



Robert Rodriguez  
**Chair**

George Sarkissian  
**District Manager**

## COMMUNITY BOARD ELEVEN

BOROUGH OF MANHATTAN  
55 EAST 115<sup>TH</sup> STREET  
NEW YORK, NEW YORK 10029-1101  
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### Joint Meeting of the Economic Development & City Properties/Land Use Committees May 13, 2008 Bonifacio Seniors Home

- Present:** Chester Asher, Frank Brija, John Brown, Judith Febbraro, George Figueroa, Garry Anthony Johnson, Rafael Merino, Marina Ortiz, Daniel Perez, Amie Kiroso-Petrucci, Celia Ramirez, Robert Rodriguez, Derrick Taitt, Hilda Vives-Vazquez, Matthew Washington, Jim Greene, Marion Bell, Carmen Villegas, Jeff Gardere, LaShawn Henry, Frances Mastrota,
- Excused:** Nadir Aslam, Cesar Ortiz, Israel Miranda
- Absent:** Kyndell Reid, Jo Ann Lawson, Anne Bradshaw, Wanda Latchman, Linda Rainey, Donna Breuger
- Guests:** Doug Jones, Carolee Fink, Susan Goldfinger, Rachel Belsky, Joseph Pany, Gabriella Amabile, David Cutie, Melinda Velez, Brian Cook, Raymond Plumey

### **Discussion & Presentations**

#### *NYC Economic Development Corporation: East 125<sup>th</sup> Street Development*

Staff from EDC and the Department of City Planning came before the committee to discuss some details regarding the E. 125th Street Development.

Carolee Fink gave a brief overview of how this project has changed. She stated that when the community unanimously opposed the first iteration of the project and community taskforce was created in response. The major community concerns with the "Uptown NY" project was economic development; local participation in development, employment and retail; affordable housing; impact of development on health and services; and the promotion of arts and culture.

In October 2006 the taskforce and the city established a consensus on the RFP goals and guidelines which addressed most of the concerns listed above. Some of the major achievements the taskforce

was able to introduce to the RFP were a substantial focus on affordable housing and a strong local component (local developer, local hiring, local investment fund, etc).

In January 2007, 7 proposals were first received and the taskforce reviewed them with a focus on selecting finalists by July 2007 and beginning the public scoping process. The project features included approximately 4,000 construction jobs and 1,500 permanent jobs as well as approximately 850 units of affordable housing, local participation in development, a focus on developing at minimum LEED Silver buildings and space for the arts and culture.

This development would require a number of actions, including, a zoning map amendment, zoning certification, disposition of real property, urban development action, urban renewal plan amendment and a modification of a large scale plan.

In addition to an overview of the process, EDC also showed some renderings of the three remaining developments and gave further details of what each development included.

Jim Greene asked which retail groups were interested in the development as he knows that in previous plans K-Mart was the interested retailer. Carolee Fink responded that some of the major retailers that had expressed interest included chains such as Applebees, Chili's and Macy's. She also stated that while having some major anchors was important she really believed that the local component is what would make the project unique and successful.

Matthew Washington then stated that unfortunately he was very underwhelmed with the presentation that was provided by EDC. He stated that the presentation was essentially a rehash of the RFP with pictures. This was not what he had expected as he had hoped to see a more detailed discussion of the projects that focused on items such as local partnership. EDC stated that they wanted their presentation to be focused on ULURP issues as they aren't able to give full details yet since they are still being negotiated. This concerned Robert Rodriguez as he now felt that the board had to vote on a ULURP that is still unclear.

The committee members were also concerned about how a community benefits package would be negotiated for under this process. Carolee Fink suggested that EDC could serve as a conduit for that type of negotiation, although more information would be needed. Garry Anthony Johnson then asked why the developers' names are still not being disclosed even though the confidentiality agreement is no longer in place. Doug Jones from EDC then responded that EDC, who is more qualified than the board in these matters, feels that this confidentiality is necessary in the process. Garry Anthony Johnson responded by stating that he would have liked to be able to check the developers references as per usual and is disappointed that EDC feels that this community is not sophisticated enough to receive this information. Chester Asher then stated that in his opinion this has been a really disempowering process.

Rafael Merino asked what enforcement mechanisms would be in place. He recognized that the taskforce and EDC had been fighting for a number of important benefits but was concerned about how they would be implemented and enforced. EDC responded that some of the enforcement mechanisms could be detailed in the disposition agreement while other non-land use related requirements would need to be codified in more creative ways such as a community benefits agreement.

After the presentation and questioning was completed the joint committees began to internally discuss what steps need to be taken before the ULURP vote. Garry Anthony Johnson made a motion that all motions pertaining to the East 125<sup>th</sup> Street project be made jointly by the City Properties/Land Use and Economic Development committees. The motion was seconded by Marina Ortiz and passed unanimously.

