

NEW YORK EMPOWERMENT ZONE CORPORATION

MEETING OF THE DIRECTORS

Tuesday, March 5, 2019

NEW YORK EMPOWERMENT ZONE CORPORATION

Meeting of the Directors
Tuesday, March 5, 2019 at 11:00 A.M.
37th Conference Room
Empire State Development Corporation
633 Third Avenue
New York, NY 10017

AGENDA

HOWARD ZEMSKY, CHAIR – CALL MEETING TO ORDER

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| I. CORPORATE ACTION | |
| A. Approval of Minutes of December 18, 2018 Meeting | 1 |
| B. Authorization of Matters Recommended by Upper Manhattan Empowerment Zone Development Corporation ("UMEZ") | |
| 1. <u>Employer-Driven Bridge Hospitality Program</u> – Authorization of \$177,844 grant to provide training for entry level and career positions in hospitality/hotel operations industry. | 2 |
| 2. <u>UMEZ Marketing</u> – A \$102,000 grant to fund its marketing budget and efforts to support economic revitalization in Upper Manhattan in the year 2019. | 3 |
| C. Authorization of Matters Recommended by Bronx Overall Economic Development Corporation ("BOEDC") | |
| 1. <u>BOEDC Administrative Budget Amendment</u> – Authorization to amend BOEDC's budget for FY 2019 from \$640,195 to 805,613. | 4 |

II. OTHER BUSINESS

HOWARD ZEMSKY – MOTION TO ADJOURN MEETING

NEW YORK CITY EMPOWERMENT ZONE CORPORATION
MEETING OF THE DIRECTORS

633 Third Avenue
36th Floor Conference Room
New York, New York

December 18, 2018
11:14 A.M.

MINUTES

In Attendance
DIRECTORS:

Holly Leicht, Designee, Chairman Howard Zemsky, Empire State
Development
Sonam Velani, Designee, Vice-Chair Alicia Glen, Deputy Mayor, Office of
the City of New York
Anthony R. Jordan, Designee, Office of Congressman Jose Serrano
Luis Miranda, Jr., Designee, Office of Congressman Adriano D. Espaillat
Marlene Cintron, President, BOEDC
Blair Duncan, President & CEO, UMEZ

ESD Staff:

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

Also Present:

Elizabeth Harris, UMEZ
Gaffar Mohamed, UMEZ
Michael Nixon, BOEDC
Keli Rosenberg, Law Department, City of New York
Duncan Still, BOEDC

The meeting of the New York Empowerment Zone Corporation (the "Corporation") was called to order at 11:14 a.m. It was noted for the record that the meeting was being webcast. Before beginning with the substantive portion of the meeting, Chairwoman Holly Leicht greeted directors and welcomed Sonam Velani, representing Deputy Mayor Alicia Glen.

Chairwoman 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, he then called for a motion to approve the Minutes of the Directors' meeting of July 24, 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

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.

* * *

Chairwoman Leicht called upon Mr. Mohamed of the Upper Manhattan Empowerment Zone to present the next agenda item, a \$4 million unsecured loan and \$115,000 restricted grant to Grameen America.

Mr. Mohamed explained that the \$4 million unsecured loan is to recapitalize a micro lending activity in Washington Heights and to finance a Micro Lending Program in East Harlem and the restricted grant of \$115,00 is to assist with the related administrative costs of the Micro Lending Program in East Harlem. Mr. Mohamed discussed the background of Grameen America stating that it is a not-for-profit micro finance organization based in New York and founded by the 2006 Nobel Peace Prize Winner, Mohamed Yunus.

He further explained how Grameen became successful in micro lending by applying the group-lending model, which requires prospective borrowers to form five-member groups that meet once a week for five weeks and how the support contributes to each lenders success. He noted that 100 percent of Grameen America's borrowers have been women. He then stated that Grameen America's first branch located in Jackson Heights, Queens, New York, opened in 2008. The company has since expanded to a total of 20 branches in the northeast, west and central and southeast parts of the country.

He discussed UMEZ history with Grameen American stating that it initially closed a five hundred thousand dollar loan in September 2010 to Grameen America that served 610 borrowers and

sustained approximately 628 jobs; a loan of \$3 million in June of 2012 that served 5769 borrowers and sustained 5942 jobs. He added that the \$3 million loan matures in June of 2019 and the initial \$3 million portion of requested \$4 million loan would only be disbursed after it is repaid in full.

Mr. Mohamed explained that the \$4 million requested loan would have a five year term at a rate of 3.25 percent and \$3 million of the \$4 million will be used to recapitalize the Washington Heights loan and \$1,000,00 to create a new program in East Harlem.

Chairwoman Leicht inquired about the default rate of the Grameen American loans to date.

Director Duncan stated that the default rate is less than one percent and jokingly stated that is principally because borrowers are 100 percent women.

Director Velani added that Grameen is a big partner for this City's Women Entrepreneur's Program with over 6,000 program participants, many of whom are Grameen clients. Concluding that Grameen America is a fantastic organization.

Chairwoman Leicht inquired about the average loan amounts.

Mr. Mohamed stated that the loans range from \$500 to \$1,000.

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 – Grameen America, Inc. – A \$4,000,000 unsecured loan and \$115,000 restricted grant to recapitalize micro lending activity in Washington Heights, and finance a micro lending program and related administrative costs in East Harlem.

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/loan to UMEZ Grameen America, Inc. (the “Initiative”) to recapitalize micro lending activity in Washington Heights, and finance a micro lending program and related administrative costs in East Harlem. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed FOUR MILLION ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$4,115,000) 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, UMEZDC shall require the Corporation’s Board of Director’s 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 grant/loan in an amount not to exceed FOUR MILLION ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$4,115,000) 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.

* * *

Chairwoman Leicht called upon Mr. Nixon of BOEDC to present the next agenda item, a \$595,000 bridge loan to Bronx Kreate Space.

He explained that the directors approved an Empowerment Zone loan of \$350,000 in July of 2018 to Bronx Kreate Space for its renovation project creating a space for users and makers.

The budget for the project includes a \$595,000 grant as part of the New York State Downtown Revitalization initiative. Due to the reimbursement nature of the grant, the bridge loan was requested to assist with cashflow.

Mr. Nixon noted that the bridge loan is for a term of nine months with the option to renew up to an additional nine months at a rate of six percent.

Director Cintron added that BOEDC is committed to the project and was delighted to facilitate the loan at the request of ESD's New York City Regional Office.

