chocolate Cortés.** He has been working with the Cortés group for over 15 years. His strong experience and knowledge in the areas of finance gives the company solid support through the planning of key strategies and effective controls for decision making. Labor, tax, and governmental incentives are an important part of his knowledge.

**Positions to be Filled** – Staffing requirements include finding a capable Assistant Manager, kitchen staff & cooks (4-8), servers (4-7), table & dish service (3-5), bartenders (2-4), and baristas (2-4).

**IV. FINANCING REQUESTED**

Carlos Cortés is now expanding the market presence of Chocobar Cortés by opening their first New York City location in the Port Morris section of the **Bronx Empowerment Zone**. Their intent is to open sites in other boroughs once The Bronx site has proven their business concept.

**Use of Funds:**

Construction of Leasehold Improvements:	\$429,900	64.16%
Furniture, Fixtures and Equipment:	\$240,100	35.84%

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<b>Total Uses of Funds:</b>	<b>\$670,000</b>	<b>100%</b>
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**Funding Sources:**

<b>Empowerment Zone Loan Fund (EZLF) Loan:</b>	<b>\$200,000</b>	<b>29.85%</b>
<i>Bronx Empowerment Zone Environmental Revolving Loan Fund (BEZ-ERLF) Loan</i>	<b>\$100,000</b>	<b>14.93%</b>

<b>Total Empowerment Zone Funding Sources</b>	<b>\$300,000</b>	<b>44.78%</b>
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<i>Bronx Initiative for Energy and the Environment (BIEE) Loan</i>	\$100,000	14.93%
--------------------------------------------------------------------	-----------	--------

Total Combined EZLF, BEZ-ERLF and BIEE Funding	\$400,000	59.7%
------------------------------------------------	-----------	-------

Equity Injection	\$270,000	40.3%
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<b>Total Funding Sources:</b>	<b>\$670,000</b>	<b>100%</b>
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The contemplated funding includes economic development funding coordinated through BOEDC and borrower cash contribution. The principal of Chocobar Cortés NYC, LLC has spent a portion of the required

equity injection and the funds have been used for project related expenses and costs, legal services, and lease deposit.

The Total Project Cost Summary does not include an interim interest reserve or construction contingencies. These and any costs beyond the current scope of the total project costs will have to be paid by the principal. Liquid resources in personal cash and savings (listed in principal/guarantor and guarantor PFS) will be available toward the borrower cash injection into the project.

The proposed financing contemplated in the financial analysis is based on a term of 120 months (10 years) at an initial interest rate of 3.00% on the amount of the EZLF and 0.00% interest on the loans under the BEZ ERLF loan program. The structure does not include an interest only period for either financing; loan terms and amortization are 120 months each. (see amortization schedules)

A.

**LOAN AMORTIZATION SCHEDULE: CHOCOBAR NYC, LLC EIN 83-150084**

ENTER VALUES		LOAN SUMMARY	
<i>Loan amount</i>	\$200,000.00	<i>Scheduled payment</i>	<b>\$1,931.21</b>
<i>Annual interest rate</i>	3.00%	<i>Scheduled number of payments</i>	120
<i>Loan period in years</i>	10	<i>Actual number of payments</i>	120
<i>Number of payments per year</i>	12	<i>Total early payments</i>	\$0.00
<i>Start date of loan</i>	1/1/2020	<i>Total interest</i>	\$31,745.79
<i>Optional extra payments</i>	\$0.00	<b>LENDER NAME</b>	BOEDC/EZLF

B.

**LOAN AMORTIZATION SCHEDULE: CHOCOBAR NYC, LLC EIN 83-150084**

ENTER VALUES		LOAN SUMMARY	
<i>Loan amount</i>	\$100,000.00	<i>Scheduled payment</i>	<b>\$833.33</b>
<i>Annual interest rate</i>	0.00%	<i>Scheduled number of payments</i>	120
<i>Loan period in years</i>	10	<i>Actual number of payments</i>	120
<i>Number of payments per year</i>	12	<i>Total early payments</i>	\$0.00
<i>Start date of loan</i>	1/1/2020	<i>Total interest</i>	\$0.00
<i>Optional extra payments</i>	\$0.00	<b>LENDER NAME</b>	BOEDC/EZBIEE

C.

**LOAN AMORTIZATION SCHEDULE: CHOCOBAR NYC, LLC EIN 83-150084**

ENTER VALUES		LOAN SUMMARY	
<i>Loan amount</i>	\$100,000.00	<i>Scheduled payment</i>	<b>\$833.33</b>
<i>Annual interest rate</i>	0.00%	<i>Scheduled number of payments</i>	120
<i>Loan period in years</i>	10	<i>Actual number of payments</i>	120
<i>Number of payments per year</i>	12	<i>Total early payments</i>	\$0.00
<i>Start date of loan</i>	1/1/2020	<i>Total interest</i>	\$0.00
<i>Optional extra payments</i>	\$0.00	<b>LENDER NAME</b>	BOEDC/BIEE

All financial projection indicators suggest that principals are capable of repaying the one hundred-twenty (120) monthly payments **of One Thousand Nine Hundred Thirty-one Dollars and Twenty-one cents (\$1,931.21)** and **Eight Hundred Thirty-three dollars and 33 cents (\$833.33)**, the total monthly payments to repay the Empowerment Zone loans in a satisfactory manner. Mr. Cortés anticipates buildout construction towards the end of 2019 with a six month completion. Borrower has completed the design and development phase with the architect.

## **V. GUARANTOR'S PERSONAL FINANCIAL STATEMENTS & CREDIT REPORTS:**

### **Carlos M. Cortes (Principal & Guarantor):**

PFS - Carlos M. Cortes provided a personal financial statement dated 5/31/2019 reflecting total assets of \$5.3M and consisting of cash. Liabilities are accounts payable (credit cards) at \$2.5M, resulting in a net worth of \$2.8M. Mr. Cortes has been a student at NYU for the past few years and obtained both an MD and MBA from NYU School of Medicine and Stern School of Business. As a full-time student, Mr. Cortes did not earn an income. Since 2017, he has joined in the family business, focusing on building the Chocobar Cortes restaurant in Puerto Rico and now bringing the concept to The Bronx and NYC.

CR - As of the credit report dated 9/23/2019, Carlos Cortes display an excellent Experian credit score of 742. The report reflects 3 satisfactory revolving accounts and revolving availability of 88%. The principal shows neither installment nor mortgage accounts. No derogatory comments are noted. Credit history dates back to 2006.

2018 TR - Carlos M. Cortes did not provide income tax returns and has not filed since he was a student prior to starting the proposed project. Personal living expenses are covered by funds received from family.

### **Ignacio Gelpi Cortes (Guarantor):**

PFS - Ignacio Gelpi and Elaine Shehab Cortes provided a personal financial statement dated 12/31/2018 reflecting total assets of \$21,572.7M. The principals' net worth is primarily derived from cash at \$1,878.0M, accounts receivable (shareholder loans to related businesses) at \$2,784.5M, stock, bonds, investment accounts at \$10,738.9M, ownership in business at \$1,031.3M, and business property, residential and commercial real estate valued at \$5,073.5M. No personal liabilities are listed and net worth is shown at \$21,572.7M. Liquid assets total \$12,616.9M and consist of cash, stocks, bonds, and investment accounts.

To determine an outside net worth, analyst removed the accounts receivable and business value of the affiliate entities from the PFS. Resulting total personal assets are \$3,815.8M with liabilities of \$0- for an outside net worth of \$17,756.9M.

