Our mission is to sustain the economic revitalization of all communities in Upper Manhattan through job creation, corporate alliances, strategic investments, and small business assistance.
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Cover photo: Dyckman Street. Photo credit: Rosemary Santos
A NOTE FROM OUR CEO & BOARD CHAIR

2017 has been a year of change for UMEZ. After years of doing community development work in Upper Manhattan, UMEZ is officially certified as a Community Development Financial Institution (CDFI). This will allow for UMEZ to be featured in the national CDFI database, which will increase awareness of UMEZ as a resource for the neighborhoods of Upper Manhattan.

Our Business Resource and Investment Service Center (BRISC) has launched a line of credit that will offer existing businesses a short-term financing option for their working capital and growth needs. This year, we have also launched a new strategy for our Cultural Investment Fund that will allow us to expand our grant making to individual artists, and not just registered nonprofit organizations. Upper Manhattan is a growing hub for artists and we hope to be able to serve these key members of our community. As the community’s needs evolve, we aim to continue to serve the business community of Harlem, East Harlem, Washington Heights, and Inwood in new ways. If you visit umez.org, you’ll also see that we’ve launched a new website. In the years to come, we hope to reach even more people with our work.

After 15 years of serving the Upper Manhattan community, it is with great pride that I, Ken Knuckles, announce that I will be retiring on June 30, 2018. It has been my honor to serve this community and I am confident that the neighborhoods of Upper Manhattan will continue to thrive. Helping grow the number of jobs and strengthening the cultural fabric of these neighborhoods has been a remarkable experience. During my time at UMEZ, we have provided $87 million in loans for real estate projects, $57 million in tax-exempt bonds for real estate development, and $98 million in grants for arts, culture, and workforce development projects.

The work continues!

Sincerely,

Kenneth J. Knuckles
President and Chief Executive Officer of UMEZ

Joseph J. Johnson III
Chair of the UMEZ Board of Directors

“Ken has been faithful to the mission and charge of UMEZ, not only in helping revitalize the communities of Upper Manhattan by growing small businesses, but also in helping to strengthen vital and longstanding cultural institutions with funding and technical support that allow these organizations to continue enriching the community and New York City as a whole.”

- Joseph J. Johnson III
UMEZ Board Chair & SVP, Goldman Sachs & Co.
INVESTMENT AREAS

COMMERCIAL DEVELOPMENT & BUSINESS INVESTMENTS

UMEZ invests in real estate development initiatives that yield employment opportunities and economic growth for Upper Manhattan. UMEZ also provides loans of $250,000 or more for new and existing businesses in Upper Manhattan. | $250,000 or more

SMALL BUSINESS LENDING

UMEZ’s Business Resource and Investment Service Center (BRISC) provides loans for small business formation and expansion. Small business loans are meant to create opportunities for local wealth creation and economic vitality in Upper Manhattan. | $50,000 to $250,000

MICROLENDING

UMEZ partners with local organizations to offer microloans, loans up to $5,000, to entrepreneurs who are underserved by mainstream banking institutions. | Up to $5,000

CULTURAL INVESTMENTS

UMEZ’s Cultural Investment Fund (CIF) invests in Upper Manhattan’s vibrant cultural landscape, which leads to more visitors, new jobs, and increased economic activity. | Various grant categories

WORKFORCE DEVELOPMENT

UMEZ invests in effective and measurable training and employment program models that directly connect Upper Manhattan residents to quality jobs with pathways to careers.
Assorted sorbet and ice cream (including vegan) flavors, courtesy of Sugar Hill Creamery.
Photo credit: Evi Abeler
SUGAR HILL CREAMERY

In 2017, UMEZ’s Business Resource Investment Service Center provided Larsen with a $110,000 loan to help finance the build-out and launch of Sugar Hill Creamery. The only locally owned ice cream shop in Upper Manhattan, Sugar Hill Creamery opened in July of 2017 on Lenox Avenue, between 119th and 120th Streets.

The loan was used to support leasehold improvements, purchase equipment and inventory, and provide working capital. Larsen is a Harlem resident who has managed three different Michelin-starred restaurants.
Attendees at the Cultural Investment Fund’s new strategy launch event at the Sugar Hill Children’s Museum.

Photo credit: Michael Palma
UMEZ ARTS ENGAGEMENT

In 2017, UMEZ streamlined its ongoing grant-making programs for institutions and established a new initiative to reach the hundreds of artists and smaller organizations that practice their art and make their home in Upper Manhattan. UMEZ has partnered with the Lower Manhattan Cultural Council to implement this new offering, the UMEZ Arts Engagement program. The UMEZ Arts Engagement grants are designed to enhance the diversity and frequency of cultural presentations in Upper Manhattan by focusing on public engagement with art.