The committees were upset that EDC was not following board protocol by refusing to fill out the City Properties/Land Use checklist. Hilda Vives-Vazquez made a motion to request that EDC and the developers fill out the City Properties/Land Use checklist before the May 20<sup>th</sup>, Full Board meeting. The motion was seconded by Garry Anthony Johnson and approved (1 abstention: M. Ortiz). Some committee members felt that in order to really be heard a letter needed to be sent. Therefore, a motion was made by Carmen Villegas to send a cover letter with the checklist attached to EDC (and cc'ing the development teams) requesting that they all fill in the checklist. The motion was seconded by John Brown and approved (1 abstention: M. Ortiz). In addition, the committee wanted the developers to commit to making a presentation in front of the board. Chester Asher made a motion that would require the developers to come before the board to make a presentation on May 20<sup>th</sup>, 2008. The motion was seconded by Garry Anthony Johnson and approved (1 abstention: M. Ortiz).

All of the above motions were then promptly rescinded as they were not procedurally required. All the motions addressed issues that are already part of the City Properties/Land Use procedures. Therefore, it would be more expedient to just send the requests as part of normal procedures rather than waiting until approval by the full board. This was especially important as the requests are time sensitive.

The committees were still concerned about eminent domain and felt that their concerns had not been alleviated as a result of the EDC presentation. LaShawn Henry then made a motion asking that a letter be drafted to EDC asking them for more details on the urban renewal plan and how it would affect business owners, especially if eminent domain was to happen. The letter should also ask EDC to detail the process and negotiations that have occurred regarding eminent domain. The motion was seconded by Hilda Vives-Vazquez and passed unanimously.

Earlier in the meeting Garry Anthony Johnson raised questions as to why a church property on parcel A was included in this rezoning even though it was not part of any of the developments. EDC stated that this was a requirement from City Planning who does not like to carve out parcels due to their preference for clean zoning maps. Garry Anthony Johnson made a motion that the church property on parcel A be excluded from this rezoning as it is not part of this development. The motion was seconded by Hilda Vives-Vazquez and approved (1 abstention: Daniel Perez)

The committee agreed that the letters should also be sent to the developers however it is still unclear who exactly the developers are. Marina Ortiz then asked the Chair, Robert Rodriguez if he knew who the development teams were. Chair Rodriguez stated that from what he had heard he thought that one development team included Hope Community Inc, another team included Vornado Realty Trust and the other team included the Richmond Group.

Robert Rodriguez then stated that at this point he is not satisfied with process and hoped that other members would reject the process as well. Some committee members were concerned that an outright rejection would have very negative ramifications that were still unclear. In the end nobody

was ready to make a motion to reject the ULURP. The Chair then asked that that the committee members review the process and vote based on principle.

## **New/Old Business**

*Upper Manhattan Empowerment Zone (UMEZ) Update*  
*Empire Zone Advisory Board (ZAB) Update*

Marina Ortiz asked that the agenda be moved along so that the committee could review the two updates as she had a few concerns and questions. Committee Chair Matthew Washington stated that in the interest of time he would like these issues to be brought up at the Full Board. Marina Ortiz was not satisfied with this solution and stated that she would be making a formal complaint about this situation.

## **Adjournment**

A motion to adjourn the meeting was made by George Figueroa and seconded by Hilda Vives-Vazquez. The motion was approved unanimously.

## **Action Items**

1. Garry Anthony Johnson made a motion that all motions pertaining to the East 125<sup>th</sup> Street project be made jointly by the City Properties/Land Use and Economic Development committees. The motion was seconded by Marina Ortiz and passed unanimously.
2. LaShawn Henry then made a motion asking that a letter be drafted to EDC asking them for more details on the urban renewal plan and how it would affect business owners, especially if eminent domain was to happen. The letter should also ask EDC to detail the process and negotiations that have occurred regarding eminent domain. The motion was seconded by Hilda Vives-Vazquez and passed unanimously.
3. Garry Anthony Johnson made a motion that the church property on parcel A be excluded from this rezoning as it is not part of this development. The motion was seconded by Hilda Vives-Vazquez and approved (1 abstention: Daniel Perez)



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From: Robert Rodriguez, Chair, Manhattan Community Board 11  
To: Matthew Washington, Chair, Manhattan Community Board 11  
Economic Development Committee  
Re: Upper Manhattan Empowerment Zone (UMEZ) Monthly Report

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Matthew,

Enclosed is an update of East Harlem projects that have been reviewed at the UMEZ.

**\* CV Harlem Park -**

Currently approved for a \$22 million short term loan to facilitate construction of the building.

Workforce hiring commitments include best faith efforts for upper manhattan hiring targets and provisions for mbe/wbe businesses. It appears to build on the commitments we began with the MOU with Vornado.

**\* 125th St Pilot retail Incentive Program.**

Original program was from 125<sup>th</sup> to 135<sup>th</sup> Streets, from Fred. Doug to Fifth Avenues. The program has been expanded from 116th to 135<sup>th</sup> Streets and increased to \$750k.