It should be recognized that the current credit report reflects one mortgage account at \$247.6M and one American Express account at \$10.7M. The Amex card is used in business and paid by the business. Taking the mortgage debt into consideration, total outside net worth is \$17,509.3M.

CR - As of the credit report dated 9/23/2019, Ignacio Cortes display an excellent Experian credit score of 783. The report reflects 11 satisfactory accounts and revolving availability of 100%. No derogatory comments are noted. Credit history dates back to 1978.

2018 TR - Ignacio Cortes and spouse Elaine Shehab provided their 2018 Tax Return and debt payment information is from the current Credit Reports dated 9/23/2019. Cortes and Shehab are both self-employed in the family business Chocolarte, Inc. and Chocolate (Chocobar) Cortes, Puerto Rico. Primary income comes in the form of interest, dividends, and social security distributions. Additional income is in the form of schedule C business income for the consulting activities in Chocolarte, Inc. (recorded as other income). The tax return information does not show a schedule of affiliated business

entities, however, the PFS showed other business investments. It is assumed that the principals also receive distributions from the "affiliated business interests".

Cash flow is positive and is anticipated to increase based on income and distributions from the expansion project. In addition, Cortes and Shehab show a combined \$12,616.9M (cash, savings, marketable securities) in liquid resources, and personal cash flow is anticipated to be sufficient to meet all future personal living and debt obligations.

### **EQUITY INJECTION:**

Chocobar NYC will contribute a minimum of \$270,000.00 in the form of a cash equity injection into this project. This amount will be contributed by the principal and sole shareholder Carlos Cortés and his father Ignacio Cortés. To date, the principal has paid \$115,983.00 in project related expenses and documented by copies of invoices and cancelled checks/proof of payment. Some of the funds have been used toward pre-project expenses, professional fees, and the initial lease deposit. Any costs exceeding the Total Project Costs as currently identified will be paid by the principal and will be in excess of the required equity.

### **COLLATERAL SUMMARY:**

The above funding will be secured and protected in the following manner:

- The BOEDC financing will be secured by a 1<sup>st</sup> lien leasehold mortgage and a 1<sup>st</sup> lien UCC-1 security interest on the equipment, furniture, fixtures, inventory, and general business intangibles of Chocobar NYC, LLC. The loan commitment is subject to acceptable collateral and perfection of security interest.
- The loans will be cross-collateralized.
- BOEDC will require unlimited, personal guarantees from Carlos M. Cortés and Ignacio Cortés Gelpi.
- Proof of business hazard and general business liability insurance will be required. We will also recommend that they add **business interruption insurance** to their insurance coverage.

The terms of the loan guarantees from Carlos M. Cortés and Ignacio Cortés Gelpi (limited vs. unlimited, potential asset pledges, guarantee durations) have not yet been negotiated.

## **VI. MARKET ANALYSIS**

The proposed location at 139-141 Alexander Avenue is between Bruckner Boulevard and East 134<sup>th</sup> Street near IH-8. In close proximity are several other restaurants serving the business and residential community but none of them provide their customers with this particular theme.

Morrisania, Mott Haven, and Port Morris have all seen a jump in housing prices, according to Ralph DiBugnara, senior vice president of Residential Home Funding Corp. Accessible transportation and connectivity are key elements in the development of residential housing and The Bronx has both. The neighborhood offers easy access to the Metro area's major cultural and business hubs, as well as relatively cheap housing. (Source: CNBC, 5/12/2018) This bodes well for businesses being created in an area that had none and is expecting even greater growth as current market rate housing projects are breaking ground just two blocks away.

Census data shows an estimated 3.4% increase in population for The Bronx between 2010 and 2018, which exceeds the city's 2.7% over the same time frame. The Bronx showed a total estimated population of 1,432,132 as of July 2018 with an estimated 495,356 households.

Despite a 17% increase in 2017, rent prices remain low compared to most neighborhoods in Manhattan or Brooklyn, which might indicate a slowing or resetting in the pace of development in The Bronx.

There appears to be an uptrend since the earlier part of 2018 as residential developments such as the 91-unit Bridgeline Building have been completed and are available for lease. In addition, the area surrounding the project site at Alexander Avenue now has nine restaurants, several food take-out establishments, and

general small retail businesses within the East Avenue Bridge, Bruckner Boulevard and East 134<sup>th</sup> Street corridor.

The principal has researched the area and identified 12 current and new residential and commercial developments within the Mott Haven and South Bronx area from the East Street Bridge to the Harlem River Waterfront District. (Please see the Business Plan, Exhibits 2&3 for further detail.)

Real estate developers have recognized the shift in population from higher priced New York City real estate markets into the Mott Haven, Port Morris, and The Bronx borough and are discovering new ways to cater to the residential market and small business community. Re-purposing of warehouse space, re-development of commercial space, and similar activities to develop communities are seen across the area, including The Bronx.

#### **TARGET MARKET & PRODUCT DESCRIPTION:**

Adapting to the NYC market, the Chocolate Cortés name is anticipated to resonate with the Latino population of the South Bronx and Mott Have area and introducing the brand to the wider market while also introducing a younger generation to the history of the brand.

The menu offerings of the store and restaurant will be adjusted throughout the day to address the needs of the audience. Daytime “fast dining” will be offered through the coffee and chocolate shop with additional take out items. This area will open early and serve until 6:00pm to address the needs of the commuter, and “on the go” customers leaving for work or arriving home. Pastries, sandwiches, coffees, drinks, etc. will be the main items offered along with the full array of chocolates and “treats”.

The “fast casual” eatery section of the restaurant will serve the lunch crowd with an expanded but fast turnaround menu. Ordering will be counter order with table service to expedite service and keep labor and operating costs low. At night and during weekend brunch, the full-service restaurant and Caribbean bar will serve a complete menu, daily specials, and unique offerings such as chocolate infused entrees and alcoholic beverages.

Throughout the day, the chocolate store section will be offering a full selection along with gifts. ChocoBar NYC will offer delivery, catering services, and private events for individuals, groups and businesses in the surrounding area.

#### **COMPETITION:**

The principal identified direct food service competition in close proximity to the project and indirect competition by chocolate concept shops in the New York area (please reference the business plan, page 7 for a detailed description of each).

There are nine restaurants in close proximity to the project site and three have been identified as direct competition: Beatstro (hip hop themed eatery on Alexander Ave.), Double Dutch Espresso (coffee and pastry shop on 3<sup>rd</sup> Avenue and East 134<sup>th</sup> Street), and Mottley Kitchen (casual health focused café on 140<sup>th</sup> Street).

There are eight chocolate concept stores in the New York City area that represent competition, these include Max Brenner (Union Square), 2Beans (two locations in NYC), Jacques Torres (long history and multiple location in NYC), MariBelle (SOHO), Voges Chocolates (SOHO), L.A. Burdock (SOHO), Nutella Café (Union Square), and Blue Stripe Cacao (Union Square). None are located anywhere near The Bronx.

## **MARKETING & ADVERTISING:**

Chocobar Cortés NYC will rely on a multi-faceted marketing strategy and utilizing in-person marketing, social media, mobile branded outlet for events, and traditional media outlet advertising. Initially the online presence will be emphasized to create awareness of the project with media outlets and local publication advertising the project completion and opening of the business. Strong emphasis on organizing cultural and local artist events centered on cuisine, music, and art will be an ongoing activity to create awareness. Carlos Cortés and Josué Merced-Reyes will primarily be responsible for the active marketing of the business.