According to a report by the Center for an Urban Future, Washington Heights and Inwood combined have the ninth-largest population of artists among all New York City neighborhoods.
CULTURAL INVESTMENTS

The new program will channel direct support throughout Upper Manhattan’s cultural community, particularly artists and small organizations that currently have limited access to funds, to produce and present arts projects and programs to the public. The size of the grants will range from $1,000 to $10,000.

UMEZ’s Cultural Investment Fund will invest $650,000, over a two-year period, to bring this pilot initiative to fruition. These activities will contribute to the vitality of the area’s cultural ecology, and promote recognition of Upper Manhattan as one of the City’s most dynamic cultural hubs.

Classical Theater of Harlem performance of Macbeth in Marcus Garvey Park in July 2016. Photo credit: Classical Theater of Harlem
WORKFORCE DEVELOPMENT

Two individuals at the Starbucks Resource Fair.
Photo credit: Will Howard
1199SEIU PARTNERSHIP

Upper Manhattan serves as home to major healthcare institutions, such as New York Presbyterian and Mount Sinai hospitals, just to name two. The healthcare sector is highly diverse and includes current and emerging job opportunities for job seekers in low to moderate skill-level occupations with living wages. The New York State Department of Labor has predicted that by year 2022, New York City hospitals will generate an estimated 208,600 jobs.

UMEZ began a partnership with the 1199SEIU League Training and Upgrading Fund (“1199SEIU League TUF”) to develop concrete strategies designed to help underserved Upper Manhattan residents gain entry points and career advancement opportunities in healthcare.
CAREER OPPORTUNITIES IN HEALTHCARE PHASE I

1199SEIU League TUF is the largest labor-management training organization in the United States. In 2007, UMEZ awarded the 1199SEIU League TUF a performance-based grant of up to $651,698 to launch Career Opportunities in Healthcare (COH), an initiative that lasted 46 months.

For the first time, the 1199SEIU League TUF was able to create opportunities for non-unionized Upper Manhattan residents to access the skills and workplace competencies needed to secure employment opportunities with healthcare institutions. The program yielded unprecedented access to employment opportunities with the prospect of union membership for over 100 Upper Manhattan residents, who were hired by New York Presbyterian, Mount Sinai, and other major healthcare institutions.

CAREER OPPORTUNITIES IN HEALTHCARE PHASE II

In 2017, UMEZ awarded the 1199SEIU League TUF a performance-based grant of up to $250,601 to launch the second phase of COH, as a pilot initiative. Building upon the relevant approaches identified and tested during Phase I, Phase II will aim to better understand healthcare trends and the specific needs of the healthcare industry and its employers. The second phase will include:

1. An economic analysis/survey of 1199SEIU healthcare institutions (member organizations) in Upper Manhattan and throughout New York City, with the goal of identifying near-term and emerging employment and training opportunities;

2. The formation of a Community Partner Panel that builds the capacity of local workforce development providers to deliver demand-driven workforce development programs; and

3. Entry-level employment (that leads to union membership) and career advancement opportunities for up to 75 Upper Manhattan residents.
EAST HARLEM TALENT NETWORK

The East Harlem Talent Network (EHTN) began in 2014, when UMEZ provided STRIVE, a nationally recognized workforce development agency located in East Harlem, with a grant of $482,874 to launch the Network. Established as a local workforce development network, consisting of various community and workforce development providers, the EHTN served as a unified resource for employers to connect with prospective job seekers.

The EHTN has been recognized and studied as a blueprint for building a valuable neighborhood-based workforce development model. It has been prominently featured in policy reports and articles by the Center for an Urban Future, the New York City Employment and Training Coalition, City Limits, and the New York City Comptroller’s Office.

The program ended in 2017, and under the UMEZ grant, 237 job seekers were placed in jobs. Of those employed, a total of 129 were Upper Manhattan residents.
WHOLE FOODS MARKET RECRUITMENT INITIATIVE

Whole Foods Market (WFM) opened on 125th Street and Lenox Avenue on July 21, 2017. New to the neighborhood, WFM was looking for meaningful ways to engage Upper Manhattan residents around specific neighborhood initiatives. WFM’s desire to work with more community-focused service providers opened the door for the UMEZ-sponsored East Harlem Talent Network (EHTN) to contribute to the organization’s citywide recruitment effort.

To better understand the organizational culture, workforce dynamics, and hiring practices of WFM, UMEZ facilitated a meeting between EHTN staff and WFM’s local senior leadership. As a result, EHTN staff developed a fast-track recruitment process customized to meet the expectations of the WFM’s recruitment team and to assist Upper Manhattan residents with gaining access to employment opportunities. The recruitment process involved the implementation of an aggressive outreach and recruitment campaign implemented by the EHTN and its network of community and workforce development service providers. Upper Manhattan residents underwent an information session administered by the EHTN that covered various job readiness and customer service components. In addition, Upper Manhattan residents received assistance with the completion of online job applications.