I have advocated for further expansion of the program to address the specific business needs of East Harlem and Washington Heights.

**\*Manhattan Neighborhood Network -**

\$500k approved for build out of the 175 east 104th St location.

**\*Opus 118 -**

\$150k grant approved for operating initiatives.

If more details are requested, please advise.

Best,

Robert J. Rodriguez



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From: Debbie Quinones, Vice-Chair, Manhattan Community Board 11  
To: Matthew Washington, Chair, Manhattan Community Board 11  
Economic Development Committee  
Re: Empire State Zone Advisory Board (ZAB) Monthly Report

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Attached are the minutes of the ZAB dating back to 3/07 for your review. We do not meet monthly and the minutes are sent out a few days before the meeting.

My recommendation is that an invitation be extended to the past certified businesses to request updates on their hiring. Also, we should request an end of year report from the Empire Zone Coordinator Sandy DeLeon listing all certified businesses. She has come before the committee in the past.

As to engaging in dialogue before certification, a request must be made to the ZAB in the form of a motion. The motion needs to state that we would like to receive the minutes at least two weeks before the meeting.

In the past the businesses that have taken advantage of the incentives have been small in size. Most recently larger businesses (Target, MLB, Randall's Island Sports Foundation) are taking advantage of the tax credits, which has put a spotlight on the program. In most cases approvals have been supported with the intent to follow up at the annual review to check for compliance local hiring commitment where if not in compliance they can be decertified. This means that we have the opportunity to follow up with these three and prepare strategies for future negotiations

**The East Harlem Empire Zone Administrative Board** meeting was held on Friday, March 23<sup>rd</sup>, 2007 at the Department of Small Business Services, located at 110 William Street – 7<sup>th</sup> Fl. NY .

The following EZ Board Members were present and constituted a quorum:

- ❑ Carl Hum  
(representing Commissioner Robert W. Walsh, Department of Small Business Services)
- ❑ Carolee Fink  
(representing President Robert Lieber, EDC)
- ❑ Joan Sternberg  
(representing Commissioner Robert Doar, HRA)
- ❑ Omar Semitey  
(representing Scott Stringer, Manhattan Borough President)
- ❑ Cassandra Vernon  
(representing Commissioner Jerilyn Perine, HPD)
- ❑ Ede Fox  
(representing Councilperson Melissa Mark Viverito)
- ❑ Debbie Quiñones  
(representing Community Planning Board 11)
- ❑ Pablo Guzman/Citibank  
(representing the Financial Sector)
- ❑ Jorge Ayala  
(representing Empire Zone certified business – La Fonda Boricua)

The following persons also attended:

Lee Miller, Department of Small Business Services  
Sandra De Leon, EH Empire Zone Coordinator

The following persons were absent:

Lermond Mayes – representing Councilperson Inez Dickens  
Erick Vasquez – representing Employment / Metropolitan Hospital  
Alba Rodriguez – representing Empire Zone residents

- ❑ Authorized representative of Board Member

The meeting was called to order at 10:03AM by Carl Hum, Counsel, Department of Small Business Services, representing Commissioner Robert W. Walsh, Chairperson of the East Harlem Empire Zone Board.

## **I. INTRODUCTION**

Mr. Hum asked all present to introduce themselves and indicate the Agency they were representing.

## **II. APPROVAL OF MINUTES**

First Item of business was the approval of Minutes for the December 8<sup>th</sup>, 2006 ZAB meeting. Joan Sternburg noted that the issue of additional NYS funding for the Empire Zone, had been left open from the previous ZAB meeting, and wanted to know if there had been any follow-up by DSBS. Carl Hum indicated that the state budget had “zeroed out”. Omar Semitey asked if a letter of support would help to secure additional funding for the Empire Zone? Debbie Quiñones suggested that if there was a letter, it should be circulated to the ZAB Board. Carl said that at this time there was no letter of support, but that he had some “irons in the fire” in order to secure additional funding. As there were no other questions related to the minutes, or additions, deletions or corrections, a motion was made by Debbie Quiñones to accept the minutes. It was seconded by Joan Sternburg and passed unanimously.

## **III. DISCUSSION OF DRAFT ZONE DEVELOPMENT PLAN:**

Carl Hum initiated this discussion by explaining that the Zone Development Plan is the ZAB’s Strategic vision as to how Empire Zone credits would be used in the Zone. i.e. which businesses should be targeted for inclusion in the Zone. Sandra De Leon explained the status of the development plan draft to-date, and how the plan has been drafted, using the previously ZAB-approved policy. Lee Miller indicated that she would be available to assist Zone Coordinators in finalizing their Development drafts. Omar Semitey asked how long before NYS approves the plan, once the ZAB had approved it. Lee Miller responded that it would take approximately 6 weeks. Pablo Guzman asked if ZAB Board Members would be receiving draft plans, in order to comment on them, or final copies. Carl Hum responded that the ZAB members would be receiving draft plans and adoption of the plan would be on the June agenda.