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 – Bronx Kreate Space, LLC – A \$595,000 bridge loan to Bronx Kreate Space, LLC to lease and improve a warehouse space into art studios.

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 bridge loan to **Bronx Kreate Space, LLC** (the "Initiative") to lease and improve a warehouse space into art studios. The Corporation is hereby authorized to disburse funds to BOEDC an

amount not to exceed FIVE HUNDRED NINETY FIVE THOUSAND DOLLARS (\$595,000) 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 loan an amount not to exceed FIVE HUNDRED NINETY FIVE THOUSAND DOLLARS (\$595,000) 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.

* * *

Chairwoman Leicht called on Duncan Still to present BOEDC's Administrative Budget of \$640,195 for fiscal year 2019. Mr Still explained that the fiscal year 2019 budget represents a 28 percent increase over last year, driven essentially by staff costs due to filling vacancies and a small cost of living increase.

Chairwoman Leicht confirmed that the budget is basically the same as the previous year with the exception of additional staff.

Mr. Still responded that there were actually a small savings of operating cost.

Chairwoman Leicht asked Mr. Still to explain the staffing differences.

Mr. Still explained that the primary vacancy is the Empowerment Zone Director which has not been filled.

Director Cintron added that it would be filled in the first quarter of 2019.

Chairwoman Leicht inquired about the remaining vacancies.

Mr. Still stated that there were two vacancies in the accounting department including his position for a total of three.

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 of \$640,195 administrative 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 administrative budget of SIX HUNDRED FORTY THOUSAND ONE HUNDRED NINETY FIVE DOLLARS (\$640,195) 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.

* * *

Hearing no further business, the meeting adjourned at 11:21 a.m.

Respectfully submitted,

Marion Phillips, III
Corporate Secretary

FOR CONSIDERATION

March 5, 2019

TO: The Directors

FROM: Howard Zemsky

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

REQUEST FOR: **Authorization for Grant to Employer-Driven Bridge Hospitality Program
and to Take Related Actions.**

I. Initiative Summary

Organization Name: Upper Manhattan Empowerment Zone
Development Corporation ("UMEZ")
55 West 125th Street, 11th Floor
New York, New York 10027

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

Proposed Initiative: A \$177,844 grant to provide training for entry level and career
track positions in hospitality/hotel operations industry.

Total Initiative Cost: \$283,588

Proposed Empowerment Zone (\$177,844 (Grant)
("EZ") Investment:

Funding Sources:

Federal EZ SSBG Funds:	\$	59,281.34
State EZ Funds:	\$	59,281.33
City EZ Funds:	\$	59,281.33
Other Sources:	\$	105,744.00
TOTAL	\$	283,588.00

Fiscal Year: 2019

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 **Employer-Driven Bridge Hospitality Program**. 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 58 full time job
- Create employment and career pathways

This initiative will benefit EZ residents:

- Same as above

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.
- 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.

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: March 5, 2019

SUBJECT: Research Foundation of the City University of New York in partnership with the State University of New York Manhattan Educational Opportunity Center

REQUEST: Grant Award of up to \$177,844.00

PROPOSAL SUMMARY

UMEZ Project Manager: Yahshaanyah Hill, Director, Workforce Development

Company: Research Foundation of the City University of New York

Contact: Anthony Watson, Executive Director, State University of New York Manhattan Educational Opportunity Center

Address: 163 West 125th Street, New York, NY 10027

Telephone/Email: 212-961-4322/Anthony.Watson@man.eoc.cuny.edu

Type of Business: Not-for-profit educational corporation

Tax Structure: 501 (c)(3)

IRS Identification No.: 13-1988190

Date of Incorporation: 1963

Scope of Work: Design and implement an Employer-Driven Bridge Hospitality Program

Total Project Cost: \$283,588.00

Financing Requested: \$177,844.00

Length of Grant: 15 months

Funding Sources:

Federal EZ Funds:	\$ 59,281.34
State EZ Funds:	\$ 59,281.33
City EZ Funds:	\$ 59,281.33
In-kind Contributions:	<u>\$105,744.00</u>
Total:	\$283,588.00

Employment:

<u>Projection</u>	<u>EZ</u>	<u>UM</u>	<u>Other</u>	<u>Total</u>
Full Time	58	0	0	58
Part Time	0	0	0	0
Total	58	0	0	58

I. SUMMARY OF INITIATIVE

In 2015, UMEZ closed on a \$10 million loan, as part of an overall financing structure for the Victoria Theater Redevelopment Project (“Victoria Theater”), which is a part of the revitalization of 125th Street by the State of New York. The Victoria Theater, a 27-story building represents a public/private partnership that includes the construction of a 211-room Marriott Renaissance Hotel and 191-rental apartment building above the theater. The restoration will include the facade, marquee, interior staircase and the recreation of the original ticket booth. The new building will be “T” shaped, and the leg of the “T” will house the hotel facing 125th Street. The apartment portion of the building will face 126th Street, located at the top of the “T” shaped building. The third and fourth floors of the building will be designated as cultural space for local nonprofits. The fifth floor will contain the hotel lobby, restaurant and ballroom. The sixth floor through the 27th floor will contain hotel rooms and apartments.

The Marriott Renaissance Hotel is expected to generate 58 full-time jobs to operate the hotel, which is scheduled to open during the first quarter of 2020. To enhance the employment and career prospects of Upper Manhattan residents (“UM residents”), UMEZ will underwrite an Employer-Driven Bridge Hospitality Program that is designed to provide UM residents with the prerequisite and basic skill-set competencies that are required of the hospitality/hotel operations industry.

Last year, UMEZ partnered with the development team, and its designated hotel management firm, the Real Hospitality Group (“RHG”) to develop an employer-driven skills-building program that will expand access to project-based employment opportunities for unemployed and under-employed UM residents who are disadvantaged in their pursuit of acquiring the skills they need to transition into industry-specific employment. Recognized as one of the top 15 hotel management companies in the United States, RHG will be responsible for the overall staffing, management and operations of the Marriott Renaissance Hotel. Founded in 2010, RHG is an approved operator for major hotel brands and develops lifestyle boutique hotel branding, with corporate headquarters located in Maryland and New York City. To date, RHG manages over 74 properties representing 9,152 hotel rooms.

