



# UMEZ 2013 ANNUAL REPORT

# UMEZ

UMEZ has long reported that with a population of more than half a million people, Upper Manhattan is like a medium-size city with the assets of a large urban center:

- major transportation hubs;
- significant institutional presence of:
  - schools and universities;
  - hospitals and healthcare agencies;
  - museums, theaters, and cultural programs;
- strong consumer demand for goods and services; and
- a diverse labor pool.

Building on these assets, UMEZ divides its work into four main investment programs in communities throughout all of Upper Manhattan—Central, East, and West Harlem; Washington Heights; and Inwood. Our four focus areas are:

## **BUSINESS INVESTMENTS**

UMEZ supports projects that provide new job creation and where our loan capital enables the project to be completed (or where the project would be materially and adversely impacted if not for our participation). Rather than competing with traditional lenders, we tend to augment (or “gap fund”) the level of private capital provided.

## **SMALL BUSINESS LOANS**

UMEZ’s Business Resource and Investment Service Center (BRISC) continues to make loans between \$50,000 and \$250,000 aimed at small business formation and/or expansion to create opportunities for local wealth and economic vitality for Upper Manhattan. These loans may be senior or subordinated financing, depending on the other sources of capital for the project, and are set at an affordable rate, with flexible terms based on the cash flows, job generation, and level of collateral for the project.

## **ARTS AND CULTURE INVESTMENTS**

The Cultural Industry Investment Fund (CIIF) encourages long-term, sustainable change for Upper Manhattan’s cultural organizations. Grants are made specifically to build administrative capacity, support organizational development, and promote sustainability.

## **WORKFORCE DEVELOPMENT INVESTMENTS**

UMEZ’s Workforce Development program has a demand-driven strategy that supports the building of skills and knowledge of residents in a way that responds to the needs and expectations of employers. The program provides financial and technical assistance to catalyze employment and training in the neighborhoods of Upper Manhattan. The goal of the fund is to facilitate access to quality jobs and career advancement opportunities for unemployed—and underemployed—residents.



UMEZ continued its lending and technical assistance through partnerships via the BUSINESS INVESTMENTS program and through BRISC.

## **HARLEM SHAKE**

Harlem Shake is a popular burger-themed eatery on the corner of Lenox Avenue and 124th Street that pays homage to classic Harlem culture while creating a comfortable and modern diner environment. Serving quality fast food at affordable prices, Harlem Shake has become an attraction for tourists and locals alike. UMEZ immediately noted Harlem Shake's unique appeal that complements world-famous eating establishments in the heart of Central Harlem, such as Sylvia's and Red Rooster. Harlem Shake was awarded a \$200,000 BRISC loan to finance the costs associated with the build-out of the restaurant. Since opening in June 2013, Harlem Shake has been featured in several publications, including the *New York Times*, *New York Daily News*, *Time Out New York*, and the *Wall Street Journal*.

## **PEARTREE PRESCHOOL**

Expecting a child in 2008, Denise R. Adusei noted the lack of preschool options available in Harlem, forcing many parents to place their children in schools outside the area. Adusei, armed with an MBA from Columbia Business School, a background in child development, and experience at the New York City Department of Health and Mental Hygiene, founded Peartree Preschool. Located at 132 West 112th Street between St. Nicholas Avenue and Adam Clayton Powell Boulevard, Peartree offers a unique combination of features, including a child-centered approach to early childhood education, an eco-healthy environment, and strong partnerships with nonprofit organizations that provide agricultural education through gardening and healthy meals. A \$125,000 BRISC loan financed a portion of the construction, equipment, and other costs associated with the start-up of a new facility that can serve up to 70 children per year.

## **BOB'S PIZZA & HANDMADE EMPANADAS**

Located a few blocks from Columbia University Medical Center, New York Presbyterian Hospital, and 11 schools, newly opened Bob's Pizza & Handmade Empanadas draws a strong lunch crowd. Owner Slobodan "Bob" Radivojevic is no stranger to Washington Heights, having operational experience at two popular local food establishments, Jou-Jou Café and Plum Pomidor, from 2002 to 2008. What differentiates Bob's from other pizzerias in the area is the array of healthy offerings, including gluten-free and whole-wheat pizzas, baked empanadas, and cold-pressed juices at affordable prices. BRISC awarded the enterprise a \$60,000 loan to finance a portion of the start-up costs of the restaurant, located at 2133 Amsterdam Avenue.