## **IV. ADOPTION OF ZAB RESOLUTION TO REALLOCATE ZONE CAPITAL CREDITS**

Carl Hum explained that all the Zones are being asked to make an allocation of Zone Capital Credits to the Zone Capital Corporation, with the East Harlem ZAB contributing an allocation of \$133,000. These allocations will create a loan pool of 28 million dollars. Carl explained that as a result of the April 2005

Empire Zone legislation, only two uses were left for the Zone Capital Credits: (a) Community Development Projects and (b) Direct Equity Investment, to invest in private companies. Pablo Guzman asked if there was any marketing material and Lee Miller responded that material from the Zone Capital Credit Workshop would be mailed to the ZAB members. Sandra De Leon also gave an update on the five East Harlem projects that currently have Zone Capital Credits: Association to Benefit Children (3 projects/\$300,000 in credits); Boriken Health Center - \$100,000 in credits; Museum of the City of New York - \$100,000 in credits. Motion was then made by Carl Hum to reallocate the Zone Capital Credits; it was seconded by Omar Semitey and passed unanimously.

**V. ADOPTION OF ZAB RESOLUTION TO EXTEND THE STATEWIDE ZONE CAPITAL CORPORATION NEW YORK LOAN FUND TO ALL NYS EMPIRE ZONES.**

The Statewide Loan Fund Balance is now at 22 Million Dollars. New York State wants to extend the loan fund to include all the new Empire Zones – total is now 72 zones throughout New York State. Ede Fox asked if this means that there would be less money available for the original 51 Zones. Carl responded that the “extension” allows new zones the capacity to participate in the loan fund. Pablo Guzman asked if the monies were being redistributed because the program has not been marketed correctly? Carl responded that Empire Zones throughout New York State were deemed inactive, pending the completion of Boundary Revisions (completed in December, 2006 for the New York City Zones), therefore this program was not marketed at all. Debbie Quiñones asked if we could now do additional marketing and Carl responded that he would ask NYBDC to do a seminar in East Harlem. Carl made a motion to adopt the resolution. It was seconded by Pablo Guzman and unanimously approved.

**VI. OTHER**

Prior to adjournment Carl Hum made several announcements:

- (a) Boundaries of the East Harlem Empire Zone were formally approved by the NYS Empire Zone Designation Board. Now that boundaries have been solidified, the Zone will be getting a PDF map of the boundaries.

- (b) Formal appointment to the ZAB Board has not been completed by the Mayor's Office. However Carl expects that the Letters of Appointment from the Mayor will be available for the next ZAB meeting.
- (c) A Zone Capital Credits Workshop was held in New York City in February and indicated that more conferences/workshops will be held.

Other members of the ZAB Board also had questions/announcements:

- (a) Pablo Guzman indicated that the local East Harlem office of the Empire State Development Corporation had recently closed, and asked if there was anything that could be done to maintain the office open?
- (b) Joan Sternburg indicated that HRA now has a New Commissioner: Robert Doar. She also asked that when new companies come into the Empire Zone they should be sensitive to hiring HRA clients, and also indicated that HRA has a Business Link that companies can access. Carl Hum reinforced this statement by indicating that Work Force Centers do not have Public Assistance Clients.

## **VII. ADJOURNMENT**

With no other business, Mr. Hum asked for a motion to adjourn. It was seconded by Pablo Guzman.

The meeting adjourned at 10:55 AM.

**The East Harlem Empire Zone Administrative Board** meeting was held on Friday, June 29th, 2007 at the Department of Small Business Services, located at 110 William Street – 7<sup>th</sup> Fl. NY .

The following EZ Board Members were present and constituted a quorum:

- ❑ Carl Hum  
(representing Commissioner Robert W. Walsh, Department of Small Business Services)
- ❑ Carolee Fink  
(representing President Robert Lieber, EDC)
- ❑ Joan Sternberg  
(representing Commissioner Robert Doar, HRA)
- ❑ Tom Cowell  
(representing Scott Stringer, Manhattan Borough President)
- ❑ Cassandra Vernon  
(representing Commissioner Jerilyn Perine, HPD)
- ❑ Ede Fox  
(representing Councilperson Melissa Mark Viverito)
- ❑ Jorge Ayala  
(representing Empire Zone certified business – La Fonda Boricua)

The following persons also attended:

Cherisse Ketchum, NYS Empire State Development Corporation  
Lee Miller, Department of Small Business Services  
Sandra De Leon, EH Empire Zone Coordinator  
Jared Walkowitz, Department of Small Business Services

The following persons were absent:

Lermond Mayes – representing Councilperson Inez Dickens  
Erick Vasquez – representing Employment / Metropolitan Hospital  
Alba Rodriguez – representing Empire Zone residents  
Debbie Quiñones – representing Community Board 11  
Pablo Guzman – representing the Financial Sector

- ❑ Authorized representative of Board Member

The meeting was called to order at 10:15AM by Carl Hum, Counsel, Department of Small Business Services, representing Commissioner Robert W. Walsh, Chairperson of the East Harlem Empire Zone Board.