UMEZ facilitated several meetings with the development team and RHG to explore the feasibility of developing a program model. Considerable energy and dialogue were exchanged, and UMEZ gained first-hand knowledge of RHG’s organizational culture, guiding principles for its branded and lifestyle independent hotels, hiring process, and the desired skill-set competencies for anticipated job openings. During the engagement and planning process, it was determined that a bridge program model would be necessary to build a pipeline of qualified UM residents to move into open hotel positions. To meet this objective, UMEZ solicited the support of the academic and career training service provider, the State University of New York Manhattan Educational Opportunity Center (“SUNY MEOC”), to help develop an industry-recognized Employer-Driven Bridge Hospitality Program that is tailored to fit the learning needs and demographic profile of underserved, unemployed and under-employed UM residents.

With direct input from UMEZ and RHG, the SUNY MEOC was able to customize a training curriculum with courses that are designed to both address the specific needs of RHG, and the skills gaps of UM residents. To further develop and implement the program model, the Research Foundation of the City University of New York (“RFCUNY”) requests a grant of up to \$177,844.00 to administer the Employer-Driven Bridge Hospitality Program. The Employer-Driven Bridge Hospitality Program will provide UM residents with basic workforce preparation skills in the context of the hospitality/hotel operations industry, industry-recognized credentials, and direct entry to interviews and employment opportunities with RHG.

Sources			Uses	
UMEZ	\$ 177,844.00		Personnel	\$ 119,660.00
Other	\$ 105,744.00		Non-Personnel	\$ 150,843.00
			Administrative	\$ 13,085.00
Total:	\$ 283,588.00		Total:	\$ 283,588.00

II. DESCRIPTION OF INITIATIVE

A. Description of Business/Organization

BMCC and SUNY MEOC:

The Borough of Manhattan Community College ("BMCC") and SUNY MEOC, the key collaborators in the proposed project, are educational and workforce institutions that provide a path to economic advancement for thousands of New Yorkers.

SUNY MEOC has provided academic and career training services to New Yorkers for over 50 years. Funded by the State University of New York and administered by BMCC, the MEOC serves as a fundamental stakeholder of the Upper Manhattan workforce development system, providing both academic and career-oriented employment pathways for UM residents. With the institutional backing of BMCC, SUNY MEOC has access to resources that support the development of bridge programs to help adults with limited formal education, acquire the skills they need to transition into training, higher education, and a path to economic advancement through sustainable careers.

Located in Central Harlem near the Victoria Theater, SUNY MEOC is dedicated to helping underserved UM residents access free academic and workforce development programs that serve as a gateway to the achievement of further education, employment, career opportunities, personal growth and economic self-sufficiency. UM residents are afforded the opportunity to earn a certificate or credential in any of SUNY MEOC's career training programs. SUNY MEOC offers the following programs:

Academic Programs

- English for Speakers of Other Languages (ESOL)
- Adult Basic Education
 - Literacy Development
 - Developmental Study Skills
- Adult Secondary Education
 - Introduction to High School Equivalency
 - High School Equivalency
 - College Preparation

Career Training Programs

- Certified Nursing Assistant
- Electronic Health Records
- Certified Microsoft® Office
- Security Officer Training
- Civil Service Exam Preparation
- OSHA 10-Hour and 30-Hour General Industry and Construction
- Certified Phlebotomy Training
- Job Readiness/Employability Skills

RFCUNY:

Founded in 1963, RFCUNY is a not-for-profit educational corporation that is responsible for the administration of government and privately sponsored external funds that are awarded to all City University of New York ("CUNY") institutions. The Grants and Contracts Division of RFCUNY is responsible for managing approximately 4,000 active sponsored projects on behalf of CUNY colleges and professional schools. A Project Administrator ("PA") and Assistant PA are assigned to each grant project, as part of a team. The Grants and Contracts team works closely with the campus grant officers of each CUNY institution to monitor the reporting requirements of grant funded projects.

Although, grants made to CUNY institutions are administered by the RFCUNY, the SUNY MEOC, operating under the auspices of BMCC will be responsible for the implementation of the Employer-Driven Bridge Hospitality Program. RFCUNY will be responsible for the fiscal oversight of the project, ensuring compliance with New York State and CUNY policies.

Operational and Staffing Capacity:

SUNY MEOC is supported by a strong staffing infrastructure that is led by credible, knowledgeable and experienced staff that is responsible for facilitating the achievement of successful academic, training and/or employment outcomes for UM residents. The organization is led by the Executive Director, Anthony Watson. In addition to the Executive Office, SUNY MEOC consists of four departments including, Academic Affairs, Student Affairs, Business Affairs and Operations, wherein each department is supported by a Director. In addition to the Directors, SUNY MEOC consists of 19 administrative and 16 support staff, nine full-time faculty, and 35 part-time faculty. There are also eight staff members who are grant funded. All instructional staff members have a degree in their respective field and all professional staff members have a minimum of a Bachelor's degree, with most professional staff having earned a Master's level degree. The average years of service among full-time staff are 13 (*please see Addendum A – Organizational Chart*).

Career advisement is a critical workforce development service offered by SUNY MEOC. To this end, SUNY MEOC's program operations are supported by a team of internship, career and employment advisors. The team provides job readiness/employability skills training, internship placement assistance and employment placement assistance. The job readiness/employability skills training includes resume writing, job search strategies, interview skills workshops, and assistance completing on-line job applications. Internship placement assistance is available to UM residents who want to gain work experience and further develop their professional skills before seeking employment. Employment assistance is available to all students who are interested in full-time, part-time or temporary employment.

Demonstrated Capacity to Deliver Successful Training Programs:

Recognized as an effective Upper Manhattan training provider, SUNY MEOC offers no-cost training programs that prepare UM residents for jobs in growth occupations. Through the engagement of employers, educational institutions, training providers, industry experts and community partners, SUNY MEOC designs training programs that provide residents with the required skills and credentials necessary for viable career opportunities, while meeting the demands of employers and/or targeted business sectors. Examples of these efforts include, the documented success achieved by SUNY MEOC for its Allied Health Programs. SUNY MEOC obtained a two-year Certified Nursing Assistant ("CNA") pass rate of 98.65 percent, for those individuals who participated in the CNA training program and sat for an exam. In addition, SUNY MEOC's two-year pass rate for program participants who sat for the nationally recognized Certified Electronic Health Records Specialist Exam is 94.44 percent.

Through the implementation of effective job placement strategies, SUNY MEOC has placed over 400 program participants in employment opportunities across its entire career training programs from the period covering 2015 to 2018. For the year 2019, SUNY MEOC anticipates a job placement achievement rate of 120 to 160 program participants (exclusive of the proposed project). These job placement figures demonstrate SUNY MEOC's capacity and experience working with industry specialists and employers to develop training programs that lead to employment and career opportunities for jobseekers. UMEZ's funding and SUNY MEOC's in-kind contributions, in support of the Employer-Driven Bridge Hospitality Program will strengthen the capacity of SUNY MEOC to deliver a hospitality program model that will serve the community's training and employment needs.

