NEW YORK EMPOWERMENT ZONE CORPORATION

MEETING OF THE DIRECTORS

Monday, August 31, 2020

NEW YORK EMPOWERMENT ZONE CORPORATION

Meeting of the Directors

Monday, August 31, 2020 11:00 A.M.

Audio Webcast (this meeting will be held remotely)

AGENDA

VICKI BEEN, CHAIR – CALL MEETING TO ORDER

I. CORPORATE ACTION

A. Approval of Minutes of November 12, 2019 Meeting

B. Approval of Minutes of May 15, 2020 Meeting

C. Authorization of Matters Recommended by Upper Manhattan Empowerment Zone Development Corporation ("UMEZ")

1. SoHarlem, Inc. – Authorization of $90,433 grant in support to a pilot program to provide training in garment industry and career pathways.

2. Business Resource Investment Service Center (BRISC) Microloan Program – Authorization of $1,500,000 loan and $500,000 grant to provide micro loan and technical assistance to entrepreneurs and small businesses affected by COVID-19 pandemic and related administrative costs.

3. UMEZ Administrative Budget 2021 – Authorization of $3,957,605 in administrative budget for fiscal year 2021.

D. Authorization of Matters Recommended by Bronx Overall Economic Development Corporation ("BOEDC")

1. BOEDC Administrative Budget 2021 – Authorization of $723,446 in administrative budget for fiscal year 2021.

E. Authorization of Matters Recommended by New York Empowerment Zone Corporation ("NYEZC")

1. NYEZC Administrative Budget 2021 – Authorization of $669,323 in administrative budget for fiscal year 2021.

II. OTHER BUSINESS

VICKI BEEN – MOTION TO ADJOURN MEETING

NEW YORK EMPOWERMENT ZONE CORPORATION
MEETING OF THE DIRECTORS

633 Third Avenue
33rd Floor Conference Room
New York, New York 10017

November 12, 2019

MINUTES

In Attendance:

Directors:
Holly Leicht, Designee, Chairman Howard Zemsky, Empire State Development
Linsey Mayer, Designee, Vice-Chair Vicki Been, NYC Deputy Mayor for Housing & Economic
Luis Miranda, Jr., Designee, Office of Congressman Adriano D. Espaillat
Marlene Cintron, President, Bronx Overall Economic Development Corporation
Blair Duncan, President & CEO, UMEZ
Anthony Jordan, Designee, Office of Congressman Jose Serrano

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

OTHERS PRESENT:
Pedro Barry, BOEDC
Lindsay Crane, UMEZ
Ayesha Codrington, UMEZ
Gaffar Mohamed, UMEZ
Elizabeth Harris, UMEZ
Yahshaanyah Hill, UMEZ
Michael Nixon, BOEDC
Keli Rosenberg, Law Department, City of New York
Verdery Roosevelt, UMEZ
Blair Smith, UMEZ
Duncan Still, BOEDC

The meeting of the New York Empowerment Zone Corporation (the "Corporation") was called to order at 3:08 p.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 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.

Acting Chair Leicht asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda. Director Miranda recused himself from the item relating to the Museum of the City of New York.

Acting Chair Leicht called upon Verdery Roosevelt of the Upper Manhattan Empowerment Zone to present the first agenda item pertaining to a proposed grant to Firelight Media. Ms. Roosevelt explained that the proposed initiative is a three-year capacity building program with a total project cost $620,751 of which $288,760 would be a grant funded by UMEZ.

Ms. Roosevelt described the background of Firelight Media: it was co-founded by the renowned filmmaker Stanley Nelson and his wife Marcia Smith, an award winning writer and producer; its original mission was to support the documentary films created by Mr. Nelson and evolved into a mentoring program to provide guidance to new filmmakers as demand grew. The mission was redefined to introduce films about the under-represented to people in stories for mainstream audiences. She noted that Ms. Smith is now the President of Firelight Media while Mr. Smith runs a spin off for-profit entity called Firelight Films and maintains his role as a mentor

in the not-for-profit. She stated how the organization's primary program Documentary Lab, a multi-year mentorship program, has yielded productions that have been selected to appear on PBS and at major film festivals such as Sundance and Tribeca and have received recognition. She noted that new Firelight Media programs provide support to filmmakers across the country, including Films by Firelight, which offers an annual series of Firelight Media Films and Doc Lab films in Upper Manhattan venues, such as the Apollo, Image Nation's Raw Space, Mazel's Documentary Center and the Schomberg Center.

Ms. Roosevelt explained that the request is drawn from the organization's strategic plan and funds would support two new full-time operations staff: the Director of Development and Communications, who will lead the organization's fundraising, communications and branding efforts; and the Finance Associate, who will handle a greatly expanded volume of daily financial transactions and bookkeeping. Ms. Roosevelt concluded with a video highlighting work of the Documentary Lab.

Director Duncan provided comments about Firelight's work, noting that the organization is well known in the community and How Mazel's Theater and Image Nation have helped bring Doc Lab artists' work to the community free of charge. He added that UMEZ was happy support this type of entrepreneurship.

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 – Firelight Media, Inc. – A $288,760 capacity building grant.

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 EIGTHY 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");

* * *

Ms. Roosevelt presented the next Agenda item regarding a request for approval of a grant to the Museum of the City of New York. She explained that the proposed is a three-year capacity building grant of $268,341 with a total project cost of $592,567.

Ms. Roosevelt stated that the museum's mission is to celebrate, document and interpret New York City's past, present and future. She explained that the museum recently completed a ten-year, $97 million capital campaign to expand and modernize its landmarked building with the first-floor housing a permanent multi-media, interactive exhibition on the historical, cultural and social evolution of New York City over the past 400 years. She further explained that the programming consists of a rotating series of 10 exhibitions each year, as well as over 60 public programs with an education department that reaches students, teachers and caregivers in all five boroughs. She described programs offered by the museum including the "I'm a Neighbor Program," which provides free admission to anyone who lives, works or attends school in East Harlem. She explained that 320,000 people participated in programs in fiscal year 2018 with

nearly 60 percent visiting from national or international destinations.

Ms. Roosevelt explained that the museum is now preparing for its centennial celebration in 2023 and, through a strategic planning process, they have identified areas in both earned and contributed income that would have significant potential for future revenue growth: a full-time Traveling Exhibitions Coordinator, who would develop the organization's Touring Exhibition Program into a robust schedule of travel to national and international museums; a full-time Prospect Researcher; a consultant to create a formal plan-giving program; and a temporary, part-time Plan-giving Assistant to help launch that program.

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 – Museum of the City of New York – A $268,341 capacity building grant.

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");

* * *

Acting Chair Leicht then called for a motion to approve the Minutes of the Directors' meetings of March 5, and May 23 of 2019. Noting corrections presented by Director Duncan to add Verdery Roosevelt and Blair Smith to the list of those in attendance at the May 23, 2019 meeting and upon the motion being duly made and seconded; the following resolutions were unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MARCH 5, 2019 MEETING OF THE DIRECTORS OF THE NEW YORK EMPOWERMENT ZONE CORPORATION

RESOLVED that the Minutes of the Meeting of the Corporation held on March 5, 2019 as presented to this meeting, are hereby approved and all actions taken by the Directors presented a such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of this Corporation.

* * *

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MAY 23, 2019 MEETING OF THE DIRECTORS OF THE NEW YORK EMPOWERMENT ZONE CORPORATION

RESOLVED that the Minutes of the Meeting of the Corporation held on May 23, 2019 as presented to this meeting, are hereby approved and all actions taken by the Directors presented a 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 Pedro Barry of the Bronx Overall Economic Development Corporation to present the next item on the agenda pertaining to a request to approve a loan to Chocobar Cortes LLC.

Mr. Barry explained that the request is for a total loan amount of $300,000 with $200,000 to be funded by the Bronx EZ-Loan Fund and $100,000 by the EZ-Environmental Loan Fund. He

stated that Chocobar is a Bronx start-up based on a Cortes family restaurant in Puerto Rico founded in 2013 that specializes in chocolate-infused drinks and entrees. He further explained that the Cortes family has been involved in the chocolate business since 1929 and will provide a loan guarantee.

Mr. Barry explained that the overall project cost is $670,000:the company would contribute $270,000; BOEDC would provide a total loan amount of $300,000 with $200,000 to be funded by the Bronx EZ-Loan Fund and $100,000 by the EZ-Environmental Loan Fund. He further explained that the loan capital would be used to purchase energy efficient equipment.

Acting Chair Leicht inquired whether this was the first expansion of the Chocobar since 1929.

Mr. Barry explained the Chocobar Restaurant in San Juan, Puerto Rico opened in 2013.

Acting Chair Leicht inquired whether the restaurant in Puerto Rico was still in operation and if the Bronx restaurant would be the second location.

Mr. Barry confirmed that the Puerto Rico based restaurant is still in operation and explained that the head of the corporation is based in Puerto Rico and the Dominican Republic and does wholesale distribution to companies like Nestle, Hershey and Mars.

Director Mayer inquired whether this would be the first restaurant in the mainland U.S. and whether any manufacturing activities would be brought to the Bronx.

Mr. Barry explained that the company is making provisions to fabricate chocolate bars in the basement of the Bronx store.

Director Jordan inquired whether the chocolate produced would be sold exclusively in the restaurant.

Mr. Barry responded that the products would be sold onsite and online.

Director Jordan commented that it could provide a substantial amount of business and inquired where the majority of the business would originate.

Mr. Barry explained that the online sales were constant, and since the store recently opened, the majority of receipts are generated from online sales.

Director Jordan then inquired whether there would be new jobs and how much the wages would be.

Mr. Barry explained that there would be eight new fulltime jobs and ten part-time jobs and fifty percent would be set aside for Empowerment Zone residents but that he was unsure of

the wage rates.

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 – Chocobar Cortes NYC, LLC. – $300,000 Empowerment Zone capital loans.

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");

* * *

Acting Chair Leicht called upon Duncan Still to present the next item on the agenda, BOEDC's Administrative Budget for the fiscal year 2020.

Mr. Still explained that the total budget proposed is $708,000. He further explained that the proposed budget represents an increase of 16% over the previous fiscal year's expenditures and that the increase is attributable to a nine-month vacancy of the Director of the Empowerment Zone position and a 2.8% cost of living increase.

Destiny Burns noted that the budget would be retroactive to July 1, 2019.

Director Jordan inquired whether bills have been paid and Ms. Burns confirmed that they had been.

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 $708,226 BOEDC's administrative budget for fiscal year 2020.

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");

* * *

Acting Chair Leicht called upon Destiny Burns to present the next item on the agenda, the Administrative Budget for the New York Empowerment Zone Corporation.

Ms. Burns explained that the operating budget of $644,803 represents an increase of approximately $10,000 over the previous year attributable to collective increases in the amount

that will offset salaries and fringe for the four and-a-half City and State positions that support the NYEZC and an increase of less than $2,600 in non-personnel costs.

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:

NEW YORK EMPOWERMENT ZONE CORPORATION - Authorization of $644,803 administrative budget for fiscal year 2020.