## **I. INTRODUCTION**

Mr. Hum started the meeting and indicated that there did not exist a quorum, however that no votes would be taken pending the arrival of additional ZAB members and establishment of a quorum. Quorum was established with the arrival of Ms. Carolee Fink, and all votes were held thereafter.

## **VI. APPROVAL OF MINUTES**

First Item of business was the approval of Minutes for the March 23<sup>rd</sup>, 2007 ZAB meeting. Carl indicated that there were some spelling errors regarding Omar Semidey and Joan Sternberg's names. Also, Lee Miller and Carl Hum, as a follow-up to an inquiry at the previous ZAB meeting, indicated that an additional \$300,000 as a one year contract was secured for Empire Zones, from the Industrial Development Agency. Zones will now be responsible for marketing New York City's Industrial Development Agency. As there were no other additions or deletions to the Minutes, a motion was made by Carl Hum to accept the minutes. Motion was seconded by Carolee Fink and unanimously passed.

## **III. REVIEW OF CERTIFICATION APPLICATION:**

Sandra De Leon introduced the Empire Zone application for **Fat Witch Bakery, Inc.**, a woman-owned enterprise, in operation since 1991 that will be relocating to the East Harlem Empire Zone. Best known for their "natural product brownies" and "Broadway show-titled" brownies, Fat Witch Bakery will be creating 21-30 new jobs within the next five years. After some discussion regarding their various products, Tom Cowell made a motion to accept the application. Motion was seconded by Joan Sternberg and unanimously passed.

## **IV. EAST HARLEM EMPIRE ZONE DEVELOPMENT PLAN**

Sandra De Leon discussed the EH Development Plan draft – based on the previously-ZAB-approved EH Development Policy. Carolee Fink indicated that two of the projects mentioned in the Development Plan draft should be omitted in **Section III/Targeted Areas & Infrastructure Development**: the Avant Carib project on 111<sup>th</sup> Street and Park Avenue and the Harlem Park / Marriott Hotel project on 125<sup>th</sup> Street and Park Avenue, as these were no longer viable projects. In addition, mention was made that the Amphitheatre and Track and Field Complex on Randall's Island have already

been completed and should no longer be considered “targeted development projects”. **In Section VIII/ Certification and Cost Benefit Analysis**, mention was made that “larger stores” should be defined and that the subsection on Real Estate developers should omit the word “temporary” and instead indicate that they commit to creating “permanent” jobs. Finally, it was recommended that Liquor stores, Wine stores, Nail Salons and Beauty Salons be added to the section regarding businesses that will not be certified. [Note: all changes will be made to the final East Harlem Development Policy].

#### **V. Zone Capital Credits**

Lee Miller distributed and discussed a Zone Capital Credit (ZCC’s) Balance Sheet for the East Harlem Empire Zone which indicated the status of ZCC’s for East Harlem, including the initial allocation for the area and the Community Development Projects that have received ZCC’s. Sandra De Leon indicated that there was an error in the “Credits Used” column, as it did not reflect the credits used by the Association to Benefit Children’s three projects. Lee Miller responded that at the September ZAB meeting there would be another status report indicating the Zone Capital Credits that have been used by all groups.

#### **VIII. ADJOURNMENT**

Prior to adjournment Carl Hum indicated that he had an announcement. He will be leaving the New York City Department of Small Business Services, effective July 20, 2007 to take a position as President of the Brooklyn Chamber of Commerce. The ZAB members congratulated Carl Hum and thanked him for his many years of service to DSBS and the ZAB.

With no other business, Mr. Hum asked for a motion to adjourn. It was seconded by Joan Sternberg. The meeting adjourned at 11:15 AM.

**The East Harlem Empire Zone Administrative Board** meeting was held on Friday, October 19<sup>th</sup>, 2007 at the Department of Small Business Services, located at 110 William Street – 7<sup>th</sup> Fl. NY .

The following EZ Board Members were present and constituted a quorum:

- ❑ Larry Scott – Blackmon  
(representing Commissioner Robert W. Walsh, Department of Small Business Services)
- ❑ Carolee Fink  
(representing President Robert Lieber, EDC)
- ❑ Joan Sternberg  
(representing Commissioner Robert Doar, HRA)
- ❑ Tom Cowell  
(representing Scott Stringer, Manhattan Borough President)
- ❑ Cassandra Vernon  
(representing Commissioner Shaun Donovan, HPD)
- ❑ Ede Fox  
(representing Councilperson Melissa Mark Viverito)
- ❑ Pablo Guzman  
(representing Citibank)
- ❑ Lermond Mayes  
(representing Councilperson Inez Dickens)

The following persons also attended:

Lee Miller, Department of Small Business Services  
Sandra De Leon, EH Empire Zone Coordinator  
Mason Almeida, Freeman and Davis, CPA firm

The following persons were absent:

Erick Vasquez – representing Employment / Metropolitan Hospital  
Alba Rodriguez – representing Empire Zone residents  
Debbie Quiñones – representing Community Board 11  
Jorge Ayala – representing the Business sector

- ❑ Authorized representative of Board Member

The meeting was called to order at 10:10AM by Larry Scott Blackmon, Department of Small Business Services, representing Commissioner Robert W. Walsh, Chairperson of the East Harlem Empire Zone Administrative Board.