B. Project Scope and Description

Project Overview:

The goal of the Employer-Driven Bridge Hospitality Program is to implement an employer-specific training program that is designed to prepare UM residents for entry-level and career track positions at the Marriot Renaissance Hotel. UM residents will undergo a training program that includes curricula informed by the employer (RHG), ensuring that their skills are in-line with the requirements of open positions at the hotel.

The Employer-Driven Bridge Hospitality Program will provide UM residents with industry recognized certifications and credentials in hospitality/hotel operation services. Program participants will undergo seven weeks and 151 contact hours of instruction, wherein they will be introduced to workforce preparation skills, hospitality/hotel operations content, customer service and basic computer skills. A primary component of the program will also involve program participants gaining an understanding of cross functional teams. Program participants will learn how different departments within a hotel must collaborate to resolve service problems that will ultimately improve the visitor's experience.

The six required courses comprising the Employer-Driven Bridge Hospitality Program include (*please see Addendum B – Employer-Driven Bridge Hospitality Program Curriculum for details*):

- CALS 1410: Career Exploration-Hospitality
- BUSI 1600: Introduction to Hospitality
- CUST 1030: NRAEF ManageFirst® Customer Service Certification
- BUSI 1610: Hotel Operations
- TSPR 1000: Test Preparation – Food Protection
- INFO 1100: Fundamentals of Computer Applications

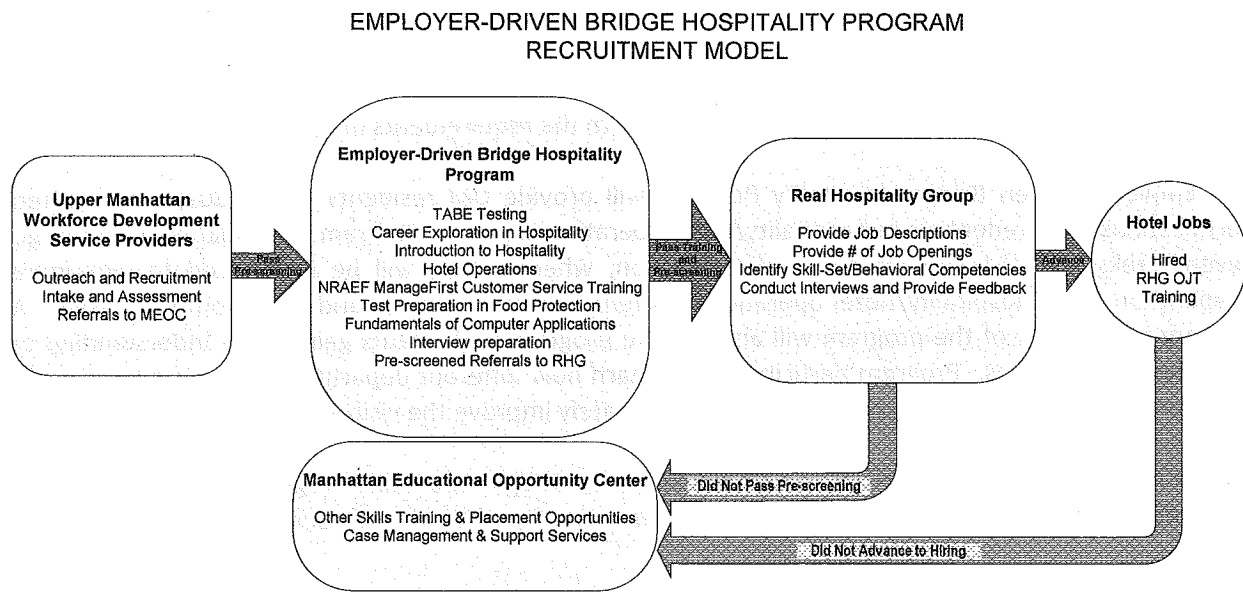
Pre-testing and individualized assessments are precursors to program enrollment. SUNY MEOC will administer the Test of Basic and Adult Education (TABE) to ensure that program participants meet basic math and literacy requirements as required by RHG. In addition, program participants will undergo intake and assessment procedures to assess their willingness, interest and commitment to participate in the program.

Community-Focused Recruitment Model and Community Engagement:

UMEZ will implement an integrated community-focused recruitment model to ensure the participation and development of a home-grown talent pipeline that consists of UM residents from all communities of Upper Manhattan. To this end, UMEZ will release a mini-solicitation, in the form of a Request for Applications to select up to five Upper Manhattan workforce development providers to implement targeted marketing, outreach and recruitment strategies, that will lead to UM residents' referral into the Employer-Driven Bridge Hospitality Program at SUNY MEOC. Selected workforce development providers must demonstrate their experience in employment and training services, in addition to the implementation of workforce development recruitment and fulfillment strategies.

Operating as the lead organization and/or training provider, SUNY MEOC will work with UMEZ to coordinate efforts with selected UM workforce development service providers to maximize and leverage community resources to support project-based recruitment efforts.

The following diagram depicts the proposed recruitment model:



The following highlights the step-by-step process and relevant components of the recruitment model:

Step 1: UMEZ will partner with experienced, credible and knowledgeable Upper Manhattan workforce development service providers (“UM Service Providers”) that have a demonstrated track record of providing demand-driven workforce development services to employers and UM residents. UM Service Providers will actively recruit a pipeline of UM residents from all communities of Upper Manhattan who are interested in employment and career opportunities with the Marriott Renaissance Hotel.

Step 2: UM Service Providers will implement effective intake and assessment procedures for all recruited UM residents to assess their educational aptitudes and vocational interests. UM residents will be assessed to determine whether a hospitality/hotel training track is appropriate for their workforce development needs.

Step 3: Those UM residents who are deemed unfit for a referral to the Employer-Driven Bridge Hospitality Program (“EBHTP”) will receive referrals to other career service programs or more intensive workforce development services to further address any barriers to employment and/or more appropriate employment tracks. UM residents who are deemed qualified and ready to enter career track training will be referred to the EBHTP.

Step 4: UM residents who are referred to the EBHTP will undergo the TABE test to assess their math and literacy skills as a prerequisite for enrollment in EBHTP courses. Those individuals who do not pass the minimum TABE grade levels for program enrollment will be assessed for adult education classes at SUNY MEOC. UM residents who successfully pass the prerequisite TABE requirement will be enrolled in the EBHTP. Enrolled participants will undergo employer-specific customized training tailored to meet the needs of RHG.