## **VII. PERCEIVED STRENGTHS & WEAKNESSES:**

### ***Strengths:***

- Primary principal has extensive restaurant and food service experience.
- Proven operational history and direct industry experience based on the affiliate entity Chocolarte, Inc. and Chocolate Cortés, Puerto Rico.
- Excellent personal credit scores and credit history for principal/guarantor and guarantor with a TransUnion Score of 742 and 783 respectively.
- Excellent personal liquidity from the guarantor Ignacio Cortés as reflected on the PFS.
- Project demand supported by recent business and residential development in the Mott Haven, The Bronx area.

### ***Weaknesses***

- New business without historical cash flow or performance. Mitigated by the performance history of the affiliate businesses Chocolarte, Inc. and Chocolate Cortés, Puerto Rico.
- Ambitious projected revenues in Year 1 and 2 based on no prior experience in the NYC market and locality. Mitigated by personal liquidity and prior business experience.
- Pro forma balance sheet shows minimal post-funding working capital. Borrower's pro forma assumes fast marketplace recognition and projected income after completion of construction to overcome WC shortage. Personal cash and savings from guarantors provides additional post-funding liquidity.
- Proposed loan collateral is limited to a leasehold mortgage interest and UCC-1 on furniture and fixtures, mitigated by potential personal guarantees.

## **VIII. OTHER ATTACHMENTS:**

1. *Chocobar Cortés NYC, LLC - Executive Summary & Project Description*
2. *Chocobar Cortés NYC – Concept & Design Book*
3. *Chocobar Cortés NYC – Business Plan*
4. *Sources & Uses of Funds Statement & Cost Documents*
  - a. *Sources & Uses of Funds Statement*
  - b. *Construction Estimate – Final Bid to be Provided*
  - c. *FF&E Budget – Final Bids to be provided*
5. *139-141 Alexander Avenue Lease Agreement with Exhibits*
6. *139-141 Alexander Avenue Building Layout*
7. *Project Pre-Construction Schedule*
8. *Personal Financial Statements for Carlos Cortés*
9. *Personal Financial Statements for Ignacio Cortés*
10. *TransUnion Credit Profile for Carlos Cortés*
11. *TransUnion Credit Profile for Ignacio Cortés*
12. *Resume and Work History for Carlos Cortés*
13. *2018 Individual Tax Return Ignacio Cortés*
14. *2018 Corporate Tax Return Chocolarte, Inc.*
15. *Affiliate Chocolarte, Inc. – Historical Financial Spreads (2016-2018 & 4/30/2019)*
16. *Pro-Forma Balance Sheet and Financial Analysis*
  - a. *Financial Analysis Comments*
  - b. *Pro Forma Balance Sheet and P&L Spreads*

**RESOLUTION OF  
THE BRONX OVERALL ECONOMIC DEVELOPMENT  
CORPORATION**

**REGARDING A LOAN OF \$200,000 FROM THE EMPOWERMENT ZONE LOAN  
FUND (“EZLF”), \$100,000 FROM THE BRONX EMPOWERMENT ZONE  
ENVIRONMENTAL REVOLVING LOAN FUND (“BEZ-ERLF”) AND \$100,000 FROM  
THE BRONX INITIATIVE FOR ENERGY AND THE ENVIRONMENT (the “BIEE”)  
LOAN FUND TO CHOCOBAR CORTES NYC, LLC FOR LEASEHOLD  
IMPROVEMENTS, AND THE PURCHASE OF ENERGY EFFICIENT,  
ENVIRONMENTALLY FRIENDLY AND TRADITIONAL COMMERCIAL  
EQUIPMENT**

**AT A MEETING HELD ON THE 8<sup>TH</sup> DAY OF NOVEMBER 2019, AND THEREAFTER  
AS PER THE BOEDC BOARD**

**WHEREAS**, the Executive (Finance/EZ Oversight) Committee of the Bronx Overall Economic Development Corporation (the “BOEDC”) has reviewed the materials presented to it (the “Materials”), a copy of which has been filed with the records of the BOEDC, relating to loans totaling \$400,000 (\$300,000 of which are Empowerment Zone funds), \$200,000 from the Empowerment Zone Loan Fund (“EZLF”), \$100,000 from the Bronx Empowerment Zone Environmental Revolving Loan Fund (“BEZ-ERLF”) and \$100,000 from the Bronx Initiative for Energy and the Environment (the “BIEE”) Loan Fund to Chocobar Cortes NYC, LLC for leasehold improvements, and the purchase of energy efficient, environmentally friendly and traditional equipment; and

**WHEREAS**, the Executive Committee has found the project to be consistent with the relevant Strategic Plan and the criteria for projects and initiatives seeking support from the New York Empowerment Zone Corporation (the “NYEYC”);

**NOW, HEREBY BE IT RESOLVED**, on this 8<sup>th</sup> day of November, Two Thousand and Nineteen, that for the purposes and in accordance with the terms and conditions set forth in the materials presented at this meeting, the Executive Committee of the BOEDC and the Board of Directors approves and authorizes loans totaling \$400,000 and

**BE IT FURTHER RESOLVED**, that the Executive Committee of the BOEDC Board of Directors authorizes the President and/or another officer of BOEDC to formulate and submit to the New York Empowerment Zone Corporation benchmarks for the implementation of the Financing Proposal; and

**FURTHER RESOLVED**, that the President and CEO of the BOEDC, or his/her respective designees, are hereby authorized to make such changes to the terms and conditions of the transaction as may be appropriate, execute and deliver any and all documents and take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

November 12, 2019

**BRONX OVERALL ECONOMIC DEVELOPMENT CORPORATION –Chocobar Cortes NYC, LLC. – A \$300,000 in Empowerment Zone capital loans.**

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RESOLVED, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Bronx Overall Economic Development Corporation (“BOEDC”) initiative for a loan to **Chocobar Cortes NYC, LLC.**, (the ‘Initiative’) in Empowerment Zone capital loans. The Corporation is hereby authorized to disburse to BOEDC an amount not to exceed **TWO HUNDRED THOUSAND DOLLARS (\$200,000) from EZ Loan Fund** and **ONE HUNDRED THOUSAND DOLLARS (\$100,000) FROM Environmental Revolving Loan Fund** for the purposes and on the terms and conditions described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

RESOLVED, that for the purpose of providing the funds, the Corporation is hereby authorized to accept and utilize funds for a loan in an amount not to exceed **TWO HUNDRED THOUSAND DOLLARS (\$200,000) from EZ Loan Fund** and **ONE HUNDRED THOUSAND DOLLARS (\$100,000) FROM Environmental Revolving Loan Fund** in accordance with the MOU; and be it further

RESOLVED, that the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

\*\*\*

FOR CONSIDERATION  
November 12, 2019

TO: The New York Empowerment Zone Corporation Board of Directors

FROM: Eric Gertler

SUBJECT: South Bronx (Bronx County) – Bronx Overall Economic Development Corporation – Empowerment Zone

REQUEST FOR: **Authorization for Bronx Overall Economic Development Corporation’s Budget for Fiscal Year 2020 and to Take Related Action.**

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The Directors are requested to approve a budget for fiscal year 2020 for the Bronx Overall Economic Development Corporation (“BOEDC”) in the amount of SEVEN HUNDRED EIGHT THOUSAND TWO HUNDRED TWENTY-SIX DOLLARS (708,226). The Operating Principles Memorandum of Understanding, dated January 19, 1996, (the “MOU”) authorizes each Local Development Corporation to use up to 15% of its proportional share of the Zone Funds aggregate for the entire period of designation for costs and expenses of administration.