## **I. INTRODUCTION**

Mr. Blackmon started the meeting by introducing himself and welcoming the ZAB Board members. As there was a quorum established, Mr. Blackmon asked members to take some time to read the Minutes and indicate whether or not there were any corrections.

## **II. APPROVAL OF MINUTES**

Cassandra Vernon indicated that the Commissioner of HPD was Shaun Donovan, and it should be corrected in the Minutes. Without any further discussion Mr. Blackmon made a motion to accept the minutes with the correction indicated. Mr. Guzman seconded the motion and it passed unanimously.

## **III. REVIEW OF CERTIFICATION APPLICATION:**

The next item of business was the review and discussion of the two applications for Empire Zone Certification: **Target** and **Island Tennis** (dba **Sportime**).

Sandra De Leon began the discussion by profiling Target as one of the 5<sup>th</sup> largest retailers in the country and indicating that they were making a 27 million dollar investment in the Empire Zone. She further indicated the wages and benefits for employees – both part-time and full time workers – and indicated that **Target** would be bringing 180 jobs to the Zone. Discussion followed regarding the merits of certifying a “big box” entity and the impact of this type of store on the small businesses in the area.

Sandra De Leon responded that Target would be the only real Department Store in East Harlem, and that the only other “Department” store, on Third Avenue, sells less-quality items. She further indicated that neighborhood residents who require Department Store goods have to travel outside of the area to do their shopping, and that negating this applicant Certification would cost the Empire Zone 180 jobs. Ede Fox asked if the Empire Zone could still get the jobs for Zone residents if **Target** were not certified. Sandra responded that while Zone residents might get some jobs, Target would not have any “commitment” to provide those jobs to residents. Tom Cowell asked if the Certification could be rescinded if Target did not comply with hiring from East Harlem. Lee Miller responded that businesses cannot receive incentives unless they make investments and create jobs and also that there are provisions in the legislation and in the East Harlem Development Plan for Decertification. Ede Fox requested – on

behalf of Councilperson Melissa Mark Viverito – that the vote on Certifying this applicant be tabled, until the next ZAB meeting in December, so that Councilperson Melissa Mark-Viverito could attend the meeting.

Tom Cowell made a motion to table this item to the next ZAB meeting. Motion was seconded by Lermond Mayes and unanimously approved. Sandra De Leon then introduced the next application, **Island Tennis (dba Sportime)**. She indicated that Island Tennis was constructing a new Tennis Facility on Randalls Island, as a result of receiving a 20 year license through the NYC Department of Parks and Recreation and the Randall's Island Sports Foundation. The new facility will feature 20 total courts, a club house that has classrooms, a Performance Center and an additional stadium to house the USA World Team Tennis franchise and other events. She further indicated that they will have 23 jobs by 2011, 2 of which will be hired this year. They will be making a total investment of over 8 million dollars, have affordable club prices – in comparison to other clubs – and are working closely with the Randall's Island Sports Foundation to provide free tennis lessons to children in the surrounding communities. Island Tennis also offers a need-based scholarship program to interested junior athletes who may lack the financial resources to participate in club programs. Sandra De Leon also introduced Mason Almeida, from the CPA firm of Freeman and Davis, who was available to answer any questions about the company. Pablo Guzman requested clarification as to the ownership of Island Tennis, since the summary material reflected different ownership for both Island Tennis LP and Island Tennis Inc. Mason indicated that the correct information was the Island Tennis LP. Additional discussion followed regarding the merits of the Island Tennis Courts at Randall's and Ward's Island and the work they are doing with the Randall's Island Sports Foundation, as well as their outreach to low-income students in the surrounding communities. Pablo Guzman made a motion to approve Island Tennis LP for Certification, it was seconded by Lermond Mayes. The vote was one in Favor, one Opposed and the balance were Abstentions. A substitute motion was then made by Ede Fox to table this item to the next ZAB meeting, in order to allow Councilwoman Mark-Viverito to attend the ZAB meeting. Motion was seconded by Larry Scott Blackmon, and passed unanimously. Sandra De Leon indicated that since the

vote was tabled to December, it might impact the hiring of the two positions that were to be created by the end of 2007.