Step 5: UM residents who successfully complete the EBHTP will be pre-screened and referred by SUNY MEOC staff to RHG for entry-level career track positions.

Step 6: UM residents who do not pass RHG's interview process will be referred back to SUNY MEOC for additional workforce development support. UM residents who successfully pass RHG's interview and hiring process will be offered a position with RHG. RHG's hiring process will take three weeks. UM residents with accepted offers will be enrolled in RHG's onboarding and on-the-job training program.

Job Creation:

The Marriott Renaissance Hotel is expected to generate 58 full-time jobs. The demand-driven program model increases the prospects of UM residents to meet the demand. UMEZ anticipates a long-term relationship with RHG that will ultimately result in more jobs being generated for UM residents at other hotel properties managed by RHG.

Project Outcomes:

The development of a community-focused program model that aligns economic and workforce development to create employment and career pathways for underserved UM residents, is an essential outcome for this project. The anticipated outcomes and milestones associated with this effort include:

- Targeted outreach and recruitment to develop a home-grown local talent pipeline of 150 UM residents from all communities of Upper Manhattan to be referred to the Employer-Driven Bridge Hospitality Program. A total of 150 recruits will be necessary as a value proposition to the employer to maintain a reasonable recruitment to hire ratio;
- The goal is to have 100 students successfully complete the Employer-Driven Bridge Hospitality Program. Attrition is expected for UM residents who may not pass the TABE test requirements, as required by the employer. In addition, some students may not commit to a seven-week program; and
- RHG will connect UM residents to employment opportunities at the Marriott Renaissance Hotel and some of its other brand name hotels.

III. FINANCING REQUESTED

UMEZ will serve as the Fiscal Administrator for the Employer-Driven Bridge Hospitality Program, providing both operational and fiscal oversight of the initiative's funds. The total project budget is \$283,588.00, of which the RFCUNY/SUNY MEOC will contribute \$105,744.00 in in-kind contributions. The grant amount to RFCUNY/MEOC will be \$127,844.00. In addition, UMEZ will fund \$50,000.00 in subcontracts to five UM Service Providers bringing the total grant request to \$177,844.00.

Funding Sources:

Sources	Total
Federal EZ Funds	\$ 59,281.34
State EZ Funds	\$ 59,281.33
City EZ Funds	\$ 59,282.33
Total UMEZ Sources	\$ 177,844.00
In-Kind Contributions	\$ 105,744.00
Total Project Cost	\$ 283,588.00

Project Budget:

Uses	UMEZ	RFCUNY	Total
Personnel	\$ 33,916.00	\$ 85,744.00	\$ 119,660.00
Subcontracts	\$ 50,000.00		\$ 50,000.00
Non Personnel	\$ 80,843.00	\$ 20,000.00	\$ 100,843.00
Administrative Expenses	\$ 13,085.00		\$ 13,085.00
Total Project Costs	\$ 177,844.00	\$ 105,744.00	\$ 283,588.00

Investment Criteria:

The projects fits within UMEZ's investment criteria.

A. Impact

- As a result of UMEZ's investment, the project will serve as a first-time community-focused project that nurtures homegrown talent for a major economic development project.

B. Feasibility

- Training programs that are employer-specific and tailored to meet the needs of employers strengthens the value proposition of employers, and in turn increases the employment prospects for jobseekers.

C. Strengths

- The Employer-Driven Bridge Hospitality Program off-sets industry-specific training costs for underserved UM residents who are disadvantaged in their pursuit of accessing employment due to limited skills and appropriate resources; and
- The project contributes to the economic viability of Upper Manhattan.

D. Risks

- Potential construction delays could impact the opening of the hotel. To mitigate the risk, RHG has agreed to hire program participants at its other hotels, if necessary. In addition, SUNY MEOC has developed training cohorts in a manner that's consistent with the current project timeline, eliminating the lag time between training and referrals to interviews. Cohorts can be adjusted.

IV. FINANCIALS

Please see financials attached (*Addendum C – Financial Statements*)

V. RECOMMENDATIONS

UMEZ Grant Amount: up to \$177,844.00

Term: 15 months

Conditions: Adhere to Schedule of Deliverables, providing requested documentation and reports substantiating the achievement of the following milestones:

1. Delivery of a minimum of five training cohorts (7-week program, 151 contact hours) of the Employer-Driven Bridge Hospitality Program to eligible UM residents;

2. Administer collaborative efforts with UMEZ and selected UM Service Providers on the implementation of a community-wide recruitment model;
3. Demonstrate best efforts to obtain a training program completion rate of 100 UM residents; and
4. Prepare UM residents for interviews with RHG.

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

**REGARDING APPROVAL TO FUND A
HUMAN CAPITAL COMMITTEE PROJECT**

AT A BUSINESS MEETING HELD ON THE 30th DAY OF JANUARY 2019

WHEREAS, the Human Capital 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 fifteen (15) months to the Research Foundation of the City University of New York for implementation of the Employer-Driven Bridge Hospitality Program (the "Project"); and

WHEREAS, the Human Capital 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 a grant to fund the Project for a period of fifteen (15) months not to exceed ONE HUNDRED SEVENTY SEVEN THOUSAND EIGHT HUNDRED FORTY-FOUR DOLLARS and 00/00 Cents (\$177,844.00) 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.

March 5, 2019

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.

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.

FOR CONSIDERATION

March 5, 2019

TO: The Directors

FROM: Howard Zemsky

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

REQUEST FOR: **Authorization for Upper Manhattan Empowerment Zone Development Corporation's Marketing Budget for FY 2019 and to Take Related Actions.**

The Directors are requested to approve a marketing budget fiscal year 2019 for the Upper Manhattan Empowerment Zone Development Corporation ("UMEZ") in the amount of ONE HUNDRED TWO THOUSAND DOLLARS (\$102,000).

	Items	
Print and Online Advertising		25,000.00
Collateral Materials		20,000.00
Sponsorships		25,000.00
Partnering and Convening		27,000.00
Website		5,000.00
Total	\$	102,000.00

FOR CONSIDERATION

To: New York Empowerment Zone Board of Directors

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

Date: March 5, 2019

Subject: Marketing Budget

Request: \$102,000 Marketing Initiative for January 1, 2019 to December 31, 2019

I. DESCRIPTION OF PROJECT

The Upper Manhattan Empowerment Zone Development Corporation (UMEZ) seeks funding for its marketing, communications and promotion efforts in support of economic development in Upper Manhattan. Funds would cover a 12-month period beginning January 1, 2019 to December 31, 2019. During this period, UMEZ will continue to undertake activities intended to sustain Upper Manhattan as an exciting community for business, work and home.