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");

* * *

Acting Chair Leicht called upon Gaffar Mohamed to present the final item on the agenda, the de-designation of unused UMEZ project funds. She noted that the item was for information and does not require a vote.

Mr. Mohamed explained that UMEZ will de-designate a total of $7,362,915 in unused funding previously approved for projects that either never commenced, were incomplete or did not require the full amount approved.

In conclusion, Mr. Mohamed added that approval for use of the de-designated funds would be

sought from the NYEZC directors.

Hearing no further business, the meeting adjourned at 3:32 p.m.

Respectfully submitted,

Marion Phillips III
Corporate Secretary

EMPIRE STATE DEVELOPMENT CORPORATION
NEW YORK EMPOWERMENT ZONE CORPORATION

MEETING OF THE DIRECTORS
Audio Webcast (this meeting was held remotely)

May 15, 2020

MINUTES

In Attendance:

Directors:	Jenneh Kaikai, Designee, Chair Vicki Been, NYC Deputy Mayor for Housing & Economic Development
	Holly Leicht, Designee, Vice-Chair Eric Gertler, Empire State Development
	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
	Adam Kilduff, ESD
OTHERS PRESENT:	Gaffar Mohamed, UMEZ
	Elizabeth Harris,
	Keli Rosenberg, Law Department, City of New York
	Verdery Roosevelt, UMEZ
	Barry Smith, UMEZ

Before the meeting was formally called to order by the Chair, the Corporate Secretary of the New York Empowerment Zone Corporation ("NYEZC") welcomed everyone to the meeting and conducted a roll call of the Directors to determine that a quorum was present.

Following the roll call and confirmation that a quorum was present, the meeting of the Directors of the NYEZC was called to order at 4:33 p.m. by Chair Kaikai. She noted for the record that due to public health concerns, this meeting would be conducted by teleconference as

authorized by an Executive Order of the Governor. Next, the Chair noted that the public had been given an opportunity to comment on the Agenda items by submitting their written comments at or before 12:00 p.m. today. She noted that no comments were received on any of the Agenda items.

Chair Kaikai then asked the Directors if they had any conflicts of interest to note on any of the Agenda items and no conflicts were noted at this time. She then reminded everyone to please mute their phones when not speaking and to state their names before speaking.

Chair Kaikai called upon Verdery Roosevelt to present the first item on the agenda, a request to ratify an initiative approved by the directors of the Upper Manhattan Empowerment Zone, the Cultural Investment Fund, Coronavirus Aid Fund.

Ms. Roosevelt stated that the UMEZ Cultural Aid Fund is a one-year, $500,000 initiative that provides assistance to cultural organizations affected by COVID-19 and that the funds would be drawn from loan repayments.

Ms. Roosevelt explained that the goal of the fund is to support continued core operations of 17 arts organizations that have previously received grants from UMEZ and meet our current eligibility guidelines but which do not presently have an outstanding grant with UMEZ. She further explained that funds may be used to support core operations and may not duplicate payments received from other funding sources, including the Payroll Protection Program. She

added that UMEZ has made the program administratively accessible to applicants and intends to make funding decisions by Memorial Day weekend.

Director Miranda commented that the proposed program is a great thing to do for cultural organizations in the Empowerment Zone that are suffering at this time.

Director Duncan stated that he is very supportive of the cultural community and praised the responsiveness of UMEZ staff to pull the program together quickly and the NYEZC board for allowing ratification of the program which expedited outreach efforts.

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 – Request to ratify a grant to CIF Coronavirus Aid – A $500,000 cultural aid fund.

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 to ratify a grant to CIF Coronavirus Aid Fund (the "Initiative"), a cultural aid fund. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed FIVE HUNDRED THOUSAND DOLLARS ($500,000) 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");

* * *

Chair Kaikai called upon Blair Smith to present the next item on the agenda, a $10 million loan for the National Urban League project. Mr. Smith explained that the proposed loan would be secured by a subordinate mortgage to advance the construction of the new National Urban League headquarters. Mr. Smith explained that the UMEZ loan is subordinate to a Goldman Sachs construction loan and will be collateralized by the retail and office space only. He added that both the Goldman Sachs and UMEZ loans will have a 48-month maturity, with a two- to six-month extension option.

Mr. Smith described details of the overall $240.7 million project; it is led by developers L&M Partners and BRP Companies, along with Taconic Investment Partners and the National Urban League itself. He added that the development entity will be split into four separate condo units: the National Urban League headquarters, office, retail, and residential spaces, with various financing sources contributing to each specific use.

Mr. Smith outlined the benefits to the Upper Manhattan: 171 affordable housing units, approximately 152,385 square feet of residential multifamily space, 106,995 square feet of retail space, 83,593 square feet devoted to the National Urban League headquarters, 71,365 square feet of commercial office space and an estimate of 760 direct construction jobs, 429 indirect construction jobs, 160 direct permanent jobs, and 59 indirect permanent jobs.

Director Leicht thanked UMEZ for being a part of this important project and noted that her team and others at ESD have been working on the project for many years. She stated that it

is exciting to see that the project is going to close in July and construction would begin thereafter.

Director Duncan commented that he is pleased to be a part of the project and looked forward to the right development team taking on the commitment. He added that he believes everyone is thrilled and excited about the project.

Chair Kaikai echoed the sentiments of the directors and reiterated the full support of Deputy Mayor Been.

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 – National Urban League – A $10,000,000 secured loan by a subordinated mortgage to finance the construction of the new National Urban League Headquarters.

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 to National Urban League (the "Initiative") to finance the construction of the new headquarters. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed TEN MILLION DOLLARS ($10,000,000) 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");

* * *

Chair Kaikai called upon Gaffar Mohamed to present the final item on the Agenda, the reallocation of unused workforce development funds to the business investment portfolio, which was for information and did not require a vote.

Mr. Mohamed explained that the funds would not negatively impact any workforce development initiatives but ensure that UMEZ is able to meet its business investment goals for upcoming projects including the National Urban League.

Director Duncan clarified that workforce development projects would continue to be paid through loan repayments.

Hearing no further business, the meeting adjourned at 4:52 p.m.

Respectfully submitted,

Marion Phillips III
Corporate Secretary

FOR CONSIDERATION
August 31, 2020

TO: The Directors

FROM: Vicki Been

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

REQUEST FOR: **Authorization for Grant to SoHarlem, Inc. 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 $90,433 grant to support a pilot program designed to prepare Upper Manhattan residents for garment industry career opportunities.

Total Initiative Cost: $134,288

Proposed Empowerment Zone ("EZ") Investment: $90,433 (Grant)

Funding Sources:

Federal EZ SSBG Funds:	$	30,145.00
State EZ Funds:	$	30,144.00
City EZ Funds:	$	30,144.00
WDI Grant	$	16,625.00
HCDC Grant	$	20,000.00
SoHarlem In-Kind Contribution	$	7,230.00
TOTAL	**$**	**134,288.00**

Fiscal Year: 2021

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 **SoHarlem, 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 5 full time job
- Increase UM residents for garments industry apprenticeship opportunities 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 CHIEF EXECUTIVE OFFICER
UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION

DATE: AUGUST 31, 2020

SUBJECT: SOHARLEM, INC.

REQUEST FOR: UP TO $90,433 IN SUPPORT OF THE DEVELOPMENT, IMPLEMENTATION AND EVALUATION OF A PILOT CREATIVE ECONOMY INITIATIVE

PROPOSAL SUMMARY

WOI PROJECT MANAGER:	Yahshaanyah Hill, Vice President, Workforce Opportunity Investments
COMPANY:	SoHarlem, Inc.
CONTACT:	Janet Rodriguez, Founder & Chief Executive Officer
ADDRESS:	Mink Building, 1361 Amsterdam Avenue, Suite 340, New York, NY 10027
TELEPHONE/E-MAIL:	212-222-2792/Janet@soharlem.org
TYPE OF BUSINESS:	Not-for-profit place-based social enterprise charged with creating a skilled cultural workforce in Harlem
TAX STRUCTURE:	501(c)(3)
TAX ID:	47-1640149
DATE INCORPORATED:	2015
SCOPE OF WORK:	To develop, implement and evaluate a pilot one-year demand-driven pre-apprenticeship program designed to increase the preparedness of Upper Manhattan residents for garment industry apprenticeship opportunities and career pathways
TOTAL PROJECT COST:	$134,288
FINANCING REQUESTED:	$90,433
LENGTH OF GRANT:	One year
FUNDING SOURCES:	UMEZ Loan Repayments

EMPLOYMENT PROJECTIONS/APPRENTICESHIP OPPORTUNITIES:

PROJECTION	EZ	UM	OTHER	TOTAL
FULL TIME	5	0	0	5
PART TIME	0	0	0	0
TOTAL	5	0	0	5

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I. SUMMARY OF INITIATIVE

Prior to the coronavirus pandemic, workforce development policy makers and practitioners, local government, and creative industry stakeholders started to explore how the creative industries have grown and become a key source of middle-wage jobs. In 2019, the well-known policy organization, the Center for an Urban Future ("CUF") known for its use of fact-based research to elevate important and often overlooked policy issues around economic opportunity and workforce development convened a policy symposium on creative industries and the future of middle class jobs. Research findings and recommendations from the symposium suggested that workforce investments in creative industries should be leveraged to strengthen the efforts of the local workforce development system, to help jobseekers develop their skills and credentials needed to access careers that put them on the path to middle class. According to CUF, in 2019 creative industries employed over 300,000 people in New York City, of which many of the jobs were supported by middle-income wages. Creative industries include a myriad of segments such as arts, culture, photography, advertising, film, architecture, design, fashion, publishing, etc.

The current state of the local and regional economy requires vital investments in workforce development programming in support of economic recovery efforts. To date, the COVID-19 pandemic has been unprecedented in its impact on the creative sector, and other sectors such as food/hospitality, retail and construction, just to name a few. Underserved, unemployed, and under-employed Upper Manhattan residents ("UM residents") who were already disadvantaged in their pursuit of accessing industry-specific skills and workplace competencies that are necessary to secure employment and career opportunities, will suffer the impacts of the COVID-19 pandemic more acutely. Displaced workers will now need retraining and support getting back to work. As such, actors of the local workforce development system will need to implement solutions that move beyond traditional job placement strategies, propelling UM residents towards employment and career pathways once quarantine measures end. According to labor market statistics, the unemployment rate in New York City has jumped from 4.1 percent to approximately 14.2 percent from March to April of 2020.

Equally important, workforce development and non-profit organizations with programming that is designed to train and support jobseekers are facing financial hardships, while trying to serve their communities. These organizations will be critical in aligning workforce development programs with recovery efforts. In addition, non-traditional channels for job training and employment will need to be pursued by these organizations in response to a changing labor market. Organizations that are engaged in non-traditional workforce development efforts will require demand-driven investments in capacity building, program innovation, impact measurement and sustainability efforts.