#### **IV. DISCUSSION OF ZONE CAPITAL CREDITS**

Sandra De Leon indicated that she had attended the meeting of the East Harlem Consortium held on September 27<sup>th</sup>, 2007, to make a presentation and distribute material about the **Zone Capital Credits**. The meeting was attended by over 60 representatives of various not-for-profit social service agencies in East Harlem. As a result of that presentation, one of the agencies – the East Harlem Tutorial Program (EHTP), in East Harlem since 1958 – completed an application and proposal, and was being presented to the ZAB for their consideration. EHTP is requesting \$100,000 in Zone Capital Credits to assist them in securing funding for a Neighborhood Learning Center, to be constructed on three adjacent lots on 105<sup>th</sup> Street and Second Avenue. The comprehensive Neighborhood Learning Center will include tutoring and learning rooms, an early childhood space, an Art room, a dance studio, a multi-media production lab and a gymnasium/amphitheater, within the 7-story structure which is expected to address the needs of 1,500 community youth participants and their families,. Three million dollars (\$3,000,000) have already been raised towards the overall project cost of seven million, five hundred thousand dollars (\$7,500,000). A motion was made by Tom Cowell to approve the application and seconded by Lermond Mayes. Motion was unanimously approved.

#### **V. OTHER:**

Lee Miller announced that DSBS is still working on securing additional administrative funding for all the Empire Zones, including East Harlem. She also indicated that Maps of the Empire Zones will be up on the DSBS website very soon and that the East Harlem Development Plan has been submitted to the NYS Empire State Development Corporation and is currently awaiting final approval and signature. Larry Scott Blackmon also said that he testified at the NYC Council on behalf of the Empire Zone, and that the testimony was well received by council members.

#### **VI. ADJOURNMENT**

With no other business, Larry Scott Blackmon asked for a motion to adjourn. Motion was made by Cassandra Vernon and seconded by Pablo Guzman. Motion was unanimously passed. The meeting adjourned at 11:20 AM.

**The East Harlem Empire Zone Administrative Board** meeting was held on Thursday, December 20<sup>th</sup>, 2007 at the Department of Small Business Services, located at 110 William Street – 4<sup>th</sup> Fl. NY .

The following EZ Board Members were present and constituted a quorum:

- ❑ Larry Scott – Blackmon  
(representing Commissioner Robert W. Walsh, Department of Small Business Services)
- ❑ Carolee Fink  
(representing President Robert Lieber, EDC)
- ❑ Joan Sternberg  
(representing Commissioner Robert Doar, HRA)
- ❑ Tom Cowell  
(representing Scott Stringer, Manhattan Borough President)
- ❑ Cassandra Vernon  
(representing Commissioner Shaun Donovan, HPD)
- ❑ Councilperson Melissa Mark Viverito
- ❑ Ede Fox  
(representing Councilperson Melissa Mark Viverito)
- ❑ Pablo Guzman  
(representing Citibank)
- ❑ Lermond Mayes  
(representing Councilperson Inez Dickens)
- ❑ Jorge Ayala  
(representing the Business Sector)
- ❑ Debbie Quiñones  
(representing Manhattan Community Board 11)
- ❑ Erick Vasquez  
(representing Employment/Metropolitan Hospital)

The following persons also attended:

Lee Miller, Mayor's Office of Industrial and Manufacturing Businesses  
Leslie Ramos, Mayor's Office of Industrial and Manufacturing Businesses  
Sandra De Leon, East Harlem Empire Zone Coordinator  
Nelson Garcia Jr., Executive Director /EHBCC  
Mason Almeida, Freeman and Davis, CPA firm – representing Island Tennis  
Ben Schlansky – General Counsel / Island Tennis  
Sabina Ellentuck – Community Director - RISF

Jonathan Greengrass/VP External Communications – RISF  
Jane McDermott, Maximus – representing Target  
Denise Berg, CPA / Target  
Myriam Simmons, Sr. Group Mgr. Public Partnerships / Target

The following persons were absent:

Alba Rodriguez – representing Empire Zone residents

- Authorized representative of Board Member

The meeting was called to order at 10:17 AM by Larry Scott Blackmon, Department of Small Business Services, representing Commissioner Robert W. Walsh, Chairperson of the East Harlem Empire Zone Administrative Board.

### **I. INTRODUCTION**

Mr. Blackmon started the meeting by introducing himself and welcoming the ZAB Board members and the representatives of both Island Tennis and Target. As a quorum was established, Mr. Scott Blackmon asked members to take some time to read the Minutes and indicate whether or not there were any corrections.

### **II. APPROVAL OF MINUTES**

As there were no corrections, Mr. Blackmon asked for a motion to accept the minutes. Motion was made by Debbie Quiñones and seconded by Pablo Guzman. The motion passed unanimously.