**Bronx Overall Economic Development Corporation Budget  
For the period July 1, 2019 to June 30, 2020**

Description	BOEDC Budget FY 2020
<b>Personnel</b>	
Staff Salaries	466,636.36
Staff Fringe Benefits	84,664.48
<b>Total Personnel Costs</b>	<b>551,300.84</b>
<b>Contracted Costs</b>	
Accounting/Auditing	37,775.00
Legal Services	40,000.00
Professional & Consultants	11,500.00
<b>Total Contracted Costs</b>	<b>89,275.00</b>
<b>Other Operating Costs</b>	
Travel/Meetings/Motor Vehicle	5,900.00
Office Supplies	8,000.00
Equip/Software Purchases	1,000.00
Equipment Lease (Copier)	6,000.00
Telephone	8,900.00
Postage	300.00
Dues/Subscription/Other	3,050.00
Equip Repairs & Maintenance	18,500.00
Insurance	16,000.00
<b>Total Other Operating costs</b>	<b>67,650.00</b>
<b>Total OPS</b>	<b>156,925.00</b>
<b>TOTAL</b>	<b>708,225.84</b>

**Bronx Overall Economic Development Corporation  
Empowerment Zone  
Annual Operating & Administrative Budget  
Year ended June 30, 2020**

<u>Descriptions:</u>	<u>Budget FY 6/30/2020</u>
<b><u>Personnel:</u></b>	
Staff Salaries	466,636
Staff Fringe Benefits	84,665
<b>Total Personnel Costs</b>	<b>551,301</b>
<b><u>Contracted Costs:</u></b>	
Audit fee	37,775
Professional & Consultants	11,500
Legal Fees	40,000
<b>Total contracted costs</b>	<b>89,275</b>
<b><u>Other Operating Costs:</u></b>	
Travel/Meetings/Motor Vehicle	5,900
Office Supplies	8,000
Equipment/Software Purchases	1,000
Equipment Lease (Copier)	6,000
Telephone	8,900
Postage	300
Dues/Subscriptions/Other	3,050
Equipment Repairs & Maint.	18,500
Insurance	16,000
<b>Total other operating costs</b>	<b>67,650</b>
<b>Total OTPS</b>	<b>156,925</b>
	<b>708,226</b>

**Bronx Overall Economic Development Corporation  
Empowerment Zone  
Annual Operating & Administrative Budget**

**Bronx Overall Economic Development Corporation  
Empowerment Zone  
Annual Operating & Administrative Budget  
Year ended June 30, 2020**

<u>Descriptions:</u>	<b>Budget FY 6/30/2020</b>	<b>Budget FY 6/30/2019</b>	<b>Variance- Fav/(Unfav)</b>	<b>Percentage change</b>
<b>Personnel:</b>				
Staff Salaries	466,636	394,485	(72,151)	18.29%
Staff Fringe Benefits	84,665	80,285	(4,380)	5.46%
<b>Total Personnel Costs</b>	<b>551,301</b>	<b>474,770</b>	<b>(76,531)</b>	<b>16.12%</b>
<b>Contracted Costs:</b>				
Audit fee	37,775	37,775	-	0.00%
Professional & Consultants	11,500		(11,500)	N/A
Legal Fees	40,000	215,418	175,418	-81.43%
<b>Total contracted costs</b>	<b>89,275</b>	<b>253,193</b>	<b>163,918</b>	<b>-64.74%</b>
<b>Other Operating Costs:</b>				
Travel/Meetings/Motor Vehicle	5,900	5,900	-	0.00%
Office Supplies & Storage	8,000	5,000	(3,000)	60.00%
Equipment/Software Purchases	1,000	1,000	-	0.00%
Equipment Lease (Copier)	6,000	18,000	12,000	-66.67%
Telephone	8,900	10,900	2,000	-18.35%
Postage	300	300	-	0.00%
Dues/Subscriptions/Other	3,050	3,050	-	0.00%
Equipment Repairs & Maint.	18,500	18,500	-	0.00%
Insurance	16,000	15,000	(1,000)	6.67%
<b>Total other operating costs</b>	<b>67,650</b>	<b>77,650</b>	<b>10,000</b>	<b>-12.88%</b>
<b>Total OTPS</b>	<b>156,925</b>	<b>330,843</b>	<b>173,918</b>	<b>-52.57%</b>
<b>Total Expense</b>	<b>708,226</b>	<b>805,613</b>	<b>97,387</b>	<b>-12.09%</b>

## **RESOLUTION (2020)**

### **BRONX EMPOWERMENT ZONE – Authorization to Adopt Budget for Fiscal Year 2020**

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WHEREAS, the Board of Directors of the Bronx Overall Economic Development Corporation (“BOEDC” or the “Corporation”) has proposed a budget for operation of the Bronx portion of the New York Empowerment Zone (the “Bronx EZ”) of SEVEN HUNDRED EIGHT THOUSAND TWO HUNDRED AND TWENTY SIX DOLLARS (\$708,226) (the “Bronx EZ Budget”) for the period beginning July 1, 2019 and ending June 30, 2020 (“FY 2020”), all in accordance with the materials presented at this meeting held on November 8, 2019 and filed in the records of the Corporation (the “Materials”); and

WHEREAS, the Directors of BOEDC (the “Directors”) are desirous of adopting the Bronx EZ Budget;

NOW THEREFORE, BE IT RESOLVED, that the Directors hereby adopt the Bronx EZ Budget for Fiscal Year 2020; and be it further

RESOLVED, that the Directors hereby authorize the President or any other officer of the Corporation to present the Bronx EZ Budget for Fiscal Year 2020 to the Directors of the New York Empowerment Zone Corporation for their consideration and approval; and be it further

RESOLVED, that the President of BOEDC or another officer of BOEDC be, and each of them hereby is, authorized to execute such documents and instruments and take such other action as may be necessary to effectuate the foregoing resolutions.

\* \* \*

November 12, 2019

**BRONX OVERALL ECONOMIC DEVELOPMENT CORPORATION – Authorization of \$708,226  
BOEDC’s administrative budget for fiscal year 2020.**

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**RESOLVED**, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Bronx Overall Economic Development Corporation (“BOEDC”), the Directors hereby authorize an amended administrative budget of SEVEN HUNDRED EIGHT THOUSAND TWO HUNDRED TWENTY SIX DOLLARS (708,226) for fiscal year 2020, pursuant to the purposes described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the City of New York (the “City”) and others (“MOU”); and be it further

**RESOLVED**, the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to approve expenditures, execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

**FOR CONSIDERATION**

November 12, 2019

**TO:** The New York Empowerment Zone Corporation Board of Directors

**FROM:** Eric Gertler

**SUBJECT:** New York Empowerment Zone Corporation

**REQUEST FOR:** **New York Empowerment Zone Corporation (the “Corporation”) Budget Fiscal Year 2020**

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The Directors are requested to approve an operating budget for fiscal year 2020 for the Corporation. The Operating Principles Memorandum of Understanding, dated January 19, 1996, (the “MOU”) requires that the Directors appropriate funding for the maintenance, staffing and expenses of the Corporation. The MOU specifies that the Corporation’s budget may include: funding of State and City staff dedicated to the Corporation/Empowerment Zone; the costs of audits; and other anticipated expenses. New York Urban Development Corporation d/b/a Empire State Development Corporation (“ESDC”) absorbs certain expenses for the Corporation, such as rent, telephone, postage, etc. The Corporation’s proposed fiscal 2020 budget is SIX HUNDRED FORTY-FOUR THOUSAND EIGHT HUNDRED THREE DOLLARS (644,803). In addition, the Directors are requested to ratify the expenses of the Corporation approved by the President and Treasurer to date.