To elevate the status of the creative economy, as a meaningful part of an economic and workforce development recovery strategy that is focused on non-traditional methods of developing talent pipelines, addressing skill shortages, and training a new generation of creative professionals, the Workforce Opportunity Investments team proposes to create a Creative Economy Initiative ("CEI"). Under the CEI, UMEZ recommends providing SoHarlem, Inc. ("SoHarlem"), a community-based social enterprise, a grant through an aligned funding method in the amount up to $90,433. Grant funds will support the one-year development and implementation of a pilot demand-driven Garment Industry Pre-Apprenticeship Program designed to prepare UM residents for apprenticeship opportunities that include mastering the skills required by garment industry employers. Supported by a technical assistance component, the pilot

CEI will examine the impact and potential growth of the creative economy in workforce development. In addition, the initiative will aim to build the capacity of SoHarlem to position its creative assets as sustainable and measurable to other funders.

Sources and Uses of Funds

Sources		Uses	
UMEZ Loan Repayments	$ 90,433.00	Personnel	$ 88,738.00
WDI Grant Funds	$ 16,625.00	Non Personnel	$ 21,625.00
HCDC Grant Funds	$ 20,000.00	Technical Assistance	$ 15,000.00
SoHarlem's In-Kind Contributions	$ 7,230.00	Administrative Expenses	$ 8,925.00
Total:	$ 134,288.00	Total:	$ 134,288.00

II. DESCRIPTION OF INITIATIVE

A. DESCRIPTION OF BUSINESS ORGANIZATION/BACKGROUND

Located in the Factory District of West Harlem, SoHarlem was founded in 2010 to support racial equity and employment in Harlem by incubating creative enterprises that incorporate sustainable business models. Critical to SoHarlem's mission, is the organization's work in the development of creative space and supportive services for designers who share their expertise by training community members in garment construction, leading to potential apprenticeship opportunities in the fashion industry. As a direct result of SoHarlem's support, many of these designers have established their own cottage industries. SoHarlem, a cultural incubator is focused on the development of micro-businesses related to the fashion industry.

Through creative initiatives, SoHarlem utilizes its platform to address pressing issues faced by historically disenfranchised communities, dealing with issues of poverty and high unemployment rates. As a result of SoHarlem's commitment to community economic development, the organization is highly recognized for its first-class craftsmanship, unique services to designers, and the capacity to train members of the local community.

Janet Rodriguez is the Founder and Chief Executive Officer of SoHarlem. Her idea for the creation of SoHarlem was ignited by her many years of developing community arts programs and decades of working as a grantmaker in policy-making positions in the public, private and corporate philanthropy sectors. Janet launched SoHarlem's predecessor, "Straight Out of Harlem" ("SOH") in 2004, as the only creative outlet among retail stores and bodegas of the Sugar Hill section of Harlem. She recognized that artisans whose work she was selling lacked business skills, yet their creations merited wider distribution. Janet was determined to help the unemployed and under-employed creative professionals develop business acumen.

To meet the urgent needs of jobs in her neighborhood, advance professionalism, develop artisans, preserve the neighborhood's ethnic traditions, and resolve the loss of manufacturing jobs in Manhattanville, Janet transformed SOH into SoHarlem. SoHarlem is a placed-based social enterprise charged with creating a skilled cultural workforce in Harlem.

Recognized as a key industry stakeholder, in 2010 Janet embarked on a mission to build connections and community partnerships. This involved her engaging in extensive research on various socio-economic issues that focused on the impact of the disproportionately higher number of incarcerated residents in Community Planning Board District 9, where SoHarlem is located. The results of her research efforts resulted in a two-year partnership with the Greenhope Services for Women ("Greenhope"), an alternative to incarceration program. This sparked Janet's involvement in training. It is from this partnership that women from Greenhope were recruited and served as SoHarlem's first recruits and trainees.

After ten years of building connections and community partnerships, SoHarlem has become part of the hub for arts and culture in a community stimulated by creatives and residents who continue to seek out SoHarlem's programs. SoHarlem, has organized many well-attended public programs with local individuals and organizations that are at the forefront of addressing critical cultural, environmental, historical, and literacy issues.

The programs and services administered and spearheaded by SoHarlem are a direct demonstration of the organization's commitment and desire to address high unemployment in Manhattanville, and the need to ensure that home-grown businesses and creative industry enterprises that are owned and staffed by local residents, are an integral component of the redeveloped Factory District. The following is a brief description of SoHarlem's programs and services:

The Designers' Studio Fellowship: The fellowship program is offered to a select number of emerging designers. For six months, emerging designers without funds are provided a fellowship to help them gain the skills that are necessary to launch designer lines, enter competitions and build a demand for their work.

Entrepreneurs-in-Residence Program: Experienced designers or other fashion industry creatives whose micro-enterprises were selected for incubation in the Designers' Studio are considered Entrepreneurs in Residence ("EIR"). EIR candidates must be engaged in developing enterprises at the time of application, committed to establishing them within Manhattanville's Factory District, and able to raise their own start-up capital. Selected EIR's receive space, business support services, network opportunities, finance, technology and marketing assistance. EIR's are expected to consult with emerging designers, provide hands-on training to trainees, teach workshops and lead SoHarlem's Made to Measure service.

Membership Program: This program is available for emerging and independent designers who need help developing their designs. The designers pay a tiered monthly fee for various SoHarlem services, including professional advice for Entrepreneurs-In-Residence, access to studio space, meeting space, industry resources, and in-house seamstress services.

Community Training Program: This is a free 8-12 week training program that is open to unemployed and under-employed UM residents. Participants receive instruction in apparel creation and design and studio management. Courses include instruction in sewing, cutting, fitting, stitch embroidery, fabric sourcing and garment construction. Promising trainees are offered apprenticeships working in the Designers' Studio with SoHarlem's Entrepreneurs and Designers.

Made to Measure: Recently launched in 2019, the Made to Measure program provides the public with custom-made, one-of-a-kind garments. Packages are offered in various pricing tiers.

Learn to Sew: This program is open to the public and offers training in machine safety and operation and hand-sewing techniques that include buttonholes, cross-stitching, measuring, etc.

Tailoring Services: This program is available to the public and offers consultations between the client and SoHarlem to determine the type of services the client needs, including design, patternmaking, garment construction and fabric sourcing.

The Public Space Partnership Initiative: Working in collaboration with community partners to make the District's public commons welcoming and inspirational, SoHarlem contributes to Manhattanville's environmental health through public art, greening and eco-restoration.

B. DEMONSTRATED CAPACITY AND EXPERIENCE DELIVERING TRAINING PROGRAMS

Program Outcomes and Demonstrated Partnerships

SoHarlem has piloted programs and exploratory initiatives to address community needs, since its inception. To date, a total of 47 creatives have participated in its program, of which 16 have gone on to establish their own enterprises (mainly cottage industries), and 24 women, who were formerly incarcerated, have undergone training to repurpose textiles, and to restore and create decorative items for sale.

SoHarlem has served more than 30 members of the local community through its summer youth training programs, and conducted 20 public programs. During the past three years, SoHarlem trained 26 of its neighbors in garment construction, and from that pool, eight were selected to become apprentices in the Designers' Studio to further develop their skills. In 2019, the Learn to Sew program had 45 participants.

To remain relevant and build its capacity to deliver workforce and creative services, SoHarlem has maintained partnerships with a sampling of the following partners: West Harlem Skills Training Center, Harlem Fashion Row, Jobpath, Pratt Institute Arts & Cultural Management Graduate Program; Barnard College, Made in New York City, the Nest Organization, BNP Paribas, and the Center for Employment & Education.

Key Staff Members and Board Leadership

SoHarlem is poised for success. The UMEZ supported technical assistance component that has been leveraged for the proposed pilot CEI will further enhance its successful progression. SoHarlem has the creative leadership, a small but diverse and hands-on Board of Directors, substantial partnerships and affiliations, a relationship with Janus Properties (the community developer behind the Manhattanville Factory District), and access to industry-professionals, all in place at this time.

Key staff members who will provide direction for the pilot CEI include:

- **Founder & CEO:** Janet Rodriguez brings more than 20 years experience in community art development and grantmaking. She is responsible for developing partnerships, designing and overseeing mission related programs, supporting and mentoring designers, artisans and apprentices, developing and managing operations that focus on cultural industry jobs; raising funds; board and other administrative duties.

- **SoHarlem's Entrepreneurs in Residence:** Four staff members including Javier Valencia, Henry Alfonsa Smith, Olivia Smashum and Brenda Polanco, bring decades of experience as professional designers, tailors, instructors, marketing, and industry sources.

- **SoHarlem's Seamstresses:** Three staff members including Margarita Ayala, Maria Mercedes Gomez and Jackie Puello Raboy, bring decades of experience as master seamstresses, patternmakers, drapers and instructors.

SoHarlem's Board of Directors is comprised of six actively engaged members including:

- Cassandre C. Théano (Chairwoman), Assistant Director of Human Rights & Public International Law, Columbia University
- Jessica Tombs (Treasurer), Retired Chief Financial Officer, Tinker Foundation
- Emmily de los Santos (Secretary), Assistant Project Manager, NHP Foundation
- Robin Verges, Senior Vice President, Rubenstein Associates
- Marie "Puck" Meunier, Retired Creative Executive, Koos & Co.
- Janet Rodriguez, Founder & Chief Executive Officer, SoHarlem

III. INVESTMENT PROPOSAL

Project Scope, Description of Work Plan, and WOI Capacity Building Efforts

In 2019, the UMEZ WOI team facilitated a series of strategy sessions with Janet Rodriguez, Founder & Chief Executive Officer of SoHarlem to examine the feasibility of a CEI that would strengthen SoHarlem's impact as a community-based social enterprise, while creating meaningful economic opportunities for UM residents in the creative economy. For over a year, SoHarlem and the WOI team worked together to review SoHarlem's strategic plans and to analyze the existing infrastructure of its job training and sewing programs. These efforts reinvigorated SoHarlem's commitment to resume work on strategic plan development that originally started in 2015, with greater focus and impactful knowledge from the field of workforce development.

In 2018, SoHarlem worked with the organization Nest, a not-for-profit focused on building a new handworker economy to increase global workforce inclusivity, improve women's well-being beyond factories, and preserve important cultural traditions around the world. Nest conducted a strategic assessment of SoHarlem, which assisted SoHarlem in redesigning its Designers' Studio, which was launched in 2010. The program was designed to deliver sample room services beyond just advisement to new designers, but to provide a 360-model of support and production. SoHarlem added a workforce development component, as part of the Designers' Studio with the goal of developing a program to build a network of highly skilled tailor/seamstresses and patternmakers that not only support the SoHarlem Designers' Studio, but also serve as a vehicle to address unemployment in Upper Manhattan.

The WOI team's work with SoHarlem focused on building a framework to strengthen this transition and to build SoHarlem's capacity to deliver a demand-driven workforce development program. Based on the WOI team's needs assessment, it was determined that SoHarlem would need to engage key stakeholders in the workforce development field; improve its internal operations to deliver a demand-driven program; and clearly redefine its workforce development program as a pre-apprenticeship program designed to expand access to apprenticeships and diversify the talent pipeline of skilled Upper Manhattan workers.

To this end, WOI began formulating a pilot CEI Garment Industry Pre-apprenticeship Program. UMEZ determined that a technical assistance component was necessary and identified Hot Bread Kitchen, a leading non-profit social enterprise in the food sector to administer technical assistance. The pilot initiative will operate in three phases for the duration of one year.