Several Upper Manhattan residents were hired to join Whole Foods’ grocery team, bakery team, meat team, and front-end team. UMEZ will continue to collaborate with WFM to meet their ongoing workforce development needs.
### Financial Position

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<th></th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>58,228,509</td>
<td>50,687,819</td>
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<tr>
<td>Loans to Businesses and Affiliates</td>
<td>22,229,524</td>
<td>22,746,945</td>
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<tr>
<td>Grants Receivable and Other Assets</td>
<td>3,568,990</td>
<td>4,951,675</td>
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<tr>
<td>Net Fixed Assets</td>
<td>183,092</td>
<td>235,292</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td><strong>84,210,115</strong></td>
<td><strong>78,621,731</strong></td>
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<tr>
<td><strong>Liabilities and Net Assets</strong></td>
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<td></td>
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<tr>
<td>Liabilities</td>
<td>1,423,029</td>
<td>1,428,711</td>
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<tr>
<td>Deferred Revenue</td>
<td>23,867,215</td>
<td>16,792,642</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>25,290,244</strong></td>
<td><strong>18,221,353</strong></td>
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<tr>
<td>Net Assets</td>
<td>58,919,871</td>
<td>60,400,378</td>
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<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td><strong>84,210,115</strong></td>
<td><strong>78,621,731</strong></td>
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### Activities

#### Revenue and Support:

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<tbody>
<tr>
<td>Interest and Other Revenue</td>
<td>1,151,864</td>
<td>1,120,805</td>
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<td>Government Grant Support for Lending Activity</td>
<td>2,882,652</td>
<td>1,608,059</td>
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<td><strong>TOTAL REVENUE AND SUPPORT</strong></td>
<td><strong>4,034,516</strong></td>
<td><strong>2,728,864</strong></td>
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#### Expenses:

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<tbody>
<tr>
<td>Grant Program Expenses</td>
<td>1,972,477</td>
<td>792,156</td>
</tr>
<tr>
<td>Program Service Expenses</td>
<td>2,389,706</td>
<td>1,781,174</td>
</tr>
<tr>
<td>Management and General Expenses</td>
<td>1,152,840</td>
<td>1,362,955</td>
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<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>5,515,023</strong></td>
<td><strong>3,936,285</strong></td>
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### Cash Flows

#### From Operating Activities:

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<th>2016</th>
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<tr>
<td>Receipts from Borrowers</td>
<td>954,480</td>
<td>1,057,141</td>
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<tr>
<td>Receipts from Funding Sources &amp; Others</td>
<td>11,573,032</td>
<td>932,328</td>
</tr>
<tr>
<td>Payments to Suppliers &amp; Employees</td>
<td>(3,437,281)</td>
<td>(3,027,476)</td>
</tr>
<tr>
<td>Payments to Subgrantees</td>
<td>(1,972,477)</td>
<td>(792,156)</td>
</tr>
<tr>
<td><strong>Net Cash Used in Operating Activities</strong></td>
<td><strong>7,117,754</strong></td>
<td>(1,830,163)</td>
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From Investing Activities:

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<th>2016</th>
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<tr>
<td>Purchase of Equipment &amp; Leasehold</td>
<td>0</td>
<td>(1,814)</td>
</tr>
<tr>
<td>Loan Disbursements</td>
<td>(531,866)</td>
<td>(1,085,730)</td>
</tr>
<tr>
<td>Loan Collections</td>
<td>1,049,287</td>
<td>1,100,975</td>
</tr>
<tr>
<td>Other Activities (Net)</td>
<td>(94,485)</td>
<td>(52,178)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Investing Activities</strong></td>
<td><strong>422,936</strong></td>
<td>(38,747)</td>
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#### Increase (Decrease) in Cash

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<tbody>
<tr>
<td><strong>Increase (Decrease) in Cash</strong></td>
<td><strong>7,540,690</strong></td>
<td>(1,868,910)</td>
</tr>
</tbody>
</table>

**BEGINNING CASH** | 50,687,819 | 52,556,729 |
**ENDING CASH**    | 58,228,509 | 50,687,819 |
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Deja Jeter
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Yahshaanyah Hill
Director of Workforce Development

José Calderón
Program Officer
INTERESTED IN OUR WORK? Let’s chat.

SMALL BUSINESS:
brisc@umez.org

BUSINESS INVESTMENTS:
businessloans@umez.org

CULTURAL INVESTMENTS:
culture@umez.org

WORKFORCE DEVELOPMENT:
workforcedevelopment@umez.org

Upper Manhattan Empowerment Zone Development Corporation
55 West 125th Street, 11th Floor
New York, NY 10027
(212) 410 - 0030
umez.org