UMEZ seeks to highlight its successes and raise awareness of how it furthers community development in Upper Manhattan and the services it offers to businesses and cultural organizations that reside here. UMEZ will conduct outreach to promote small business development through direct lending, partnering with the City, State, community banks and Community Development Financial Institutions (CDFIs) small business lenders and micro lenders; technical assistance coordination with community-based training organizations; and integration of workforce development programs with borrowers and grantees. UMEZ will also identify opportunities to support small business and cultural organizations through select convening sessions to share best practices.

The marketing outreach will be multifaceted to include traditional print advertisement in English and Spanish language social media, partnering opportunities with community-based organizations, CDFIs and community banks. UMEZ will also create supportive marketing materials and other collateral. UMEZ will identify reference clients who can speak to the positive impact of loans and grants from UMEZ. These reference clients will enhance credibility with peers and, with their consent, be used in advertising, news announcements and marketing materials. In addition, UMEZ will seek opportunities to participate in case studies highlighting the benefits of its programmatic services provided.

II. PROJECT OBJECTIVES

The project is designed to increase awareness of UMEZ, build on its investment in the community (both cultural and commercial), and highlight its small business lending platform by differentiating UMEZ from other community-based lenders in the Upper Manhattan marketplace, as well as highlight opportunities for collaboration with other community-based lenders. It is anticipated that there will be an increase in interest income resulting from more small business loan volume.

Goals include:

- Extending UMEZ's impact in geographic areas experiencing fewer direct investments
- Maintaining and increasing deal flow for prospective small business loans
- Promoting UMEZ's workforce development programs as complementary services for small businesses
- Highlighting UMEZ's investment portfolio of cultural entities
- Convening professional learning community meetings

Approach

UMEZ will use a range of tools to market its products and services. Outlined below are a series of seven methods that UMEZ will undertake to bring greater awareness to the community.

- **Print and Online Media:** UMEZ will make select placements of print and social media advertising and partnering opportunities. With regard to print advertisement, UMEZ will target local papers (e.g., El Diario, Amsterdam News and Manhattan Times) and their websites.
- **Social Media:** UMEZ is strengthening its visibility on social media, including periodic communications to our email subscribers. This should fuel greater awareness at a much faster pace by encouraging other businesses and not-for-profits in our clients' networks to seek out UMEZ for appropriate funding and technical assistance. During the course of this year, UMEZ has two full-time staff members who dedicate up to 20% of their time toward marketing and communications, which includes social media. Staffing needs will be monitored, however we believe our current staffing meets the needs for our social media outreach.
- **Website:** UMEZ overhauled its website in 2017, redesigning functionality and appearance. The website includes profiles of grantees and borrowers promoting their success and experience obtaining funding from UMEZ. These announcements are updated regularly and will be integrated with our social media outreach. The new website also increases awareness about the range of UMEZ services including loan products, lending parameters, grant eligibility, and technical assistance services.
- **Promotional and Partnering Events:** UMEZ participates in events to establish and maintain community awareness of the services it offers with a view toward creating greater awareness, among new and existing businesses, of capital access opportunities. UMEZ expects to host partnering events with community banks that will provide opportunities for UMEZ staff to speak one-on-one with businesses looking to launch or expand their business in Upper Manhattan. UMEZ also continues to participate in the Small Business Expo at the Jacob K. Javits Convention Center and other local economic development events.
- **Local Event Sponsorships:** UMEZ will continue to partner with area producers on events in Upper Manhattan, including Restaurant Week, the Uptown Arts Stroll, and Harlem Week. The events, organized by a diverse group of local organizations, draw people to explore Upper Manhattan and enjoy the unique experiences available here. By enhancing

awareness of neighborhood activities, tourist and residents are more likely to purchase goods and services in our communities.

- **Convenings:** Convenings are part of UMEZ's non-lending activities. Convenings will enable UMEZ to partner with community-based organizations to advance access to capital, launch awareness events for UMEZ programs, facilitate technical assistance for small businesses and entrepreneurs, develop innovative responses to workforce, and raise our profile with certain coalition groups. UMEZ plans to join with other CDFIs to promote economic development by providing financial products and services to entrepreneurs and small businesses in communities underserved by traditional financial institutions. It is contemplated that subject matter experts will be engaged to educate small businesses to build capacity to thrive. When connected to financing opportunities, we believe these convening will lead to increased lending volume and enhanced impact in the communities we serve.

In the area of workforce development, UMEZ participates in workforce coalition conferences and plans to develop panel discussions on successful workforce initiatives. Learning forums would examine effective and innovative ways to advance workforce development. Specific programs implemented by UMEZ would provide a launching point for these convenings.

In the area cultural investments, UMEZ plans to build on its relationship with community-based cultural organizations and collectives by convening panels and/or workshops to boost business practices to strengthen the financial performance of the creative class in Upper Manhattan.

UMEZ expects to build greater awareness through panels, interactive workshops, and community-outreach events with the Grant Makers in the Arts, NYC Employment and Training Coalition and capital providers.

Convening Budget	Costs per Event	Number of Events @ 6
Venue	\$2,500	\$15,000
Security	\$ 100	\$ 600
AV Services	\$ 400	\$ 2,400
Photographer	\$ 300	\$ 1,800
Food	\$ 450	\$ 3,000
Speaker	<u>\$ 750</u>	<u>\$ 4,500</u>
Total	<u>\$4,500</u>	<u>\$27,000</u>

- **Content Creation:** Brochures, other handouts and collateral material are distributed at the events described above. Advertisements for print and online media provide potential clients information about UMEZ small business programs. An annual report will also be prepared and hosted on our website.

III. PROJECTED OUTCOMES

UMEZ expects an increase in the direct and indirect pipeline for small business loans. The goals include increasing awareness of UMEZ's program and services across the Central Harlem, East Harlem, West Harlem and Washington Heights and Inwood, which would establish a foundation upon which UMEZ can build on to further stimulate increased pipeline.

In calendar year 2019, UMEZ has scheduled a launch event and training in March 2019 for a micro-lending program with Grameen America and plans one for an Employer-Driven Bridge Hospitality training program related to the Victoria project on 125th Street and other initiatives. This represents an increase in activity compared to the prior periods, and correspondingly there is an increase in the line items for sponsorships and convenings in the budget.