**New York Empowerment Zone Corporation  
Annual Administrative Operating Fund Statement  
For the period July 1, 2019 to June 30, 2020**

<u>Item</u>	<u>City</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
<b><u>Personnel</u></b>				
Salaries (4)	217,501.00 <sup>1</sup>	217,501.00 <sup>2</sup>	82,501.00	517,503.00
Fringe Benefits (2.5)	31,351.00	31,350.00	31,351.00	94,052.00
<b>Sub Total</b>	<b>248,852.00</b>	<b>248,851.00</b>	<b>113,852.00</b>	<b>611,555.00</b>
<b><u>Non-Personnel</u></b>				
Legal/Accounting Fees	8,333.00	8,333.00	8,334.00	25,000.00
Insurance	2,074.00	2,075.00	2,074.00	6,223.00
Travel & Meals	167.00	166.00	167.00	500.00
Office Supplies/Printing/Advertising	33.00	33.00	34.00	100.00
Telephone/Fax/Internet	142.00	141.00	142.00	425.00
Repairs/Maint/Prop Mgmt/Outside Serv.	333.00	333.00	334.00	1,000.00
<b>Sub Total</b>	<b>11,082.00</b>	<b>11,081.00</b>	<b>11,085.00</b>	<b>33,248.00</b>
<b>Grant Total</b>	<b>259,934.00</b>	<b>259,932.00</b>	<b>124,937.00</b>	<b>644,803.00</b>

<sup>1</sup> This figure includes the \$135,000 referenced in the MOU for employees of New York City Mayor’s EZ Office. The MOU authorizes the City to deduct that amount from its annual contribution to the Empowerment Zone.

<sup>2</sup> This figure includes the \$135,000 referenced in the MOU for employees of Empire State Development Corporation. The MOU authorizes the State to deduct that amount from its annual contribution to the Empowerment Zone.

November 12, 2019

**NEW YORK EMPOWERMENT ZONE CORPORATION - Fiscal Year 2020 Budget – Authorization of \$644,803 administrative budget for fiscal year 2020.**

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**RESOLVED**, that on the basis of the materials (the “Materials”) presented to the Directors of the Corporation, a copy of which is hereby ordered filed with the records of the Corporation, relating to the New York Empowerment Zone Corporation (the Corporation), the Directors hereby authorize an operating budget for the Corporation of is SIX HUNDRED FORTY-FOUR THOUSAND EIGHT HUNDRED THREE DOLLARS (644,803) for fiscal year 2020, pursuant to the purposes described in the Materials; and in accordance with the terms, conditions and procedures set forth in the Operating Principles Memorandum of Understanding, dated as of January 19, 1996, entered into by the Corporation with the State of New York (the “State”), the city of New York (the “City”) and others (“MOU”) and be it further

**RESOLVED**, the President and Treasurer, or their respective designee(s), acting jointly are hereby authorized in the name and on behalf of the Corporation to approve expenditures, execute and deliver any and all documents and to take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.

## FOR CONSIDERATION

**To:** New York Empowerment Zone Board of Directors

**From:** Blair M. Duncan, President and Chief Executive Officer  
Upper Manhattan Empowerment Zone Development Corporation

**Date:** November 12, 2019

**Re:** De-Designation of Unused Funds

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The Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”) recommends de-designation of unused funds from several previously-approved business investment initiatives. This process is being undertaken to support the reconciliation of funds and to confirm investment capital available for deployment to Business Investment fund projects. The aggregate amount of de-designation recommendation is \$7,362,915.

These de-designation recommendations represent projects that were never implemented or projects that were completed, wherein the awardee did not expend the total amount of the awarded funds, either by fulfilling the contracted performance requirements without requiring the use of the full amount awarded, or by failing to complete the loan/grant obligations.

A complete list of items is provided on the next page. Please note that itemization is provided for UMEZ initiatives UM 0003, UM 0004, UM 0029, UM 0035, UM 0040, UM 0054, UM 0057, UM 0058, UM 0063, UM 0087, UM 0092, UM 0096, UM 0098, UM 0103, UM 0104, UM 0107, UM 0108, UM 0109, UM 0120, UM 0127, UM 0141, UM 0147 and UM 0157.

UMEZ recommends the de-designation of \$7,362,915, representing unused funds as detailed in this memorandum.

<b>Code</b>	<b>Grantee Organization</b>	<b>De-designation Amount</b>
<b>UM 0003</b>	<b>Business Resource and Investment Service Center, Inc.</b>	<b>\$</b>
	· <b>BRISC Admin and Loan – Inception to FY 2010</b>	<b>250,825.00</b>
	· <b>BRISC Admin FY 2011</b>	<b>135,017.00</b>
	· <b>BRISC Admin FY 2012</b>	<b>42,592.00</b>
	· <b>BRISC Admin FY 2013</b>	<b>68,696.00</b>
	· <b>BRISC Admin FY 2014</b>	<b>265,715.00</b>
	· <b>BRISC Admin FY 2015</b>	<b>35,290.00</b>
	· <b>BRISC Admin FY 2016</b>	<b>(14,635.00)</b>
<b>UM 0004</b>	<b>UMEZ Commercial Revitalization</b>	
	· <b>Washington Heights BID II</b>	<b>24,200.00</b>
	· <b>125<sup>th</sup> St. BID II</b>	<b>435,272.00</b>
	· <b>East Harlem Business Capital Corp I</b>	<b>101,785.00</b>
	· <b>Uncommitted Funds</b>	<b>30,600.00</b>
<b>UM 0029</b>	<b>Small Business Assistance Initiative</b>	<b>1,491,951.00</b>
<b>UM 0035</b>	<b>UMEZ Restaurant</b>	
	· <b>Sugar Hill Cafe</b>	<b>4,500.00</b>
	· <b>All American Cafe</b>	<b>56,692.00</b>
	· <b>Edwin’s Cafe</b>	<b>3,000.00</b>
	· <b>Maroon’s</b>	<b>425,000.00</b>
	· <b>Bohio, Inc.</b>	<b>28.00</b>
	· <b>Consultants</b>	<b>297.00</b>
	· <b>Administrative</b>	<b>14,591.00</b>
<b>UM 0040</b>	<b>UMEZ Real Estate Database</b>	<b>7,911.00</b>
<b>UM 0054</b>	<b>Youth Entrepreneurial Merchandising Project – HEY</b>	<b>90.00</b>
<b>UM 0057</b>	<b>Powell Plaza Condominiums</b>	<b>626.00</b>
<b>UM 0058</b>	<b>Contractor’s Loan &amp; Management Prog</b>	<b>2,500.00</b>
<b>UM 0063</b>	<b>Upper Manhattan Technology District – HOT Bldg</b>	<b>95,919.00</b>
<b>UM 0087</b>	<b>West Harlem Waterfront</b>	<b>114,000.00</b>
<b>UM 0092</b>	<b>Union Settlement Federal Credit Union</b>	<b>250,000.00</b>
<b>UM 0096</b>	<b>Touro College</b>	<b>470,000.00</b>
<b>UM 0098</b>	<b>UMEZ Technical Assistance Pilot Prog</b>	<b>55,500.00</b>
<b>UM 0103</b>	<b>Audubon Partnership for Economic Dev’t IV</b>	<b>66,820.00</b>
<b>UM 0104</b>	<b>East Harlem Business Capital Corp IV, V</b>	<b>66,999.00</b>
<b>UM 0107</b>	<b>NY Women’s Chamber of Commerce I, II, III</b>	<b>41,419.00</b>
<b>UM 0108</b>	<b>125<sup>th</sup> St Pilot Retail Incentive Program</b>	<b>493,566.00</b>
<b>UM 0109</b>	<b>Hope Community</b>	<b>9,769.00</b>