The Business Investment division of UMEZ continued its lending and technical assistance through partnerships with GRAMEEN AMERICA and its network of COMMUNITY PARTNERS.

## **GRAMEEN AMERICA**

Through a previously approved loan to Grameen America, the micro-lending organization awarded micro-loans totaling \$1,368,824 during FY2013.

## **COMMUNITY PARTNERS**

Additionally, through our Community Partners program, we were able to provide direct technical assistance to existing businesses and aspiring entrepreneurs in East Harlem through the East Harlem Business Capital Corporation, in Central Harlem through the Harlem Business Alliance and the New York Women's Chamber of Commerce, and in Washington Heights and Inwood through the Audubon Partnership for Economic Development.



UMEZ is proud to support Upper Manhattan's cultural institutions as they contribute to the economic revitalization of the vibrant communities in which they reside. Their creative energy is reestablishing Upper Manhattan as one of New York City's most dynamic cultural districts.

## CIIF CAPSTONE GRANT: APOLLO THEATER

Celebrating its 80th Anniversary in 2014, the Apollo Theater has been one of America's most iconic and influential cultural forces, as well as a leading cultural anchor for Upper Manhattan and a prime economic driver for the 125th Street corridor. In recent years, the Apollo has restructured its operations to become a vibrant, year-round producing and presenting organization. Building on the success of that effort, the Apollo has launched an ambitious four-year expansion of its programming funded by the \$20 million 21st Century Apollo Campaign. The Campaign will fund vital new initiatives to reposition the institution on a global scale; launch new and expanded programming at the Theater, including partnerships with other cultural and community organizations; dramatically increase the Apollo's presence in the digital environment; and identify new sources of revenue that will leverage the Apollo's brand recognition and unique content.

In support of this major transformation, UMEZ awarded a \$1 million Capstone Grant to the Apollo. This capacity-building grant supports the addition of key staffing and consulting components over the first two years of the campaign, which will enable the Apollo to increase its programming and activate its brand worldwide.

The results of this investment will be a significant growth in the Apollo's programming activity, attendance, earned income, contributed income, and digital visibility. The outcome will be a sustainable, diverse, and flexible revenue model for the Apollo's continued growth.

## CIIF IMPLEMENTATION GRANT: CLASSICAL THEATER OF HARLEM

Now in its second decade, the Classical Theater of Harlem (CTH) gives voice and opportunities to artists of color through its presentation of the great classics of world literature, as well as contemporary works that will stand the test of time. Four core programs – the annual Season, Theatre in the Park, Project Classics, and Future Classics – carry out the company's long-standing efforts to make theater accessible, meaningful, and affordable to audiences of every background.

Led by an exemplary Board of Directors, the organization recently emerged from a period of leadership transition with a four-year strategic plan, charting ambitious goals for its daily operations, revenue generation initiatives, and growth in program activity. A major component of the plan was the creation of a professionally staffed infrastructure to lead the organization forward. In support of that goal, UMEZ awarded a 30-month capacity-building grant of \$312,061 to underwrite two key staff positions and a human resource consultant.

These hires will strengthen CTH as it expands its programming and allow the Board to renew its focus on resource development, fiscal oversight, and mission-driven planning and assessment.

## CIIF CATALYST GRANT

A packed house enthusiastically greeted the Harlem premiere of *HOMEGOINGS* at the Apollo Theater on Friday, June 21, 2013. This moving documentary portrays the rarely seen but richly historic world of funeral rites among the African-American community, as seen through the eyes of Isaiah Owens, owner of Owens Funeral Home in Harlem. The film was directed and produced by Christine Turner, a participant in the Producers' Lab at Firelight Media. The film garnered high praise at film festivals and was selected by the PBS program *POV* as the opening film of its 2013 season.

The Owens Funeral Home is one of the many small businesses in Upper Manhattan that has received loan financing from UMEZ. Firelight Media received support for the development of the Producers Lab through the Cultural Industry Investment Fund. This unique intersection of UMEZ investments offered a singular opportunity to showcase UMEZ's work in action. UMEZ joined with Firelight Media, *POV*, the Classical Theater of Harlem, and the Apollo Theater to produce this major event.

A critical component of this Catalyst Grant was a joint marketing research/audience development initiative, designed to capture consumer preferences and demographic data from the audience. Information gleaned from an excellent response to the pre- and post-event surveys will provide the basis for improved efficiencies in marketing decisions, evaluating audience engagement practices, and developing the potential audience for expanded program activities among media organizations in Upper Manhattan.