IV. FINANCING REQUESTED

UMEZ requests funding of \$102,000 to underwrite marketing activities in support of UMEZ's programs and services in Upper Manhattan. These funds will be used for the 12-month period commencing January 1, 2019 through December 31, 2019. The projected marketing budget is as follows:

Description	Budget 2014	Budget 2017	Budget 2019
Print and online advertising	\$10,000	\$40,000	\$25,000
Collateral Materials	\$35,000	\$20,000	\$20,000
Sponsorships	\$20,000	\$20,000	\$25,000
Partnering and Convening	\$20,000	\$15,000	\$27,000
Website	<u>\$35,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>
Total	<u>\$120,000</u>	<u>\$100,000</u>	<u>\$102,000</u>

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

**REGARDING APPROVAL TO FUND
MARKETING BUDGET
JANUARY 1, 2019 TO DECEMBER 31, 2019**

**AT A REGULAR MEETING OF THE BOARD OF DIRECTORS HELD ON THE
15TH DAY OF OCTOBER 2018**

RESOLVED, that on the basis of the material presented to the Board of Directors of Upper Manhattan Empowerment Zone Development Corporation ("UMEZ"), a copy of which has been filed with the records of UMEZ, the Board of Directors approves the request to fund up to ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$125,000) for the UMEZ Marketing Budget (the "Marketing Budget") for the period January 1, 2019 to December 31, 2019;

FURTHER RESOLVED, that UMEZ is authorized to submit the Marketing Budget request in an amount of up to ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$125,000), to the New York Empowerment Zone Corporation for its consideration and approval; and be it

FURTHER RESOLVED, that the President and CEO of UMEZ or his designees, are hereby authorized on behalf of UMEZ to take any steps that any of them deem necessary or appropriate to carry out the intent and purpose of the foregoing resolutions.

March 5, 2019

UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION - UMEZ Marketing
- Authorization of \$102,000 marketing 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 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.

March 5, 2019

TO: The New York Empowerment Zone Corporation Board of Directors

FROM: Howard Zemsky

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

REQUEST FOR: **Authorization for Bronx Overall Economic Development Corporation's Amended Budget for Fiscal Year 2019 and to Take Related Action.**

The Directors are requested to approve an amended budget for fiscal year 2019 for the Bronx Overall Economic Development Corporation ("BOEDC") in the amount of EIGHT HUNDRED FIVE THOUSAND SIX HUNDRED THIRTEEN DOLLARS (805,613). 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
Amended Budget
For the period June 30, 2018 to July 31, 2019**

Description	FY 2019 Budget Approved December 2019	Amended FY 2019 Budget
Personnel		
Staff Salaries	394,485.00	394,485.00
Staff Fringe Benefits	80,285.00	80,285.00
Total Personnel Costs	474,770.00	474,770.00
Contracted Costs		
Accounting/Auditing	37,775.00	37,775.00
Legal Services	50,000.00	50,000.00
Legal Fess FY 2014-2017	-	165,418.00
Professional & Consultants	-	-
Total Contracted Costs	87,775.00	253,193.00
Other Operating Costs		
Travel/Meetings/Motor Vehicle	5,900.00	5,900.00
Office Supplies	5,000.00	5,000.00
Equip/Software Purchases	1,000.00	1,000.00
Equipment Lease (Copier)	18,000.00	18,000.00
Telephone	10,900.00	10,900.00
Postage	300.00	300.00
Dues/Subscription/Other	3,050.00	3,050.00
Equip Repairs & Maintenance	18,500.00	18,500.00
Insurance	15,000.00	15,000.00
Total Other Operating costs	77,650.00	77,650.00
Total OPS	165,425.00	330,843.00
TOTAL	640,195.00	805,613.00

FOR CONSIDERATION

March 5, 2019

TO: New York Empowerment Zone Board of Directors

FROM: Marlene Cintron, President
Bronx Overall Economic Development Corporation

SUBJECT: **Administrative Budget Amendment for FY 2019 - Payment of Miscoded Legal Fees**

BOEDC seeks authorization from the Directors amend its Administrative Budget for fiscal year 2019 from \$640,195 to \$805,613 to cover outstanding legal fees of \$165,418. The payments will be made from BOEDC's Empowerment Zone loan repayment accounts.

Legal fees totaling \$195,718 in connection with EZ lending activity were miscoded to BOEDC's general fund and not correctly allocated to the Empowerment Zone. The expenses were accrued between calendar years 2014 and 2017. The oversight does not compromise annual audited financial statements provided for the fiscal years affected.

The invoices have not yet been paid and the original balance has been renegotiated to a total of \$165,718. Two law firms have outstanding invoices. The first, "Oquendo" in the amount of \$17,575 (originally \$30,000) relates to opinions given in connection with the "expiration of Empowerment Zone Designation and its effect on the continuing rights and responsibilities of BOEDC and other EZ Corporation parties" and related matters. The second, "Underweiser & Underweiser" in the amount of \$147,843 (originally \$165,718), relates to loans granted that for the most part, were prior to 2010 when the current leadership took office.

A complete breakdown of the Legal Fees by firm, year, and matter is provided on the next page. It also gives details of judgements obtained and outstanding loan balances.

The Bronx Overall Economic Development Corporation
EMPOWERMENT ZONE
ANNUAL ADMINISTRATIVE OPERATING FUND STATEMENT
For the Period July 01, 2018 to June 30, 2019

	FY 2019 Budget Approved December 2018		Amended FY 2019 Budget	
Descriptions	<u>Total</u>		<u>Total</u>	
Personnel				
Staff Salaries	394,485.00		394,485.00	
Staff Fringe Benefits	80,285.00		80,285.00	
Total Personnel Costs	\$ 474,770.00		\$ 474,770.00	
Contracted Costs				
Accounting/Auditing	37,775.00		37,775.00	
Legal Services	50,000.00		50,000.00	
Legal Fees FY 2014-2017			165,418.00	
Professional & Consultants	-		-	
Total contracted costs	\$ 87,775.00		\$ 253,193.00	
Other Operating Costs				
Travel/Meetings/Motor Vehicle	5,900.00		5,900.00	
Office Supplies	5,000.00		5,000.00	
Equip/Software Purchases	1,000.00		1,000.00	
Equipment Lease(Copier	18,000.00		18,000.00	
Telephone	10,900.00		10,900.00	
Postage	300.00		300.00	
Dues/Subscriptions/Other	3,050.00		3,050.00	
Equip Repairs and Maint	18,500.00		18,500.00	
Insurance	15,000.00		15,000.00	
Miscellaneous				
Total other operating costs	77,650.00		77,650.00	
Total OTPS	165,425.00		330,843.00	
Total	\$ 640,195.00		\$ 805,613.00	