UM 0120	Harlem Business Alliance IV, V	15,612.00
UM 0141	NY Women's Chamber of Commerce IV	15,458.00
UM 0127	Grameen America Grant II	37,500.00
UM 0147	Washington Heights Hotel Loan	2,200,000.00
UM 0157	East Harlem Small Business Emergency Loan	47,808.00
	<b>Total Amount to be De-designated</b>	<b>\$ 7,362,915.00</b>

**UM 0003: Business Resource and Investment Service Center, Inc. (BRISC)**

- *BRISC Admin and Loan - Inception to FY 2016*

UMEZ Approval:  
 NYEZ Approval: 10/30/96  
 Amount Approved: \$21,848,254.00  
 Amount Disbursed to UMEZ: \$21,064,754.00  
 Amount Disbursed by UMEZ: \$21,064,754.00  
 Unused Funds: \$783,500.00

UMEZ provides funding for the BRISC loan program. The BRISC loan program offers affordable loans ranging from \$50,000 to \$250,000 at 5% to 6% interest rates to an "un-bankable" business clientele. Annual budget grants were issued to BRISC for the administrative and operational expenses relating to loan program.

A cumulative amount of \$783,500 representing 3.6% of the total amounts approved were not used and should be de-designated.

**UM 0004: UMEZ Commercial Revitalization**

- *Washington Heights BID II*

UMEZ Approval: 01/23/01  
 NYEZ Approval: 03/09/01  
 Amount Approved: \$125,000.00  
 Amount Disbursed to UMEZ: \$125,000.00  
 Amount Disbursed by UMEZ: \$100,800.00  
 Unused Funds: \$24,200.00

The program was designed to increase the organization's capacity to effectively address local business concerns and to manage: the delivery of technical assistance, the development of a façade and security improvement program, the expansion of its marketing and promotion program for the commercial corridors in Washington Heights. The funds were allotted to support personnel cost.

An amount of \$24,200, representing 19.4% of the total amount approved, was not used and should be de-designated.

- 125<sup>th</sup> St. BID II

UMEZ Approval:	03/21/00
NYEZ Approval:	03/31/00
Amount Approved:	\$540,000.00
Amount Disbursed to UMEZ:	\$174,728.00
Amount Disbursed by UMEZ:	\$104,728.00
Unused Funds:	\$435,272.00

The objective of the project is to build the 125<sup>th</sup> Street BID's capacity to deliver programs and services needed to create and expand business opportunities along 125<sup>th</sup> Street commercial corridor, improve the esthetics and security of the corridor, and attract more shoppers to the area.

An amount of \$435,272, representing 80.6% of the total amount approved, was not used and should be de-designated.

- East Harlem Business Capital Corp. I

UMEZ Approval:	02/10/02
NYEZ Approval:	11/15/02
Amount Approved:	\$400,000.00
Amount Disbursed to UMEZ:	\$501,785.00
Amount Disbursed by UMEZ:	\$400,000.00
Unused Funds:	\$101,785.00

The program provides technical assistance and financing to businesses and entrepreneurs in East Harlem and plays a critical role in revitalizing the local economy.

An amount of \$101,785, representing 25.4% of the total amount approved, was not used and should be de-designated.

- Uncommitted

UMEZ Approval:	05/19/97
NYEZ Approval:	06/13/97
Amount Approved:	\$5,574,463.00
Amount Disbursed to UMEZ:	\$5,574,463.00
Amount Disbursed by UMEZ:	\$5,543,863.00
Unused Funds:	\$30,600.00

The program was designed to increase the organization's capacity to effectively address local business concerns and to manage: the delivery of technical assistance, the development of a façade and security improvement program, the expansion of its marketing and promotion program for the commercial corridors in Washington Heights.

An amount of \$30,600, representing 0.5% of the total amount approved, was not used and should be de-designated.

**UM 0029: Small Business Assistance Initiative**

UMEZ Approval:	05/19/97
NYEZ Approval:	06/13/97
Amount Approved:	\$2,012,500.00
Amount Disbursed to UMEZ:	\$520,548.54
Amount Disbursed by UMEZ:	\$598,957.62
Unused Funds:	\$1,491,951.00

The Small Business Assistance Package, BRISC and UMEZ developed two pilots to help local entrepreneurs raise competitive levels First, a Financial Advisory Services Program (“FASP”), to help businesses develop and maintain proper financial records. Second, a Community Information Technology Initiative (“CITI”), to help businesses acquire advanced technology and Internet access. Businesses willing to participate will receive a grant of 50% of the cost of goods and services.

An amount of \$1,491,951 representing 74.1% of the total amount approved, was not used and should be de-designated.

**UM 0035: UMEZ Restaurant Initiative**

- Sugar Hill Cafe

UMEZ Approval:	11/8/99
NYEZ Approval:	11/01/01
Amount Approved:	\$295,500.00
Amount Disbursed to UMEZ:	\$300,000.00
Amount Disbursed by UMEZ:	\$295,500.00
Unused Funds:	\$4,500.00

Proceeds from the loans were used to fund the restaurant build out and equipment purchase.

An amount of \$4,500 remains unspent and should be de-designated, because it exceeds the amount approved.

- All American Cafe

UMEZ Approval:	11/8/99
NYEZ Approval:	11/16/01
Amount Approved:	\$43,308.00
Amount Disbursed to UMEZ:	\$100,000.00
Amount Disbursed by UMEZ:	\$43,308.00
Unused Funds:	\$56,692.00

Proceeds from the loans were used to provide funds for working capital, renovations and purchase equipment.

An amount of \$56,692 remains unspent and should be de-designated, because it exceeds the amount approved.

- Edwin's Cafe

UMEZ Approval:	05/04/98
NYEZ Approval:	06/19/01
Amount Approved:	\$347,000.00
Amount Disbursed to UMEZ:	\$350,000.00
Amount Disbursed by UMEZ:	\$347,000.00
Unused Funds:	\$3,000.00

Proceeds from the loans were used to provide funds for working capital, leasehold improvements and purchase equipment.

An amount of \$3,000 remains unspent and should be de-designated, because it exceeds the amount approved.

- Maroon's

UMEZ Approval:	02/04/03
NYEZ Approval:	05/01/03
Amount Approved:	\$0.00
Amount Disbursed to UMEZ:	\$425,000.00
Amount Disbursed by UMEZ:	\$0.00
Unused Funds:	\$425,000.00

Proceeds from the loans were allocated to fund the restaurant build out and to purchase equipment.

The loan was previously de-designated, leaving a cash amount of \$425,000. That amount remains unspent and should now be de-designated.

- Bohio, Inc.