Project Model

Operationally, the core objective of the CEI is to develop, implement and evaluate a pilot one-year demand-driven pre-apprenticeship program that is designed to meet the needs of garment industry employers and to increase the preparedness of UM residents for garment industry apprenticeship opportunities and career pathways. The pilot initiative serves as an opportunity to promote the program to new funders, and build SoHarlem's capacity to achieve greater economic outcomes for UM residents. SoHarlem's pre-apprenticeship program will incorporate the following elements that have been defined by the U.S. Department of Labor as a quality pre-apprenticeship program:

- Connections to existing apprenticeship programs;
- Strong training and curriculum;
- Hands-on learning with a career focus; and
- Access to support services and career counseling

Several specific tasks are identified to meet these objectives:

Phase I: Develop a Infrastructure and Sustainability Plan (Months 1 to 3)

During Phase I of the pilot Initiative, SoHarlem will concentrate on building its capacity to deliver a demand-driven pre-apprenticeship program and explore a "value proposition" that can be leveraged for potential sources of funding and program sustainability. SoHarlem will develop the staffing infrastructure designed to spearhead the program. This includes the hiring of a Manager of Workforce Recruitment & Retention and leveraging the support of existing staff. Based on industry standards and SoHarlem's trainers' expertise, SoHarlem will refine its curriculum to include the basic fundamentals of sewing skills that are required to become "apprentice ready." Curriculum refinement will also include program participants required participation in skill development and job readiness programs implemented by workforce development service providers and community partners. Additionally, SoHarlem will focus on the development of standardized program tools and resources that will serve as qualifying methods to building sustainable employer and community partnerships. Marketing materials and collateral will be developed during this stage to create demand for the program. Lastly, SoHarlem will develop program milestones and metrics to establish and achieve program goals.

Phase II: Pilot Implementation (Months 4-9)

Having developed the infrastructure for the program and putting the needed staff in place, SoHarlem will pilot the "apprentice ready" program. With a refined curriculum and program tools and resources, SoHarlem will implement qualifying procedures to foster relationship-building with community partners and apprenticeship employers. Employer partners will have the opportunity to review and provide important feedback on the curriculum. In addition, pre-apprenticeship recruitment, placement and training delivery will commence. Finally, program activities will be implemented towards the achievement of identified goals and performance metrics identified in Phase I of the initiative.

Phase III: Evaluation Phase (Months 10-12)

The purpose of the pilot is to implement and evaluate whether the CEI model is viable and sustainable. During the final three months of the pilot Initiative, SoHarlem will administer a process and outcomes evaluation. The effectiveness of program activities will be evaluated, as well as program outputs and

outcomes, measuring how well intended milestones were achieved. SoHarlem will also present to UMEZ its plan for the financial sustainability of the program that identifies long-term funding strategies. During this phase, it's anticipated that SoHarlem will have outcomes deemed attractive to workforce development funders. The sustainability plan will be used to orient the philanthropic community, government agencies and non-profit workforce advocacy/workforce intermediaries on SoHarlem's "value proposition."

Sustainability Planning:
From the onset of the Initiative, SoHarlem will utilize each phase of the work plan to help crystallize a value proposition that will resonate with potential funders.

Technical Assistance, Impact Measurement and Sustainability Planning
In 2019, UMEZ solicited the support of Hot Bread Kitchen ("HBK"), a well accomplished non-profit social enterprise that creates economic opportunity through careers in food through culinary training and its incubator to help SoHarlem both understand the breadth and value of its program services, and how a refined pre-apprenticeship program can fit into SoHarlem's overall economic development strategy.

HBK has more than 10 years of experience preparing women for entry-level work in the food service industry, putting them on a path to building economic security and mobility for themselves and their families. HBK is known for its employer-driven culinary workforce development/apprenticeship program that provides comprehensive services including, technical skills training, job readiness, job placement and wrap-around support services to economically disadvantaged women who seek to achieve financial stability for themselves and their families, but who, due to inequities and systematic barriers have difficulties entering and staying in the job market. Over the past three years, HBK has been able to refine its apprenticeship program and moved from a boutique service delivery model serving only 25 to 30 women per year to one that, in 2019, has placed more than 100 women in apprenticeship opportunities that have led to good jobs within the food service sector.

HBK's incubator helps talented food entrepreneurs' jumpstart their journey toward scaling their business, gaining greater financial stability, and creating jobs in their communities. Since its inception, HBK has incubated 250 businesses.

HBK's workforce development program, while embedded in the food service sector, serves as a model with applications that can be replicated in other sectors focused on meaningful entry-level work through effective training and access to employer networks for underserved populations. Its incubator also serves as a creative model for job generation. To this end, in 2019, UMEZ facilitated a shared learning session with HBK and SoHarlem. UMEZ invited HBK's Head of Workforce Development, Karen Bornarth and Kobla Asamoah, Head of Small Business to share with SoHarlem's team their first-hand perspective and best practices on operating a successful apprenticeship program and incubator.

The meeting confirmed the importance of SoHarlem's need to incorporate the lessons learned into the CEI and pilot pre-apprenticeship program. As such, through a technical assistance arrangement, UMEZ will provide HBK with a $15,000 technical assistance grant to guide SoHarlem in implementing a pre-apprenticeship program. HBK's technical assistance will support both the Infrastructure and Sustainability and Evaluation phases of SoHarlem's CEI in the following manner:

Three sessions during Phase I: Infrastructure and Sustainability Planning:

- Provide toolkit for outreach; identifying community partners for referrals, applicant qualifications and application and selection process;
- Support the refinement and enhancement of SoHarlem's training curriculum and create evaluation metrics for assessing the effectiveness of the training;
- Provide toolkit for identifying, selecting and onboarding employment partners;
- Provide toolkit for case management framework to support clients in navigating challenges outside of the workplace; and
- Provide impact measurement framework and data collection processes, including program operations and outcomes metrics, and feedback from program participants and employment partners.

Three sessions during Phase III: Evaluation

- Work with SoHarlem to review and revise its program model based on operational and outcome metrics; and
- Evaluate and plan for future cohorts beyond UMEZ funding.

IV. FUNDING COLLABORATION

UMEZ engaged and solicited the support of potential funding partners that have demonstrated an interest and/or commitment to the proposed CEI to leverage resources; advance learning in the field (as a generator of jobs); and to assist SoHarlem with building a sustainable and measurable program model that can later be supported by larger funders.

The total project budget is $134,288. Through funding engagement, UMEZ is working with SoHarlem to directly leverage $36,625 (27% of the project budget) from other funders. UMEZ will fund $90,433 (67% of the project budget). In addition, in-kind contributions in the amount of $7,230 will be provided by SoHarlem (5% of the project budget).

Through an aligned funding method, UMEZ will seek to work with SoHarlem, the Workforce Development Institute, and Harlem Community Development Corporation to pool resources for the CEI to achieve greater outcomes for underserved, unemployed and under-employed UM residents. A collaborative funding partnership will be pursued with the following grantmakers:

Workforce Development Institute ("WDI")

WDI is a statewide non-profit organization that works to keep good jobs in New York State. The organization works to facilitate projects that build the workforce skills of individuals, while strengthening the ability of employers to hire, promote and retain workers. Through partnerships and collaborations with businesses, unions, other non-profits, educational institutions, and government, WDI provides funding that fills gaps not covered by other organizations. UMEZ has engaged in a series of planning meetings with Lisa Futterman, WDI's Regional Director of New York City. Lisa also is a member of the NY Regional Economic Development Council and maintains a shared commitment to elevating the status of the creative economy in economic and workforce development. The amount anticipated from WDI is $16,625.

Harlem Community Development Corporation ("HCDC")
HCDC plans and facilitates a range of community revitalization initiatives in Harlem to strengthen the economic vitality of the Upper Manhattan Community. To support the elevation of the creative economy as a viable method of job generation, UMEZ will partner with HCDC to implement the pilot CEI. Through the partnership, HCDC will provide $20,000 towards the initiative. UMEZ, a key architect of the program, will serve as the fiscal administrator providing operational capacity and direct oversight of program activities and project funds.

V. JOB CREATION

COVID-19 Pandemic Support and Workforce Development Opportunities
The COVID-19 pandemic has spawned an economic crisis that has resulted in many New Yorkers losing their jobs and livelihoods. Unemployment in New York City ("NYC") is at an alarmingly high rate (14.2 percent from March to April 2020), creating the need for the local workforce system to devise workforce development plans that will address the current health crisis and the crisis as it begins to diminish.

At the height of the pandemic came an urgent demand for Personal Protective Equipment ("PPE") that included surgical gowns and face masks, among other things. To meet this demand, NYC Mayor DeBlasio is leveraging the support of the garment industry. Several garment/fashion industry companies have shifted their focus from making clothes to PPE.

SoHarlem is an integral part of the City's efforts to develop PPE to protect our essential workers, as well as ensuring that the Harlem community is equipped with appropriate gear. In April, SoHarlem reopened its operations for the sole purpose of making gowns and masks for NYC Hospitals. This month, SoHarlem will complete an order of 2000 masks and 300 gowns for these institutions. SoHarlem is also making reusable cotton masks for various community groups and their constituents.

NYC's garment/fashion industry is gaining more significance as the demand for individuals skilled in sewing increases. As a result, jobs in the garment industry are expected to grow, but while NYC's demand for PPE continues to grow, there is a talent shortage in skilled sewers. These factors make the work of SoHarlem even more meaningful as the local workforce system plans for economic recovery.

VI. PROJECTED OUTCOMES

Collectively, the WOI team and SoHarlem determined that the following measures will define success:

- Hiring of the Manager of Workforce Recruitment & Retention;
- Development of five opportunities for UM residents to become Apprentices, earning livable wages and career track opportunities;
- Development of a demand-driven curriculum focused on the basic fundamentals of sewing with input and feedback from designated apprenticeship employers and partners with whom SoHarlem will have cultivated relationships;
- Development of a practical Apprenticeship Ready Training program to meet the needs of garment industry employers whose employment needs align with SoHarlem's pre-apprenticeship talent pool; at least 12 meetings and quarterly group meetings hosted by SoHarlem or its partners;
- Development of apprenticeship job standards in terms of wages, career advancement and permanent placement opportunities;

- Development of a process to qualify, document and track trainees recruited, number of trainees who complete the program, number of trainees placed as apprentices; feedback and challenges from apprenticeship employers and the necessary follow-up conducted to make demand-driven program enhancements;
- Development of an on-going industry list through following trends, new companies and industry referrals from which discovery meetings and research will be conducted prior to apprenticeship employer selection;
- Development of partnerships with six organizations that are complementary to SoHarlem's efforts, share its goals, and are committed to recruiting UM residents who can benefit from SoHarlem's pre-apprenticeship program;
- Development standards around partnership creation and onboarding apprenticeship employers;
- Development of an industry-specific common assessment tool and criteria that can be utilized by community organizations to assess the readiness, interest and dedication of program participants to enroll in the pre-apprenticeship program;
- Development of marketing tools for the pre-apprenticeship program; and
- Development of impact measurement and data collection processes, and outcome metrics.