## ALLIED HEALTH FIELD TRAINING

When populations age and life expectancy increases, the employment opportunities in healthcare increase as well. In 2012, the U.S. Bureau of Labor Statistics reported that, nationally, there would be a 21% increase in demand for workers who are trained in the allied health field – specifically radiologic technologists. In New York, the job prospects are expected to be numerous and the median pay is projected at around \$56,000/year. The first step onto the high-demand, high-growth health career ladder is an associate’s degree. Among the institutions that provide this credential is the City University of New York (CUNY), which has a storied history of providing affordable access to postsecondary education. However, for all of this promise, there is one major obstacle: students of radiologic technology programs are required to complete 1,500 hours (about 10 months full-time, or longer part-time) in an unpaid internship.

Some students must work while they attend school, as their financial responsibilities to family and home do not disappear. The time spent at these internships thus limits a student’s ability to earn much-needed resources, and the ensuing stress placed on the students and their families leads many to withdraw from the internship. They are not only walking away from completing their studies, but essentially curtailing their future earning potential. In 2012, UMEZ awarded a performance-based grant totaling almost \$100,000 to the CUNY/Columbia Allied Health Sciences Internship Award program to enable more students to complete radiologic technology and other allied health programs. For many years, Columbia targeted these resources for residents of Community Districts 9 and 12 (West Harlem and Washington Heights), and Columbia expects to continue to invest \$1 million in this program over the next 10 years. The UMEZ stipends allow students representing the entirety of Upper Manhattan to participate in the allied health internships. Additionally, UMEZ’s investment will help determine the demand for the training and stipend in Central and East Harlem.

# FINANCIALS FY 2013

FINANCIAL POSITION	2013	2012	BUSINESS AND CULTURAL INVESTMENTS
Assets			<b>FY 2013</b>
Cash and Investments	57,065,156	52,488,178	<b>\$500,000 TO \$1,000,000</b>
Loans to Businesses and Affiliates	21,223,366	23,752,432	The Apollo Theater Foundation, Inc.
Grants Receivable and Other Assets	2,431,325	6,233,867	<b>\$100,000 TO \$499,000</b>
Net Fixed Assets	420,849	446,152	Classical Theater of Harlem
TOTAL ASSETS	81,140,696	82,920,629	Harlem Shake
Liabilities	1,237,831	1,047,108	Peartree Preschool
Deferred Revenue*	17,906,936	18,179,209	<b>UNDER \$100,000</b>
Total Liabilities	19,144,767	19,226,317	CUNY/Columbia Allied Health Sciences
Net Assets	61,995,929	63,694,312	Internship Award
TOTAL LIABILITIES AND NET ASSETS	81,140,696	82,920,629	Bob's Pizza & Handmade Empanadas
<b>ACTIVITIES</b>			
Revenue and Support:			
Interest and Other Revenue	1,167,993	1,881,684	
Government Grant Support for Lending Activity	3,262,359	3,827,761	
TOTAL REVENUE AND SUPPORT	4,430,352	5,709,445	
Expenses:			
Grant Program Expenses	2,597,351	2,947,948	
Program Service Expenses	2,145,542	2,662,423	
Management and General Expenses	1,385,842	1,513,649	
TOTAL EXPENSES	6,128,735	7,124,020	
<b>CASH FLOWS</b>			
From Operating Activities:			
Receipts From Borrowers	951,469	1,664,112	
Receipts From Funding Sources & Others	7,197,473	448,281	
Payments to Suppliers & Employees	(3,103,742)	(3,075,185)	
Payments to Subgrantees	(2,665,084)	(2,947,948)	
NET CASH USED IN OPERATING ACTIVITIES	2,380,116	(3,910,740)	
From Investing Activities:			
Purchase of Equipment & Leasehold	(26,410)	(473,787)	
Loan Disbursements	(1,607,126)	(729,558)	
Loan Collections	3,915,037	2,616,024	
Other Activities (net)	(84,639)	(83,928)	
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,196,862	1,328,751	
INCREASE / (DECREASE) IN CASH	4,576,978	(2,581,989)	
BEGINNING CASH	52,488,178	55,070,167	
ENDING CASH	57,065,156	52,488,178	

\*All federal funds are in UMEZ custody for future disbursements of the federal share (33%)



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