### **III. REVIEW OF CERTIFICATION APPLICATIONS:**

Sandra De Leon reintroduced the Empire Zone Certification Application made by Target, which had been deferred from the previous ZAB Board Meeting in October, 2007 at the request of Ede Fox on behalf of Councilperson Melissa Mark Viverito (and majority vote of the ZAB Board), in order that the Councilperson could be present for a more in-depth discussion of the application. Sandra reiterated that **TARGET**, one of the five largest retailers in the nation, will be an anchor tenant in the new East River Plaza; they will be creating both full time and part-time positions for a total of 180 jobs. She discussed the benefits and the total investment of 27 million dollars. A discussion ensued regarding Target's commitment

to hire from the local East Harlem community, with Target staff (Jane McDermott; Denise Berg; Myriam Simmons) indicating that it is always in their best interest to hire locally, and once again asserting that it was their intent to do so. In response to a question they indicated that these were not union jobs and further responded to Councilperson Mark-Viverito that the managerial positions are not initially filled by local residents, but rather by individuals with managerial experience in Target Stores. Local residents would be able to fill managerial positions at a later time. Tom Cowell asked for specifics on what percentage of employees are hired from the local community. Larry Scott Blackmon indicated that while the East Harlem ZAB could not require Target to give specific details – not required in other zones – Target could, in a show of “good faith” give the information to the elected officials and the ZAB. Sandra asked what the impact would be, if this application were once again “tabled” in order to secure the information requested, and also what would be the response from the Empire State Development Corporation if that were to happen. Larry Scott Blackmon and Lee Miller responded that they would advise ESDC about what was happening but that tabling applications to secure additional information was not unusual. Joan Sternberg recommended that Target use HRA’s Business Link to recruit employees and both she and Cassandra Vernon expressed concern about tabling the vote on Target once again. Jane McDermott (Maximus) also expressed that unless the Empire Zone Certification occurred before January 31, 2008 which is the end of Target’s Fiscal year, the numbers regarding investment and jobs, would have to change on the application. A vote was then taken on the issue of once again tabling the Target application, pending receipt of additional information regarding Target’s “track record” in hiring from the local communities, in their other New York stores. A motion to table was made by Tom Cowell and seconded by Larry Scott Blackmon. The vote was 9:2 with no abstentions, in favor of once again tabling the application to the next ZAB meeting, pending receipt of the information requested.

Sandra De Leon also reintroduced ISLAND TENNIS (aka SPORTIME), another Empire Zone Certification application previously postponed from the October 2007 ZAB meeting, at the request of Ede Fox on behalf of Councilperson Melissa Mark Viverito (and majority vote of the ZAB Board), in order that the Councilperson could be present for a more in-depth discussion of this application. Sandra De Leon

once again indicated that Island Tennis, LP was constructing new tennis facilities on Randall's Island featuring 20 total courts, 5 of which would be available year round. Their construction would also include a Club House with classrooms, a Performance Center and an additional stadium to house the USA World Team Tennis franchise. Currently they have 8 employees and would be creating 2 new jobs in 2007 and a total of 23 jobs by 2011. Sandra De Leon then introduced Mason Almeida and other members of Island Tennis and the Randall's Island Sports Foundation who were available to answer questions related to the application. A discussion ensued regarding the number of tennis courts available to the public/community and how the use of, or access to private courts would limit what the community could use. In response to a question, Mason Almeida indicated that the community would be getting approximately 35% of the jobs. Joan Sternberg and Councilwoman Melissa Mark Viverito inquired about the financial arrangements of Island Tennis with the NYC Parks Department, (Randalls Island is part of the NYC Parks Department), and Ben Schlansky responded that the Parks Department gets 10% of the gross revenue generated by Island Tennis. Councilwoman Viverito indicated that she wanted to know the terms of the concession between Island Tennis and the Parks Department. At this time Pablo Guzman made a motion to approve Island Tennis. As there was no second to the motion it did not pass. Cassandra Vernon made a substitute motion to approve the Certification with the condition that Island Tennis and the Parks Department provide the Councilwoman and other ZAB members with the information regarding the concessions. Joan Sternberg seconded the motion. There was unanimous approval and the motion passed.

**IV. DISCUSSION ZONE ANNUAL REPORT AND FUNDING APPLICATION:**

Lee Miller indicated that the East Harlem Empire Zone would be getting a match of \$33,800 dollars for their Empire Zone program and that the monies would be retroactive to July 1, 2007. A discussion also ensued regarding how many Empire Zone-certified businesses were M/WBE's and also how many businesses in the Zone had been decertified and how many jobs had been lost in the Zone. Lee Miller indicated that she would provide some responses to those questions at the next ZAB meeting.

**V. UPDATE ON ZONE CAPITAL CREDITS:**

Lee Miller indicated that the East Harlem Tutorial Program's application for Zone Capital Credits would be completed within the next two weeks and the program could formally begin using their credits to raise funding for their project.

**VI. ADJOURNMENT**

With no other business, Larry Scott Blackmon asked for a motion to adjourn. Motion was made by Pablo Guzman and seconded by Joan Sternberg. The meeting adjourned at 11:45AM.