Analysis of Legal Fees for EZ Management Team

Legal Fees	Oquendo			Undersweiser			Total
	Original	Discount	Revised	Original	Discount	Revised	
2014	\$ 30,000	\$ (12,425)	\$ 17,575	\$ 42,161	\$ (4,548)	\$ 37,613	\$ 55,188
2015	\$ -	\$ -	\$ -	\$ 62,542	\$ (6,746)	\$ 55,796	\$ 55,796
2016	\$ -	\$ -	\$ -	\$ 44,782	\$ (4,830)	\$ 39,951	\$ 39,951
2017	\$ -	\$ -	\$ -	\$ 16,233	\$ (1,751)	\$ 14,482	\$ 14,482
	\$ 30,000	\$ (12,425)	\$ 17,575	\$ 165,718	\$ (17,875)	\$ 147,843	\$ 165,418

Underweisser Summary of Fees, Judgements, Recoveries and Loan Balance							
Item	Sentinel	CTG	DNA	Dufour	Garlasco	Smith Electric*	Smittys
Legal fees	\$ 3,602	\$ 1,800	\$ 81,933	\$ 6,607	\$ 49,909	\$ 1,120	\$ 17,106
Judgements	\$ 248,256	\$ 10,000	\$ 580,921	\$ 39,227	>500,000	N/A	None
Recoveries	\$ 75,000	\$ 10,000	\$ 3,666	\$ 9,807	\$ 63,965	100%	None
Outstanding Loan Balance	\$ 8,937	\$ -	\$ 292,167	\$ 336,607	\$ 270,230	0	0
Ongoing efforts	Yes	Concluded	Yes	Chapeter 11	Yes	N/A	Concluded
Written Off	No	Yes	No	No	No	N/A	Yes

* Case resolved with assistance of other legal council

Invoices by Matter by Year					
Invoices	2014	2015	2016	2017	Total
A.Sentinel	\$ 825	\$ 893	\$ 1,165	\$ 720	\$ 3,602
CTG Athletics	\$ -	\$ -	\$ 1,800	\$ -	\$ 1,800
DNA	\$ 38,535	\$ 28,860	\$ 12,210	\$ 2,329	\$ 81,933
Dufour	\$ -	\$ -	\$ 1,740	\$ 4,866	\$ 6,607
Garlasco	\$ 1,281	\$ 26,818	\$ 14,692	\$ 7,119	\$ 49,909
Smith Electric	\$ -	\$ -	\$ 1,120	\$ -	\$ 1,120
Project Enterprise	\$ -	\$ -	\$ -	\$ 160	\$ 160
Smitty's	\$ -	\$ 5,972	\$ 10,095	\$ 1,040	\$ 17,106
Audit	\$ 1,520		\$ 1,960		\$ 3,480
Total	\$ 42,161	\$ 62,542	\$ 44,782	\$ 16,233	\$ 165,718

Loan Analysis							
Loans	Date	Amount	Balance Pre Escrow	Escrow Applied	Current Balance	Status	Written Off
A.Sentinel	6/23/2000	\$ 165,000	\$ 8,937	\$ -	\$ 8,937	Litigation	\$ -
CTG Athletics	10/7/2010	\$ 191,000	\$ -	\$ -	\$ -	Closed	\$ 181,000
DNA	7/22/2009	\$ 300,000	\$ 295,833	\$ 3,666	\$ 292,167	On-going	\$ -
Dufour	3/3/2006	\$ 435,000	\$ 189,305	\$ 9,807	\$ 179,499	Chap 11	\$ -
Dufour	3/3/2006	\$ 440,967	\$ 157,108	\$ -	\$ 157,108	Chap 11	\$ -
Garlasco (Princeton #1)	2/8/1999	\$ 200,000	\$ 49,883	\$ 49,883	\$ -	Paid Off	\$ -
Garlasco (Princeton #2)	7/15/1999	\$ 150,000	\$ 34,272	\$ 14,082	\$ 20,190	On-going	\$ -
Garlasco (Princeton #3)	5/14/2001	\$ 500,000	\$ 250,040	\$ -	\$ 250,040	On-going	\$ -
Smith Electric	7/24/2012	\$ 1,000,000	\$ -	\$ -	\$ -	Paid Off	\$ -
Smitty's	9/17/2009	\$ 100,000	\$ -	\$ -	\$ -	Closed	\$ 73,552
Smitty's	3/28/2009	\$ 200,000	\$ -	\$ -	\$ -	Closed	\$ 191,501

Judgements	Date	Amount	Parties	Status
Sentinel	1/11/2006	\$ 248,256	Pape	Settled for \$75,000 which was paid
			Abreu	Still pursuing without success
Garlasco (Princeton)	3/26/2009	\$50,000 to \$400,000	Lawrence Garlasco	\$ 63,965 collected to be applied
			Michael Garlasco	
			John Garlasco	
			Kevin Garlasco	
DNA	5/11/2016	\$ 580,921	DNA	\$ 3,666 Collected to be applied

RESOLUTION
1-2019

BRONX EMPOWERMENT ZONE – Authorization to Adopt Administrative Budget for Payment of Miscoded Legal Fees

WHEREAS, the Board of Directors of the Bronx Overall Economic Development Corporation (“BOEDC” or the “Corporation”) has proposed an administrative budget for the payment of miscoded legal fees incurred by the Bronx Division of the New York Empowerment Zone (the “Bronx EZ”) of ONE HUNDRED SIXTY FIVE THOUSAND FOUR HUNDRED AND EIGHTEEN DOLLARS (\$165,418) (the “Administrative Budget for Payment of Miscoded Legal Fees”) between the calendar years 2014 and 2017, all in accordance with the materials presented at this meeting held on February 22, 2019 and filed in the records of the Corporation (the “Materials”); and

WHEREAS, the Directors of BOEDC (the “Directors”) are desirous of adopting the Administrative Budget for Payment of Miscoded Legal Fees;

NOW THEREFORE, BE IT RESOLVED, that the Directors hereby adopt the Administrative Budget for Payment of Miscoded Legal Fees; and be it further

RESOLVED, that the Directors hereby authorize the President or any other officer of the Corporation to present the Administrative Budget for Payment of Miscoded Legal fees 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.

* * *

March 5, 2019

**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.