UMEZ Approval:	02/04/03
NYEZ Approval:	05/01/02
Amount Approved:	\$209,972.00
Amount Disbursed to UMEZ:	\$210,000.00
Amount Disbursed by UMEZ:	\$209,972.00
Unused Funds:	\$28.00

Proceeds from the loans were used to provide funds for working capital, renovations and purchase equipment.

An amount of \$28 remains unspent and should be de-designated, because it exceeds the amount approved.

- Consultants

UMEZ Approval:	05/04/98
NYEZ Approval:	07/10/98
Amount Approved:	\$205,827.00
Amount Disbursed to UMEZ:	\$205,530.00
Amount Disbursed by UMEZ:	\$205,530.00
Unused Funds:	\$297.00

As part of the Restaurant Initiative, UMEZ collaborated with an independent consulting company to develop a comprehensive customer service training and consulting program for Upper Manhattan restaurants.

An amount of \$297 representing 0.1% of the total amount approved, was not used and should be de-designated.

- Administrative

UMEZ Approval:	05/04/98
NYEZ Approval:	07/10/98
Amount Approved:	\$105,270.00
Amount Disbursed to UMEZ:	\$90,679.00
Amount Disbursed by UMEZ:	\$90,679.00
Unused Funds:	\$14,591.00

As part of the Restaurant Initiative, UMEZ allocated a portion of the funds to support administrative expenses associated with the initiative.

An amount of \$14,591 representing 13.9% of the total amount approved, was not used and should be de-designated.

#### **UM 0040: UMEZ Real Estate Database**

UMEZ Approval:	05/04/98
NYEZ Approval:	07/10/98
Amount Approved:	\$152,135.00
Amount Disbursed to UMEZ:	\$147,135.00
Amount Disbursed by UMEZ:	\$144,224.00
Unused Funds:	\$7,911.00

To establish a database in the Empowerment Zone to help build capacity for real estate and commercial development.

An amount of \$7,911 representing 5.2% of the total amount approved, was not used and should be de-designated.

**UM 0054: Youth Entrepreneurial Merchandising Project - HEY**

UMEZ Approval:	05/10/99
NYEZ Approval:	07/23/99
Amount Approved:	\$343,626.00
Amount Disbursed to UMEZ:	\$343,716.00
Amount Disbursed by UMEZ:	\$343,626.00
Unused Funds:	\$90.00

A grant to fund capital improvements, equipment and administrative expenses.

An amount of \$90 remains unspent and should be de-designated, because it exceeds the amount approved.

**UM 0057: Powell Plaza Condominiums**

UMEZ Approval:	
NYEZ Approval:	11/01/99
Amount Approved:	\$937,626.00
Amount Disbursed to UMEZ:	\$937,000.00
Amount Disbursed by UMEZ:	\$937,000.00
Unused Funds:	\$626.00

Loan to construct mixed-use commercial and residential building in Upper Manhattan.

An amount of \$626 representing 0.1% of the total amount approved, was not used and should be de-designated.

**UM 0058: Contractor's Loan & Management Prog**

UMEZ Approval:	11/8/99
NYEZ Approval:	12/10/99
Amount Approved:	\$152,135.00
Amount Disbursed to UMEZ:	\$147,135.00
Amount Disbursed by UMEZ:	\$144,224.00
Unused Funds:	\$2,500.00

Funds were used to support a loan pool for small construction contractors.

An amount of \$2,500 representing 1.5% of the total amount approved, was not used and should be de-designated.

**UM 0063: Upper Manhattan Technology District – HOT Bldg.**

UMEZ Approval:	02/07/00
NYEZ Approval:	03/31/00
Amount Approved:	\$681,736.00
Amount Disbursed to UMEZ:	\$585,817.00
Amount Disbursed by UMEZ:	\$668,240.00
Unused Funds:	\$95,919.00

UMEZ's funds supported the build-out and leasehold improvements, operating expenses and marketing of a 20,000 square building to function as an incubator for technology start-ups Upper Manhattan.

An amount of \$95,919 representing 14.1% of the total amount approved, was not used and should be de-designated.

**UM 0087: West Harlem Waterfront**

UMEZ Approval:	10/07/02
NYEZ Approval:	11/15/02
Amount Approved:	\$6,000,000.00
Amount Disbursed to UMEZ:	\$5,886,000.00
Amount Disbursed by UMEZ:	\$6,000,000.00
Unused Funds:	\$114,000.00

Funds support the transformation of the West Harlem waterfront space into a destination that will attract visitors for multiple uses, including leisure activities and commercial businesses.

An amount of \$114,000 representing 1.9% of the total amount approved, was not used and should be de-designated.

**UM 0092: Union Settlement Federal Credit Union**

UMEZ Approval:	04/28/03
NYEZ Approval:	10/24/03
Amount Approved:	\$250,000.00
Amount Disbursed to UMEZ:	\$0.00
Amount Disbursed by UMEZ:	\$0.00
Unused Funds:	\$250,000.00

Funds to support the renovation and costs associated with expanding their current facility. The grant was not executed.

The full amount of the award, \$250,000, should be de-designated because the project was not funded.

**UM 0096: Touro College**

UMEZ Approval:	03/15/04
NYEZ Approval:	06/25/04
Amount Approved:	\$4,700,000.00
Amount Disbursed to UMEZ:	\$4,700,000.00
Amount Disbursed by UMEZ:	\$4,230,000.00
Unused Funds:	\$470,000.00

Funds supported the leasehold improvements, construction and operation of a West Harlem Touro campus.

An amount of \$470,000 representing 10.0% of the total amount approved, was not used and should be de-designated.

**UM 0098: UMEZ Technical Assistance Pilot Program**

UMEZ Approval:	06/21/04
NYEZ Approval:	06/25/04
Amount Approved:	\$75,000.00
Amount Disbursed to UMEZ:	\$37,500.00
Amount Disbursed by UMEZ:	\$19,500.00
Unused Funds:	\$55,500.00

A Fund to offset the cost of Technical Assistance to small businesses in the areas of business management, operations and marketing.

An amount of \$55,500 representing 74.0% of the total amount approved, was not used and should be de-designated.

**UM 0103: Audubon Partnership for Economic Dev't IV**

UMEZ Approval:	04/03/06
NYEZ Approval:	04/21/06
Amount Approved:	\$1,410,000.00
Amount Disbursed to UMEZ:	\$1,410,000.00
Amount Disbursed by UMEZ:	\$1,343,180.00
Unused Funds:	\$66,820.00

A multi-year grant to finance administrative and operational cost for a performance base program.

An amount of \$66,820 representing 4.7% of the total amount approved, was not used and should be de-designated.

**UM 0104: East Harlem Business Capital Corp. IV, V**

UMEZ Approval:	06/19/06
NYEZ Approval:	06/29/06
Amount Approved:	\$1,515,000.00
Amount Disbursed to UMEZ:	\$1,515,000.00
Amount Disbursed by UMEZ:	\$1,448,001.00
Unused Funds:	\$66,999.00

A multi-year grant to finance administrative and operational cost for a performance base program.

An amount of \$66,999 representing 4.4% of the total amount approved, was not used and should be de-designated.

**UM 0107: NY Women’s Chamber of Commerce I, II, III**

UMEZ Approval:	06/25/07
NYEZ Approval:	06/29/07
Amount Approved:	\$717,000.00
Amount Disbursed to UMEZ:	\$717,000.00
Amount Disbursed by UMEZ:	\$675,581.00
Unused Funds:	\$41,419.00

A multi-year grant to finance administrative and operational cost for a performance base program.