VII. FINANCING REQUESTED

Funding Sources:

Sources	Total
UMEZ Loan Repayments	$ 90,433.00
WDI Grant Funds	$ 16,625.00
HCDC Grant Funds	$ 20,000.00
SoHarlem's In-Kind Contributions	$ 7,230.00
Total Project Cost	**$ 134,288.00**

Uses	UMEZ	WDI	WHDC	SoHarlem	Total
Personnel	$ 86,508.00	$ 0.00	$ 0.00	$ 2,230.00	$ 88,738.00
Non Personnel	$ 0.00	$ 16,625.00	$ 5,000.00	$ 0.00	$ 21,625.00
Technical Assistance	$ 0.00	$ 0.00	$ 15,000.00	$ 0.00	$ 15,000.00
Administrative Expenses	$ 3,925.00	$ 0.00	$ 0.00	$ 5,000.00	$ 8,925.00
Total Project Cost	**$ 90,433.00**	**$ 16,625.00**	**$ 20,000.00**	**$ 7,230.00**	**$134,288.00**

VIII. INVESTMENT CRITERIA

A. Impact

- The project will elevate the status of the creative economy, as a job generator and meaningful part of an economic workforce development recovery effort due to the COVID-19 pandemic; and
- The project will generate pathways to employment and careers for underserved UM residents.

B. Feasibility

- UMEZ worked with SoHarlem on strategic plan development to refine its workforce development program into one that is demand-driven; and

- UMEZ solicited the support of HBK to provide technical assistance. HBK has achieved significant outcomes for both its apprenticeship program and incubator.

C. Strengths

- The project will allow UMEZ to examine the impact and potential growth of the creative economy in workforce development;
- As a result of COVID-19, the garment industry will be instrumental in the ongoing demand for PPE requiring skilled sewers; and
- The caliber of the trainers and training facility where training will take place is appropriate. The training facility is not just a classroom, but also a fully functioning compact manufacturing facility in Upper Manhattan. Pre-apprentices will be able to see how the garment industry works first-hand.

D. Risks

- The COVID-19 pandemic causes many economic uncertainties;
- Non-profits and workforce development organizations are facing financial hardships;
- SoHarlem needs more infrastructure support; and
- The creative economy has experienced unprecedented hardships.

IX. RECOMMENDATION

UMEZ Grant Amount:	$90,433.00
Term:	One-year
Conditions:	SoHarlem and HBK must each adhere to a Schedule of Deliverables and provide reports substantiating the achievement of program milestones

SoHarlem, Inc.
Statement of Activities

August 24, 2020
WOI Grant proposal for $90,433

$ US	**Fiscal Year ending December 31**		
	FY17	**FY18**	**FY19**
Revenue & Support			
Donations	140,439	203,205	185,824
Earned Income/Programs	12,997	9,290	29,207
Other	36,937	-	-
Grants	29,568	128,655	170,875
Matching Gifts	-	3,153	-
Total Revenue & Public Support	**219,941**	**344,303**	**385,906**
% Change in Revenue	N/A	57%	12%
% Change in Expense	N/A	14%	33%
Expenses			
Staffing	40,929	30,521	41,526
Program Expenses	20,028	38,705	42,353
Business Expenses/Strategic Planning	94	-	16,680
Communications, Marketing and Advertising	10,621	54,346	33,867
Computer and Internet	4,960	31,360	4,458
Contract Services	1,700	-	6,700
Public/Private Partnership	-	-	65,000
Space, Facilities and Equipment	130,021	123,425	153,455
Fees	975	251	340
Fundraising	1,414	186	7,534
Insurance/Legal	3,749	4,255	4,751
Operations	1,178	1,957	3,214
Travel	28	105	239
other Expenses	34,354	-	-
Total Expenses	**250,051**	**285,111**	**380,117**
Change in net assets	**(30,110)**	**59,192**	**5,789**
Net assets, beginning of year	**35,093**	**4,983**	**64,175**
Net Assets, End of Year	***4,983***	***64,175***	***69,964***

SoHarlem, Inc.
Statement of Financial Position

August 24, 2020
WOI Grant proposal for $90,433

$US	**Fiscal Year ending December 31**		
	FY17	FY18	FY19
Assets			
Cash, savings and investments	4,983	64,175	65,143
Pledges and grants receivable	-	-	-
Total cash, pledges and grants receivable	**4,983**	**64,175**	**65,143**
Land, buildings and and equipment	-	-	5,000
Less: accumulated depreciation	-	-	179
Total Deductions	-	-	4,821
Total Assets	4,983	64,175	69,964
Liabilities			
Accounts payable and accrued expense	-	-	-
Deferred revenue	-	-	-
loans and other payables	-	-	-
Total Liabilities	-	-	-
Total Liabilities & Net Assets	***4,983***	***64,175***	***69,964***

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 29th DAY OF JUNE 2020

WHEREAS, the Human Capital & Quality of Life Development Committee (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 twelve (12) months to SoHarlem, Inc., for implementation of the Creative Economy Initiative (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 the Project and authorizes UMEZ to submit the Project to the New York Empowerment Zone Corporation for authorization to fund an investment not to exceed NINETY THOUSAND FOUR HUNDRED THIRTY-THREE DOLLARS ($90,433), 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 twelve (12) 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.

August 31, 2020

UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – **SoHarlem, Inc.** – A $90,433 grant in support to a pilot program to provide training in garment industry and career pathways.

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 **SoHarlem, Inc.** (the "Initiative") in support to a pilot program to provide training in garment industry and career pathways. The Corporation is hereby authorized to disburse to UMEZ an amount not to NINETY THOUSAND FOUR HUNDRED THIRTY THREE DOLLARS ($90,433) 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 NINETY THOUSAND FOUR HUNDRED THIRTY THREE DOLLARS ($90,433) 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
August 31, 2020

TO: The Directors

FROM: Vicki Been

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

REQUEST FOR: **Authorization for Loan/Grant to Business Resource Investment Service Center (BRISC) to fund a Micro Loan Program Initiative and to Take Related Actions.**

I. Initiative Summary

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

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

Proposed Initiative: A $1,500,000 loan and $500,000 grant to provide micro loans and technical assistance to entrepreneurs and small businesses affected by COVID-19 pandemic and related administrative costs.

Total Initiative Cost: $2,000,000

Proposed Empowerment Zone ("EZ") Investment: $2,000,000 (Loan/Grant)

Funding Sources:

Federal EZ SSBG Funds:				666,667.00
State EZ Funds:				666,666.00
City EZ Funds:				666,667.00
			TOTAL	**2,000,000.00**

Fiscal Year: 2021

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/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 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/loan from UMEZ to **BRISC Micro Loan 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 interest and principal payments for loans made under this initiative is further subject to the approval of New York Empowerment Zone Corporation's Board of Directors. The disposition of recovered grants is likewise subject to Directors' approval.

IV. Initiative Benchmarks

The initiative will achieve the following benchmarks:

- 40 businesses micro loans projected

V. Residents Benefits

This Initiative will benefit EZ residents:

- 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.
- 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.
- The needs of existing businesses in the EZ/EC, including without limiting the foregoing, expansion of such existing businesses to stimulate job creation.

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 Corporation, Board of Directors**
From: **Blair M. Duncan, President and Chief Executive Officer**
Upper Manhattan Empowerment Zone Development Corporation
Date: **August 31, 2020**
Subject: **$1,500,000 Term Loan and $500,000 Grant to Fund the BRISC Microloan Program**

Proposal Summary

This proposal is a request for funding to fund the Business Resource and Investment Service Center, Inc. ("BRISC") Microloan Program in the amount of $2.0 million. The funding request has two components: (1) a zero percent (0%) interest term loan of $1,500,000 and (2) a grant of $500,000.

BRISC is the Upper Manhattan Empowerment Zone Development Corporation's ("UMEZ") institutional response to small business needs within the Zone. The BRISC mission is to provide capital and technical assistance to entrepreneurs and small businesses that will have a positive economic impact in the Empowerment Zone. These businesses typically have difficulties obtaining capital from traditional capital sources, such as commercial banks.

Preliminary Terms

TERM LOAN SUMMARY	
Borrower:	BRISC (Business Resource Investment Service Center)
Funding:	Loan
Amount:	$1,500,000
Purpose:	To fund an Upper Manhattan Empowerment Zone Microloan Program
Maturity:	Six (6) years after closing
Repayment:	Bullet Maturity
Ranking:	Unsecured debt
Rate:	Zero percent (0%)
Covenants:	Governing operations

GRANT SUMMARY	
Borrower:	BRISC (Business Resource Investment Service Center)
Funding:	Grant
Amount:	$500,000
Purpose:	To fund an Upper Manhattan Empowerment Zone Microloan Program
Maturity:	N/A
Repayment:	None
Ranking:	N/A
Rate:	N/A
Covenants:	Governing operations

SOURCES		USES	
UMEZ Term Loan	$1,500,000	BRISC Microloan Program	$2,000,000
UMEZ Grant	$500,000		
Total	**$2,000,000**	**Total**	**$2,000,000**

Background

Since the World Health Organization first declared COVID-19 a world health emergency in January 2020, the virus has been detected in over 150 countries and all U.S. states. The infection has sickened millions of people, with thousands of fatalities. On March 11, 2020, the World Health Organization announced that the outbreak was officially a pandemic, the highest health emergency level.

Within the United States, New York City emerged as the virus epicenter. Efforts to reduce social interaction to contain the spread of the virus froze the daily lives of all New Yorkers including entrepreneurs and owners of small businesses.

As an essential part of the New York City economy, small businesses anchor communities, create jobs, and add to the vibrancy of New York City's neighborhoods. Of the more than 200,000 businesses located in New York City, 98% are small (fewer than 100 employees) and 89% are very small (fewer than 20 employees).[1] These small businesses employ more than half of New York City's private sector workforce, and often provide the first chance for economic self-determination and a path to the middle class for their owners.

While the true economic cost of the pandemic is yet to be determined, it is certain that many small businesses have been adversely affected due to the COVID-19 pandemic, particularly within Upper Manhattan. According to a study by the National Bureau of Economic Research issued in June 2020, African American, Latinx, and female owned businesses were disproportionally hit hard by social distancing restrictions and demand shifts from COVID-19.[2] Additionally, minority owned businesses have a harder time accessing capital through traditional sources, such as banks and federal programs, than white-owned businesses.

[1] Small Business First Report, New York City.
[2] The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey, NBER Working Paper No. 27309, June 2020.

New York State PAUSE & Forward Plan – New York City

In response to this public health pandemic, Governor Cuomo issued The New York State PAUSE Executive Order that mandated that all non-essential businesses statewide to close in-office personnel functions in March 2020. This executive order banned all non-essential gatherings of individuals of any size. This order brought nearly all economic and trade activities, from tourism to restaurants to retail, and a range of social activities to a standstill.

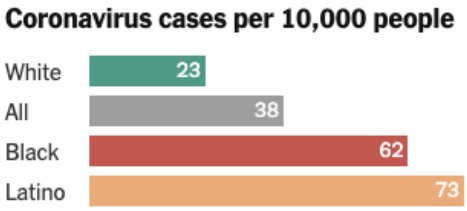
As the rate of infection has decreased in New York State, Governor Cuomo established The New York State Forward Plan to reopen businesses in four phases, prioritizing industries that pose the lowest risk of infection for employees and customers. State and local officials continue to evaluate the outcomes of the reopening phases and set dates of each phase. At the date of this memo, New York City was in Phase 4.

	NEW YORK STATE FORWARD PLAN (NEW YORK CITY) INDUSTRIES ALLOWED TO OPEN	BEGINNING DATE
Phase 1	Construction, manufacturing, and wholesale supply-chain businesses. Retailers for curbside pickup, in-store pickup, or drop-off. Retail include clothing and shoes, electronics and appliances, web and mail-order, florists, jewelry, luggage, and sporting goods.	June 8, 2020
Phase 2	Offices, outdoor dining, places of worship (at 25% capacity), and storefront retailers and businesses in the professional-services, finance and insurance, administrative support, and real-estate and rental-leasing industries.	June 22, 2020
Phase 3	Hospitality industry allowed to reopen at 50% capacity. Gatherings are 25 people, up from 10, are also allowed.	July 6, 2020
Phase 4	Cultural venues open for outdoor activities at 33% of the venues' total capacity. Professional sports can open without fans.	July 20, 2020
*Not permitted until further notice	Indoor businesses including dining, gyms, malls, movie theaters, and museums. Public schools.	TBD

As a result of new regulations and lower customer demand, many small businesses are in financial distress and lack sufficient capital to plan for the market uncertainty. A partially forgivable microloan program would assist businesses that are reopening and facing ongoing financial hardship due to the COVID-19 pandemic.

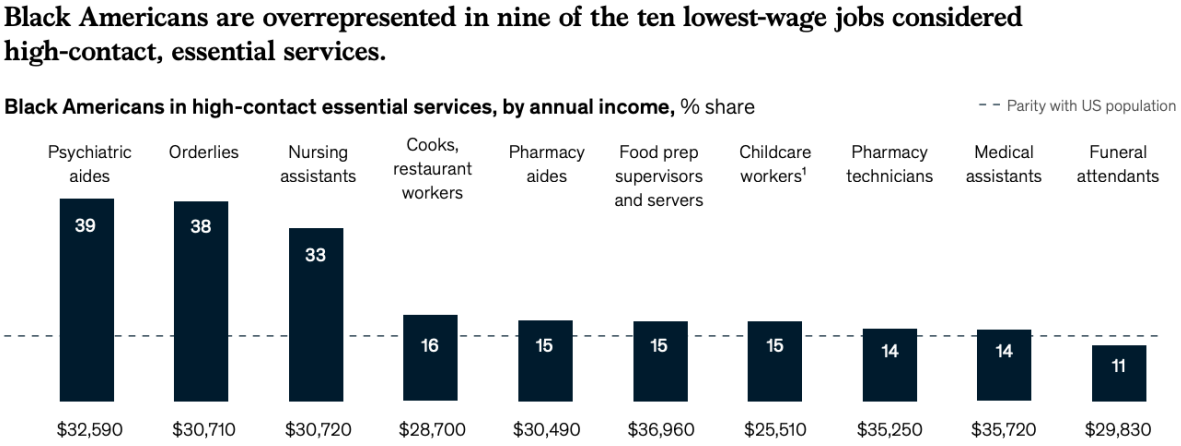
COVID-19 and Minority Owned Businesses

According to the Center for Disease Control and Protection and the NYTimes, as of July 2020, Black and Latino Americans have contracted the coronavirus over 3x the rate of White Americans.[3]



Source: NYTimes: The Fullest Look Yet at the Racial Inequity of Coronavirus, July 2020.

In part, this is due to a predominance of people of color in front-line positions. Based on a study conducted by McKinsey & Company, Black Americans are overrepresented in 9 of the 10 lowest-wage jobs considered high-contact, essential services, such as medical assistants, food preparation, and childcare. As a result, the Black population face greater health risks in their jobs than other groups.[4]



Source: COVID-19: Investing in Black Lives and Livelihoods, McKinsey & Company, April 2020.

In addition, Black and Hispanic business owners also face disproportionate challenges versus White business owners. Based on a 2020 study by the University of California, Santa Cruz, more than 40% of Black business and 32% of Hispanic business owners nationwide reported they weren't working in April when businesses were feeling the worst of the pandemic's economic consequences.[5] Only 17% of White small business owners said the same. Furthermore, based on a survey conducted by Unidos US, among the African American and Latinx small business owners who were still open and operating in May 2020, nearly 50% said that they would be forced to close within 6 months if the economic conditions remain the same.[6]

Prior to the pandemic, minority owned businesses were already financially weaker than White owned business. The onset of COVID-19 only exacerbated this problem. Based on a 2019 study by the JPMorgan Chase Institute, small businesses in Black and Hispanic neighborhoods also have smaller cash reserves than majority white neighborhoods and may run out of cash faster.[7]

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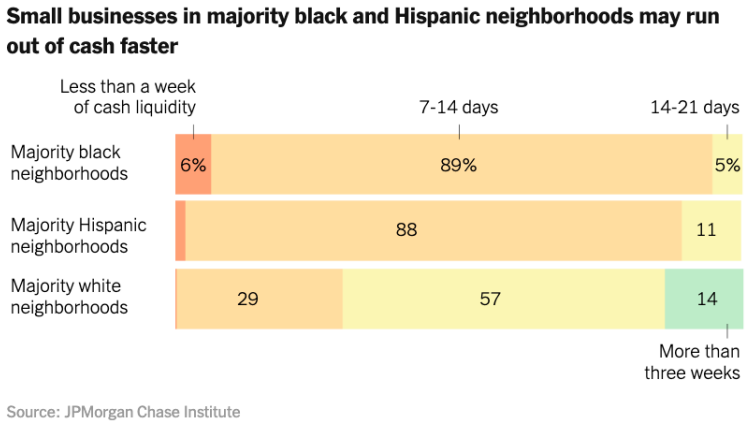
[3] The Fullest Look Yet at the Racial Inequity of Coronavirus, NYTimes, July 2020.
[4] COVID-19: Investing in Black Lives and Livelihoods, McKinsey & Company, April 2020.
[5] The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Study, Stanford Institute for Economic Policy, May 2020.
[6] Federal Stimulus Survey Findings, Unidos US and Color of Change, May 2020.
[7] Place Matters: Small Business Financial Health in Urban Communities, JP Morgan Chase & Co Institute, September 2019.



Black and Hispanic owned businesses have also benefited less from federal stimulus programs. Based on a survey conducted between April 30 and May 12, only 12% of Black and Hispanic business owners polled between, received federal funding that they had requested.[8] About 25% received some funding. By contrast, half of all small businesses reported receiving funds from the Paycheck Protection Program according to a census survey.[9]

Demand for Microloans within Upper Manhattan

To better understand the impact of COVID-19 on Upper Manhattan small businesses, UMEZ reached out to more than 150 Upper Manhattan businesses in June 2020. Of the businesses surveyed, 80% of the businesses were either Black, Hispanic, woman-owned, or a combination of the three. More than 90% of these businesses stated that they were operating less than 50% of normal activity compared to this time in June 2019.

We found that the demand for microloans is high for the Upper Manhattan small business community, which reflects more than 90% of businesses with annual revenues less than $750,000. Of these businesses, approximately 70% of the businesses surveyed stated that they were interested in loans and 90% stated they were interested in grants.

The Program

Although the state and federal government have established various loan programs through the Small Business Association, given the unprecedented and prolonged shutdown in New York City, it is likely that small businesses will need help beyond what the Small Business Association is able to do.

[8] Federal Stimulus Survey Findings, Unidos US and Color of Change, May 2020.
[9] Few Minority-Owned Businesses Got Relief Loans They Asked For, NYTimes, May 2020.

To increase the likelihood of sustainability of Upper Manhattan small businesses, UMEZ proposes to offer a partially forgivable Microloan Program to qualified businesses under the terms below.

SUMMARY TERMS	
Amount:	Up to $50,000
Purpose:	To fund a partially forgivable microloan program targeting existing small businesses, who face financial hardship due to COVID-19.
Qualified Businesses:	Eligible businesses must meet ALL of the following qualifications: (1) Applicant is a for profit business with not more than 20 employees. (2) Applicant is not engaged in any illegal activity (as defined by Federal guidelines). (3) Applicant is located in Upper Manhattan (as defined by the Upper Manhattan Empowerment Zone). (4) Applicant must have been in operation for at least twenty-four (24) months as of the date of the application. (5) Business must not be publicly traded. (6) Business must have a physical storefront. (7) Business must have annual gross revenue less than $750,000. (8) Business must not be a franchise, payday loan store, pawnshop, involved in adult entertainment or gambling, trailer-storage yard, or a marijuana dispensary. (9) Every owner than owns more than 20% must have a credit score above 580. (10) No liens or judgments against the business upon closing. (11) Applicant may have received EIDL or PPP funding. In addition, priority will be given to businesses that meet any of the requirements below: (1) Business is Black or Hispanic owned (2) Business is woman owned (3) Business is immigrant owned Any business that currently has a loan associated with UMEZ or BRISC is ineligible.
Program Term:	August 1, 2020 to July 31, 2021.
Business Impact:	The program is expected to have a direct impact on no fewer than forty (40) businesses.

Eligible Applicants

While the focus of the Program will be to serve Upper Manhattan small businesses, nonprofit entities will also be considered. Applicants cannot be active direct borrowers or grantees of UMEZ or BRISC. UMEZ will make best efforts to allocate funding across each of Community Boards 9, 10, 11 and 12 in proportion to their population.

Loan funds will be offered on a "first come and as funds permit basis" to any qualified small businesses or nonprofit seeking to participate in the program. The program will make available loan funds to eligible businesses as long funds permit or until August 31, 2021, whichever comes first.

Loan Structure

LOAN PROGRAM STRUCTURE	
Purpose:	Loans may be used by the applicant for business purposes only.
Loan Amount:	Up to $50,000
Loan Size Determination:	Loan Sizing will be based on any of the following criteria, whichever is less: • $50,000 • 10% of annual average revenue based on 2019 tax returns • Monthly debt service that is less than net income All loan amounts are subject to adjustments as determined by UMEZ.
Interest Rate:	3.0%
Term:	60 months
Amortization:	Twelve (12) month interest only. Loans will be amortized over a forty-eight (48) month period at 3.0% after the twelve (12) month interest only period.
Forgiveness Criteria:	25% of the original loan will be forgiven if the business meets ALL of the following: • Business must be operational. • The business made on time payments for the first 48 months (12 months interest only and 36 months principal and interest). • Certified copy of the first-year federal tax return or receipt of tax transcript from the IRS for the applicable year. • Proof of no liens or judgments for unpaid taxes. • Site visit(s) by the staff of UMEZ.
Payment:	Payments will be made by weekly ACH electronic payments.
Security:	Loans will be secured by a UCC Blanket Filing.
Personal Guarantee:	A personal guarantee will be required for each owner that owns more than 20% of the business.
Application Fee:	None

Competitive Landscape

The BRISC Microloan Program is a unique product as it incorporates a loan and conditional grant to support Upper Manhattan small businesses as they proceed to reopen following the COVID-19 pandemic. This hybrid program is expected to incentivize businesses to stay open during the pandemic and remain open as the economy recovers. There are a number of recent funding programs in the marketplace, however no program incorporates all the aspects as the BRISC Microloan Program

The New York Forward Loan Fund

The New York Forward Loan Fund is a new economic recovery loan program aimed at supporting New York State small businesses, nonprofits, and small landlords as they reopen after the COVID-19 outbreak and NYS on PAUSE. The Forward Loan Fund targets the state's small businesses with 20 or fewer full-time equivalent employees, nonprofits, and small landlords that have seen a loss of rental income. The Forward Loan Fund is specifically timed to support businesses and organizations as they proceed to reopen and have upfront expenses to comply with guidelines (e.g., inventory, marketing, refitting for new social distancing guidelines) under the New York Forward Plan. Small businesses that obtained EIDL or PPP funding are not eligible to apply for funding.