An amount of \$41,419 representing 5.8% of the total amount approved, was not used and should be de-designated.

**UM 0108: 125<sup>th</sup> St. Pilot Retail Incentive Program**

UMEZ Approval:	10/01/07
NYEZ Approval:	11/02/07
Amount Approved:	\$750,000.00
Amount Disbursed to UMEZ:	\$500,000.00
Amount Disbursed by UMEZ:	\$256,434.00
Unused Funds:	\$493,566.00

The 125<sup>th</sup> Pilot Retail Incentive Program is convertible loan program designed to assist businesses relocating to or on portions 125<sup>th</sup> Street (“On the Street”) or certain Avenues perpendicular to portions of 125<sup>th</sup> Street (“On the Ave”), or (2) businesses that are seeking to take advantage of the “up-zoning” of the 125<sup>th</sup> Street Commercial Corridor.

An amount of \$493,566 representing 65.8% of the total amount approved, was not used and should be de-designated.

**UM 0109: Hope Community**

UMEZ Approval:	10/01/07
NYEZ Approval:	11/02/07
Amount Approved:	\$100,000.00
Amount Disbursed to UMEZ:	\$100,000.00
Amount Disbursed by UMEZ:	\$90,231.00
Unused Funds:	\$9,769.00

Funds to support building implementation, façade and streetscape improvements.

An amount of \$9,769 representing 9.8% of the total amount approved, was not used and should be de-designated.

**UM 0120: Harlem Business Alliance IV, V**

UMEZ Approval:	06/23/08
NYEZ Approval:	06/27/08
Amount Approved:	\$735,000.00
Amount Disbursed to UMEZ:	\$735,000.00
Amount Disbursed by UMEZ:	\$719,388.00
Unused Funds:	\$15,612.00

A grant to finance administrative and operational cost for a performance base program.

An amount of \$15,612 representing 2.1% of the total amount approved, was not used and should be de-designated.

**UM 0127: Grameen America Grant II**

UMEZ Approval:	12/12/11
NYEZ Approval:	12/14/11
Amount Approved:	\$325,000.00
Amount Disbursed to UMEZ:	\$287,500.00
Amount Disbursed by UMEZ:	\$325,000.00
Unused Funds:	\$37,500.00

A restrictive grant to provide subsidy on a reimbursement basis for administrative expenses associated with the micro-lending program in Upper Manhattan.

An amount of \$37,500 representing 11.5% of the total amount approved, was not used and should be de-designated.

**UM 0141: NY Women's Chamber of Commerce IV**

UMEZ Approval:	06/2011
NYEZ Approval:	06/22/11
Amount Approved:	\$451,200.00
Amount Disbursed to UMEZ:	\$451,200.00
Amount Disbursed by UMEZ:	\$435,743.00
Unused Funds:	\$15,458.00

A multi-year grant to finance administrative and operational cost for a performance base program.

An amount of \$15,458 representing 3.4% of the total amount approved, was not used and should be de-designated.

**UM 0147: Washington Heights Hotel Loan**

UMEZ Approval:	01/17/13
NYEZ Approval:	01/23/13
Amount Approved:	\$2,200,000.00
Amount Disbursed to UMEZ:	\$2,200,000.00
Amount Disbursed by UMEZ:	\$0.00
Unused Funds:	\$2,200,000.00

The loan is for the construction a 54-room hotel and medical office development. The loan was not executed.

The full amount of the award, \$2,200,000, should be de-designated, because the project was not funded.

**UM 0157: East Harlem Small Business Emergency Loan**

UMEZ Approval:	06/24/14
NYEZ Approval:	06/30/14
Amount Approved:	\$100,000.00
Amount Disbursed to UMEZ:	\$100,000.00
Amount Disbursed by UMEZ:	\$52,192.00
Unused Funds:	\$47,808.00

A forgivable loan program for businesses adversely affected by the March 12, 2014 gas explosion in East Harlem.

An amount of \$47,808 representing 47.8% of the total amount approved, was not used and should be de-designated.

**RESOLUTION OF  
THE BOARD OF DIRECTORS OF  
UPPER MANHATTAN EMPOWERMENT ZONE  
DEVELOPMENT CORPORATION**

**REGARDING THE DE-DESIGNATION OF UNUSED  
FUNDS FOR BUSINESS INVESTMENT INITIATIVES**

**AT A BUSINESS MEETING HELD ON THE 27<sup>th</sup> DAY OF JUNE 2019**

**WHEREAS**, the Economic & Physical Development Committee (“EPD”) has reviewed the materials presented to it, a copy of which has been filed with the records of the Upper Manhattan Empowerment Zone Development Corporation (UMEZ), relating to the de-designation of unused funds in the amount of SEVEN MILLION THREE HUNDRED SIXTY-TWO THOUSAND NINE HUNDRED FIFTEEN (\$7,362,915) from previously-approved business investment initiatives;

**NOW THEREFORE, BE IT RESOLVED**, that on the basis of the materials presented to the Board of Directors of UMEZ, a copy of which has been filed with the records of UMEZ, the Directors authorize that the Business Resource and Investment Service Center, Inc. project balance in the amount of \$783,500 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Washington Heights BID II project balance in the amount of \$24,200 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the 125<sup>TH</sup> Street BID II project balance in the amount of \$435,272 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the East Harlem Business Capital Corporation I project balance in the amount of \$101,785 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Uncommitted Funds for UMEZ Commercial Revitalization project balance in the amount of \$30,600 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Small Business Assistance Initiative project balance in the amount of \$1,491,951 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Sugar Hill Cafe project balance in the amount of \$4,500 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the All American Cafe project balance in the amount of \$56,692 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Edwin’s Café project balance of \$3,000 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Maroon’s project balance of \$425,000 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Bohio, Inc. project balance of \$28 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Consultant Restaurant Initiative project balance of \$297 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Restaurant Initiative administrative expenses project balance of \$14,591 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the UMEZ Real Estate Database project balance of \$7,911 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Youth Entrepreneurial Merchandising Project – HEY project balance of \$90 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Powell Plaza Condominiums project balance of \$626 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Contractor's Loan & Management Program project balance of \$2,500 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Upper Manhattan Technology District –HOT Bldg. project balance of \$95,919 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the West Harlem Waterfront project balance of \$114,000 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Union Settlement Federal Credit Union project balance of \$250,000 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the West Harlem Touro College Improvement project balance of \$470,000 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the UMEZ Technical Assistance Pilot Program project balance of \$55,500 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Audubon Partnership for Economic Development IV project balance of \$66,820 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the East Harlem Business Capital Corporation IV & V project balance of \$66,999 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the New York Women's Chamber of Commerce I, II, and III project balance of \$41,419 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the 125<sup>th</sup> Street Pilot Retail Incentive Program project balance of \$493,566 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Hope Community project balance of \$9,769 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Harlem Business Alliance IV and V project balance of \$15,612 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Grameen America Grant II project balance of \$37,500 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the New York Women's Chamber of Commerce IV project balance of \$15,458 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the Washington Heights Hotel Loan project balance of \$2,200,000 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the East Harlem Small Business Emergency Loan project balance of \$47,808 is hereby de-designated; and be it

**FURTHER RESOLVED**, that the President and CEO or his/her respective designees, are hereby authorized on behalf of UMEZ to execute and deliver any and all documents and take any and all actions as they may deem necessary or proper to effectuate the foregoing resolutions.