Columbia University Emergency Loan Fund

The Columbia Emergency Loan Fund for Small Businesses is a relief program that disperses capital to assist small businesses struggling as a result of the coronavirus pandemic. The Columbia Emergency Loan is a 60-month loan that targets independent businesses above 96th Street with 50 or fewer full-time employees. Up to 50% of the remaining outstanding loan balance forgiveness is allowed after 48 on time monthly payments (up to approximately 10% of the original loan amount).

LISC Rapid Relief and Resiliency Fund

LISC Rapid Relief and Resiliency Fund provides resources into historically under-invested communities that are affected by the current pandemic. The LISC fund will focus historically underserved communities—especially those enterprises owned or led by minorities and women, who often lack access to affordable capital. The LISC Rapid Relief and Resiliency Fund aims to assist small businesses to stay afloat and to support community organizations to meet expenses such as rent and utilities, payroll, outstanding debt to vendors, technology infrastructure, and emergency cash.

In addition, in partnership with Lowe's, LISC will provide emergency assistance to small businesses that are affected by the COVID-19 pandemic. LISC will deploy grants to help businesses bridge the financial gap and provide guidance to help them navigate the intricate web of public and private resources.

COMPARISON OF COMPARABLE MICRO LOAN PROGRAMS

LOAN PROGRAM	MAX LOAN	INTEREST RATE	TERM	USES	ELIGIBILITY	FORGIVENESS
BRISC Microloan Program	Up to $50,000	3.0%	5 Years, prepayment allowed	Any approved business use	Upper Manhattan, small businesses - 20 or fewer employees, revenues less than $750,000 per year	Up to 25%
New York Forward Loan Fund	Up to $100,000	3.0%	5 Years, prepayment allowed	Working capital, inventory, marketing, refitting for new social distancing guidelines, operating and emergency maintenance, property taxes, utilities, rent, supplies, etc.	New York City Small Businesses – 20 or fewer employees, revenues less than $3.0 million per year. No EIDL or PPP loans	None
Columbia University Emergency Loan Fund	$5,001-$50,000	3.75%	5 Years, prepayment allowed	Loan funds can be used for equipment, inventory, building renovations, operating capital, and business expansions.	Upper Manhattan small businesses - 50 or fewer employees	50% Loan Remaining Balance Forgiveness after 48 months (up to 10%)
LISC Rapid Relief and Resiliency Fund	TBD	TBD	TBD	Rent and utilities, payroll, outstanding debt to vendors, technology infrastructure, and emergency cash.	Urban and rural communities across the U.S.	Mix of loan and grants. Details of the program are to be determined.

Application Process

Applicants will be required to submit a completed loan application along with the following information:

- Certificate of Good Standing.
- Copy of 2018 and 2019 corporate federal tax returns.
- Personal tax returns for each owner who owns more than 20% of the business.
- Interview with UMEZ staff. Interviews may be conducted via phone, video call, or in-person prior to the fund disbursement.

Program Approval Process

The approval process for this credit facility will be efficient and prudent. It is envisioned that there will be a four week turn-around time for each application once all the required documents are received.

Final lending decisions will be made by the BRISC Loan Committee. Approval will be based on the combination of the following:

- Financial operations in 2018 and 2019
- Strength of personal guarantees
- Interviews
- Propensity for bankruptcy – UMEZ will TransUnion bankruptcy prediction scores as well as an assessment of management acumen

Program Issues—Merits and Considerations

MERITS	CONSIDERATION
• Program's turnaround time allows businesses to plan re-opening and incorporate capital infusion during challenging times. • The forgivable nature of the loan will allow small business owners to offset a portion of company expenses. • Forgivable component encourages businesses to remain open for more than 4 years.	• The economic and lasting effects of COVID-19 are unknown. • At the time of this memo, the PAUSE executive order was still in effect for many businesses. There is no indication when this order will be fully lifted. • Loan amounts may be considered too small to make a significant impact. • Collection of un-forgiven loans may be problematic.

Recommendation

UMEZ Staff seeks the Committee's recommendation to the UMEZ Board of Directors for approval of a zero percent (0%) interest term loan in the amount of $1,500,000 and a grant of $500,000 to fund the BRISC Microloan Program.

RESOLUTION OF THE EXECUTIVE COMMITTEE
OF THE BOARD OF DIRECTORS OF
UPPER MANHATTAN EMPOWERMENT ZONE
DEVELOPMENT CORPORATION

PURSUANT TO SECTION 2 OF ARTICLE V OF THE BY-LAWS

REGARDING APPROVAL TO FUND A MICROLOAN PROGRAM

AT A MEETING HELD ON THE 18TH DAY OF AUGUST 2020

WHEREAS, the Economic and Physical Development ("EPD") 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 the Business Resource and Investment Service Center, Inc. ("BRISC") Microloan Program for the Upper Manhattan community (the "Project"); and

WHEREAS, the Executive 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 Executive Committee of 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 an investment not to exceed TWO MILLION DOLLARS ($2,000,000) 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 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.

August 31, 2020

UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – **Business Resource Investment Service Center (BRISC) Microloan Program –** A $1,500,000 loan and $500,000 grant to provide micro loans and technical assistance to entrepreneurs and small businesses affected by COVID-19 pandemic and related administrative costs.

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 **Business Resource Investment Service Center Micro Loan Program** (the "Initiative") to provide micro loans and technical assistance to entrepreneurs and small businesses affected by COVD-19 pandemic and related administrative costs. The Corporation is hereby authorized to disburse to UMEZ an amount not to exceed TWO MILLION DOLLARS ($2,000,000) 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 an amount not to exceed TWO MILLION DOLLARS ($2,000,000) 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.

***

FOR CONSIDERATION
August 31, 2020

TO: The New York Empowerment Zone Corporation Board of Directors

FROM: Vicki Been

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

REQUEST FOR: **Authorization for Upper Manhattan Empowerment Zone Development Corporation's Administrative Budget Fiscal Year 2021 and to Take Related Action.**

The Directors are requested to approve an operating budget for fiscal year 2021 for the Upper Manhattan Empowerment Zone Development Corporation ("UMEZ"). 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. UMEZ's proposed administrative budget fiscal year 2021 is THREE MILLION NINE HUNDRED FIFTY- SEVEN THOUSAND SIX HUNDRED FIVE DOLLARS ($3,957,605).

Upper Manhattan Empowerment Zone Development Corporation
Annual Administrative Operating Fund Statement
For the period July 1, 2020 to June 30, 2021

Salaries & Wages	$ 2,119,669.00
Fringe Benefits	736,687.00
Non-Personnel	
Office Supplies	12,500.00
Travel	6,000.00
Training/Conference:	
Training & Conference Fees	10,000.00
Lodging	
Meals	10,000.00
Equipment Rental	22,000.00
Office Rent	389,249.00
Office Rental Income	-
Real Estate Taxes	28,000.00
Equipment & Software Purchase	7,500.00
Maintenance & Repairs	30,000.00
Telephone/Communications	19,000.00
Internet Access/Data Backup	40,000.00
Utilities	12,000.00
Postage, Messenger & Courier Service	
Postage	2,000.00
Courier/Messenger Services	1,500.00
Printing & Reproduction	2,500.00
Publications/Outreach	2,000.00
Subscriptions/Membershp	25,000.00
Consultants:	
Legal	195,000.00
Financial Audits	55,000.00
Temp. Staff/Other Consulting	150,000.00
Fellows/Internships	-
Liability Insurance	41,000.00
Board Expenses	8,000.00
Alarm & Protection	6,000.00
Miscellaneous	
ADP Charges	7,000.00
Other Miscellaneous Expenses	20,000.00
Total	**$ 3,957,605.00**

UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION
PROPOSED ANNUAL COMBINED ADMINISTRATIVE BUDGET
PERIOD: JULY 1, 2020 - JUNE 30, 2021

		FY 2021 BUDGET	FY 2020 BUDGET	FY 2020 PROJECTED
	EXPENSES			
	Personnel Services:			
1	Salaries & Wages	2,119,669	2,121,435	1,896,356
2	Fringe Benefits	736,687	718,074	643,798
3				
4	**Total Personnel Services**	2,856,356	2,839,508	2,540,154
	Non-Personnel Services:			
5	Office Supplies	12,500	12,500	7,162
6	Travel	6,000	6,000	3,842
7	Training/Conference:			
8	Training & Conference Fees	10,000	10,000	16,348
9	Meals	10,000	10,000	7,269
10	Equipment Rental (mailing machine, cooler & copier)	22,000	22,000	20,903
11	Occupancy Cost:			
12	Office Rent	389,249	389,249	389,249
13	Real Estate Taxes	28,000	25,000	27,484
14	Equipment & Software Purchases	7,500	7,500	10,745
15	Maintenance & Repairs	30,000	30,000	28,993
16	Telephone/Communications	19,000	19,000	17,677
17	Internet Access/Data Backup	40,000	33,000	69,845
18	Utilities	12,000	12,000	8,440
19	Postage, messenger, & Courier services:			
20	US Postage	2,000	2,000	2,000
21	Courier/Messenger Services	1,500	1,500	1,768
22	Printing & Reproduction	2,500	2,500	-
23	Publication	2,000	2,000	98
24	Subscriptions/Memberships	25,000	25,000	26,068
25	Consultants:			
26	Legal	195,000	110,000	57,000
27	Financial Audits	55,000	55,000	55,000
28	Temporary Staff/Other Consulting Services	150,000	195,000	205,419
29	Liability Insurance	41,000	41,000	33,260
30	Board Expenses	8,000	8,000	4,216
31	Alarm & Protection	6,000	6,000	4,515
32	Miscellaneous:			
33	ADP Charges	7,000	7,000	4,603
34	Other (Administrative fees related to above)	20,000	25,000	8,686
35				
36	**Total Non-Personal Services**	1,101,249	1,056,249	1,010,588
37	**Total Expenses**	**3,957,605**	**3,895,757**	**3,550,741**

UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION					
PROPOSED ANNUAL ADMINISTRATIVE BUDGET					
PERIOD: JULY 1, 2020 - JUNE 30, 2021					
			FY 2021	**FY 2020**	**FY 2020**
			Budget	**Budget**	**Projected**
EXPENSES					
Personnel Services:					
1		Salaries & Wages	2,043,919	2,050,185	1,846,866
2		Fringe Benefits	710,932	694,561	627,466
3					
4		**Total Personnel Services**	2,754,851	2,744,746	2,474,332
Non-Personnel Services:					
5		Office Supplies	12,500	12,500	7,162
6		Travel	6,000	6,000	3,842
7		Training/Conference:			
8		Training & Conference Fees	10,000	10,000	16,348
9		Meals	10,000	10,000	7,269
10		Equipment Rental (mailing machine, cooler & copier)	22,000	22,000	20,903
11		Occupancy Cost:			
12	*	Office Rent	311,399	311,399	311,399
13		Real Estate Taxes	28,000	25,000	27,484
14		Equipment & Software Purchases	7,500	7,500	10,745
15		Maintenance & Repairs	30,000	30,000	28,993
16		Telephone/Communications	19,000	19,000	17,677
17		Internet Access/Data Backup	40,000	33,000	69,845
18		Utilities	12,000	12,000	8,440
19		Postage, messenger, & Courier services:			
20		US Postage	2,000	2,000	2,000
21		Courier/Messenger Services	1,500	1,500	1,768
22		Printing & Reproduction	2,500	2,500	-
23		Publication	2,000	2,000	98
24		Subscriptions/Memberships	25,000	25,000	26,068
25		Consultants:			
26		Legal	140,000	70,000	43,000
27		Financial Audits	41,500	41,500	41,500
28		Temporary Staff & Other Consulting Services	150,000	195,000	205,419
29		Liability Insurance	33,000	33,000	31,024
30		Board Expenses	7,000	7,000	3,405
31		Alarm & Protection	6,000	6,000	4,515
32		Miscellaneous			
33		ADP Charges	7,000	7,000	4,603
34		Other (Administrative fees related to above)	19,000	20,500	8,447
35					
36		**Total Non-Personal Services**	944,899	911,399	901,951
37		**Total Expenses**	**3,699,751**	**3,656,146**	**3,376,282**

BUSINESS RESOURCE AND INVESTMENT SERVICE CENTER					
PROPOSED ANNUAL ADMINISTRATIVE BUDGET					
PERIOD: JULY 1, 2020 - JUNE 30, 2021					
			FY 2021	**FY 2020**	**FY 2020**
			Budget	**Budget**	**Projected**
Personnel Services:					
1		Salaries & Wages	75,750	71,250	49,491
2		Fringe Benefits	25,755	23,513	16,332
3					
4		**Total Personnel Services**	101,505	94,763	65,822
Non-Personnel Services:					
5		Occupancy Cost:			
6	*	Office Rent	77,850	77,850	77,850
7		Consultants:			
8		Legal	55,000	40,000	14,000
9		Financial Audits	13,500	13,500	13,500
10		Liability Insurance	8,000	8,000	2,236
11		Board Expenses	1,000	1,000	811
12		Miscellaneous			
13		Other (Administrative fees related to above)	1,000	4,500	240
14					
15		**Total Non-Personal Services**	156,350	144,850	108,636
16		**Total Expenses**	**257,855**	**239,612**	**174,459**

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

REGARDING APPROVAL OF FISCAL YEAR 2020-2021 BUDGET

AT A REGULAR MEETING HELD ON THE 27th DAY OF APRIL 2020

WHEREAS, the Upper Manhattan Empowerment Zone Development Corporation (UMEZ) is the sole member of the Business Resource and Investment Service Center, Inc. (BRISC); and

WHEREAS, the UMEZ administrative budget includes administrative expenses borne by BRISC.

NOW THEREFORE, BE IT RESOLVED, that on the basis of the material presented to the Board of Directors of UMEZ, a copy of which has been filed with the records of UMEZ, relating to the fiscal year 2020-2021 budget, the Directors authorize an administrative budget for fiscal year 2020-2021 in the amount of THREE MILLION NINE HUNDRED FIFTY-SEVEN THOUSAND SIX HUNDRED FIVE DOLLARS ($3,957,605), for administrative, operational and related expenses of UMEZ;

BE IT FURTHER RESOLVED, that the President and CEO, or his or her successor or respective designees, are hereby authorized on behalf of UMEZ to approve expenditures, 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.

August 31, 2020

UPPER MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORPORATION – Authorization of $3,957,605 administrative budget for fiscal year 2021.

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 NINE HUNDRED FIFTY-SEVEN THOUSAND SIX HUNDRED FIVE DOLLARS ($3,957,605)** for fiscal year 2021, 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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FOR CONSIDERATION
August 31, 2020

TO: New York Empowerment Zone Board of Directors

FROM: Vicki Been

SUBJECT: **Authorization for Bronx Overall Economic Development Corporation's Administrative Budget for FY 2021 and to Take Related Action.**

The Directors are requested to approve an operating budget for fiscal year 2021 for the Bronx Overall Economic Development Corporation ("BOEDC"). 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. BOEDC's proposed administrative budget fiscal year 2021 is SEVEN HUNDRED TWENTY THREE THOUSAND FOUR HUNDRED FORTY-SIX DOLLARS ($723,446).

Development Corporation
Annual Administrative Operating Fund Statement
For the period July 1, 2020 to June 30, 2021

Descriptions	Budget FY 6/30/2021	
Personnel:		
Staff Salaries	476,636	
Staff Fringe Benefits	85,795	
Total Personnel Costs:	**562,431**	
Contracted Costs:		
Audit Fee	37,775	
Professional & Consultants	9,000	
Legal Fees	35,000	
Total Contracted Costs:	**81,775**	
Other Operating Costs:		
Travel/Meetings/Motor Vehicle	5,900	
Office Supplies & Storage	8,000	
Equipment/Storage Purchases	5,000	
Equipment Lease (Copier)	4,180	
Telephone	8,000	
Postage	300	
Dues/Subscriptions/Other	4,120	
Eqquipmet Repairs & Maint	21,740	
Insurance	22,000	
Total Other Operating Costs:	**79,240**	
Total OTPS:	**161,015**	
Total Budget:	**723,446**	

Bronx Overall Economic Development Corporation
Empowerment Zone
Annual Operating & Administrative Budget
Year ended June 30, 2021

Descriptions:

Personnel:	
Staff Salaries	476,636
Staff Fringe Benefits	85,795
Total Personnel Costs	**562,431**
Contracted Costs:	
Audit fee	37,775
Professional & Consultants	9,000
Legal Fees	35,000
Total contracted costs	
	81,775
Other Operating Costs:	
Travel/Meetings/Motor Vehicle	5,900
Office Supplies	8,000
Equipment/Software Purchases	5,000
Equipment Lease (Copier)	4,180
Telephone	8,000
Postage	300
Dues/Subscriptions/Other	4,120
Equipment Repairs & Maint.	21,740
Insurance	22,000
Total other operating costs	**79,240**
Total OTPS	**161,015**
	723,446

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, 2021

Descriptions:	Budget FY 6/30/2021	Budget FY 6/30/2020	Variance- Fav/(Unfav)	Percentage change
Personnel:				
Staff Salaries	476,636	466,636	(10,000)	2.14%
Staff Fringe Benefits	85,795	84,665	(1,130)	1.33%
Total Personnel Costs	**562,431**	**551,301**	**(11,130)**	2.02%
Contracted Costs:				
Audit fee	37,775	37,775	-	0.00%
Professional & Consultants	9,000	11,500	2,500	-21.74%
Legal Fees	35,000	40,000	5,000	-12.50%
Total contracted costs	**81,775**	**89,275**	**7,500**	-8.40%
Other Operating Costs:				
Travel/Meetings/Motor Vehicle	5,900	5,900	-	0.00%
Office Supplies & Storage	8,000	8,000	-	0.00%
Equipment/Software Purchases	5,000	1,000	(4,000)	400.00%
Equipment Lease (Copier)	4,180	6,000	1,820	-30.33%
Telephone	8,000	8,900	900	-10.11%
Postage	300	300	-	0.00%
Dues/Subscriptions/Other	4,120	3,050	(1,070)	35.08%
Equipment Repairs & Maint.	21,740	18,500	(3,240)	17.51%
Insurance	22,000	16,000	(6,000)	37.50%
Total other operating costs	**79,240**	**67,650**	**(11,590)**	17.13%
Total OTPS	**161,015**	**156,925**	**(4,090)**	2.61%
Total Expense	**723,446**	**708,226**	**(15,220)**	2.15%

RESOLUTION (2021)

BRONX EMPOWERMENT ZONE – Authorization to Adopt Budget for Fiscal Year 2021

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 TWENTY-THREE THOUSAND four HUNDRED AND FORTY SIX DOLLARS ($723,446) (the "Bronx EZ Budget") for the period beginning July 1, 2020 and ending June 30, 2021 ("FY 2021"), all in accordance with the materials presented at this meeting held on May 5, 2020 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 2021; 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 2021 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.

* * *

August 31, 2020

BRONX OVERALL ECONOMIC DEVELOPMENT CORPORATION – Authorization of $723,446 administrative budget for fiscal year 2021.

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 **SEVEN HUNDRED TWENTY THREE THOUSAND FOUR HUNDRED FORTY SIX DOLLARS (723,446)** for fiscal year 2021, 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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FOR CONSIDERATION
August 31, 2020

TO: The New York Empowerment Zone Corporation Board of Directors

FROM: Vicki Been

SUBJECT: New York Empowerment Zone Corporation

REQUEST FOR: **New York Empowerment Zone Corporation (the "Corporation") Budget Fiscal Year 2021**

The Directors are requested to approve an operating budget for fiscal year 2010 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 2021 budget is SIX HUNDRED SIXTY-NINE THOUSAND THREE HUNDRED TWENTY THREE DOLLARS (669,323). 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, 2020 to June 30, 2021

Item	City	State	Federal	Total
Personnel				
Salaries (4)	222,965.00 [1]	222,965.00 [2]	87,966.00	533,896.00
Fringe Benefits (2.5)	33,426.00 #	33,426.00	33,427.00	100,279.00
Sub Total	**256,391.00**	**256,391.00**	**121,393.00**	**634,175.00**
Non-Personnel				
Legal/Accounting Fees	8,333.00	8,333.00	8,334.00	25,000.00
Insurance	2,850.00	2,849.00	2,849.00	8,548.00
Telephone/Fax/Internet	167.00	166.00	167.00	500.00
Office Supplies/Printing/Advertising	33.00	33.00	34.00	100.00
Repairs/Maint/Prop Mgmt/Outside Serv.	333.00	333.00	334.00	1,000.00
Sub Total	**11,716.00**	**11,714.00**	**11,718.00**	**35,148.00**
Grant Total	**268,107.00**	**268,105.00**	**133,111.00**	**669,323.00**

[1] 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.
[2] 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.

August 31, 2020

NEW YORK EMPOWERMENT ZONE CORPORATION - Fiscal Year 2021 Budget – Authorization of $669,323 administrative budget for fiscal year 2021.

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 SIX HUNDRED SIXTY-NINE THOUSAND THREE HUNDRED TWENTY THREE DOLLARS (669,323) for fiscal year 2021, 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.