Minutes of the Economic Development Committee for Bronx Community Board 8 Thursday, January 26, 2023; In person meeting held at Home BX Steakhouse, 224 W. 238th Street, Bronx, NY, 10463

Committee Members in attendance: Nick Fazio (chair); Moses Esema (vice chair); Julia Gomez

Guests: Johanna Edmondson (Female Fight Club); David Lee (KD New York); Joselito Severino (Tililia Bar and Grill); Norman (Home BX Steakhouse); Michael Nixon (BOEDC); Miguel Matos (BXCC); Scott Pavan, (DOB); Bahaa Ahmed, (DOB); Pablo Cepeda, (Tilila Bar and Grill); Lawrence William, (DOB); Adriana Cabrera, (DOB); Richard Rosen, (DOB); Luke Szabados, (DOB); "The Sherriff" (community member), Ophelia Phipps, (DOB).

Community Board 8 Members: None

Chair Nick Fazio called the meeting to order at 7:40 PM.

- I. Presentation on Access to Capital and Credit for Small Businesses by Michael Nixon, Credit Analyst and Business Development Officer for the Bronx Overall Economic Development Corporation (BOEDC)
 - A. Mr. Nixon thanked the CB 8's Economic Development Committee (the Committee) for inviting him to speak and discuss the role that the BOEDC plays in economic development in the Bronx (https://boedc.org/). According to Mr. Nixon, the functions of BOEDC include lending, support services, and relocation incentives. BOEDC provides six different loan programs and aligns each program to the circumstances of the businesses. Three programs help companies start, expand or relocate to the Bronx. Another program provides capital for investment into energy efficiency. Mr. Nixon indicated that the Bronx Tourism Council is under the BOEDC umbrella. The council's objective is to rebrand the Bronx and build more tourism. One of these initiatives is the Tour de Bronx bicycle ride (https://ilovethebronx.com/tour-de-bronx/). In addition, BOEDC helps businesses locate commercial real estate for operations and partners with the Business Initiative Corporation of New York (https://www.bicofny.org/) to provide SBA 504 loans. According to Mr. Nixon, higher interest rates increase capital costs and are a significant obstacle for small businesses. However, Mr. Nixon indicated that it was a unique time in terms of government intervention in small business credit markets and offered NYC Opportunity Fund as an example (https://sbsopportunityfund.nyc/). CDFIs, nonprofits, and other business

(<u>https://sbsopportunityfund.nyc/</u>). CDFIs, nonprofits, and other business development organizations have various other lending programs, and grant money

- is still available. Mr. Nixon indicated that most lenders based small business lending on cash flows. He encouraged owners to take long-term views of their businesses and invest the necessary time to maintain solid financials.
- B. M. Nixon and attendees discussed the BOEDC's lending history and details regarding the NYC Opportunity Fund. M. Esema inquired about BOEDC's rates. Mr. Nixon indicated that BOEDC rates are below market.

II. NYC Buildings Department (DOB) Small Business Support Team (SBST)

- A. DOB Borough Commissioner Scott Pavan welcomed the small business owners in attendance and thanked CB 8's Economic Development Committee (the Committee) for inviting DOB's Small Business Support Team. Mr. Pavan indicated that the SBST wants to partner with small businesses to support the commercial ecosystem. DOB is a regulatory function and typical interaction with merchants associated with an issue or problem with a building or renovation. However, Mr. Pavan indicated that tenants (the merchants) pay for most renovations and alterations and conduct the work through subcontractors. According to Pavan, renovating a storefront involves a cadre of city agencies. As a result, small businesses are disadvantaged. Therefore, DOB has assembled "project advocates" to deal directly with small business owners. The DOB established the SBST to support businesses in an emergency, such as a fire. However, their primary goal is to meet with companies proactively and act as then merchants' advisors and consultants. Mr. Pavan encouraged small businesses to reach out to the DOB before starting a renovation or committing to a lease agreement in a building that needs permitting, alternations, or repairs. Commissioner Pavan closed by offering to participate in the Committee's following commercial corridor walkthrough.
- B. Attendees and committee members discussed the various issues that small business face and how the SBST can partner with the committee to reach more businesses.
 - N. Fazio asked if the SBST would consider the lease agreements between businesses and landlords when they pass DOB fines to commercial tenants. Commissioner Pavan indicated that it was a valid concern and that SBST would try to find ways to consider lease agreements and the responsibilities of business owners relative to landlords. However, he suggested that businesses connect with an SBST "project advocate" preemptively.
 - 2. Julia Gomez asked how many businesses SBST supports. Commissioner Pavan said he would share that data and provide the Committee with a pdf presentation.
 - 3. N. Fazio stated that the Committee would share and distribute the presentation through the board office's merchant network.

 N. Fazio said that the Committee would take SBST up on its offer to participate in the following walkthrough and coordinate some dates with committee members.

III. Small Business Owners Report

A. David Lee, CEO of KD New York (https://kdnewyork.com/), described the company's background and recent innovations. According to Mr. Lee, KD New York is a dance and

fitness apparel company. The firm moved to the Bronx in 1987 and localized manufacturing production of apparel made of plant-based fibers. Mr. Lee studied various production methods and conducted research in Japanese and German factories. KD New York received a patent on one of its inventions and is currently working on a product called "vegetable cashmere." KD New York moved production abroad but recently recreated the business model to include US-based manufacturing. Mr. Lee said the costs of factory floor space in the Bronx were marginally less expensive than alternatives. However, he indicated that social capital, networking with other businesses, and the Bronx business support organizations were primary considerations in the decision. Mr. Lee said he is building a factory as a component of the Peninsula Redevelopment in Hunts Point (https://www.thepeninsulabx.com/), a mixed-use development that will house the new plant. Mr. Lee cited the freight transportation costs, logistical convenience, and access to Hunt's Point Terminal Market. According to Mr. Lee, KD New York can use recycled waste from the market for manufacturing its products.

- 1. Committee members and attendees discussed Mr. Lee's timeline and the number of jobs KD New York will create. According to Mr. Lee, the factory must hire 40 to 50 employees. In addition, they have to train new hires, and KD New York is open to partnering with local anchor institutions to support workforce development. Com. Pavan asked about a retail component. Mr. Lee said he would be open to the idea of a storefront to reestablish a physical retail presence. However, Mr. Lee indicated that KD New York is an export-oriented business that relies on ecommerce and downstream partners for distribution networks.
- 2. Chair Fazio thanked David Lee and KD New York for committing to the Bronx and hiring local workers. He asserted that the "cannibalization" of manufacturing-zoned space impedes the re-establishment of manufacturing in the Bronx. He encouraged DOB to coordinate with DCP to reevaluate current zoning and uses with support for manufacturing in mind. *N. Fazio stated that* although deindustrialization required the pivot to alternative uses in M1 through M3 zones, it was time to reevaluate the zoning, building, and uses group regulations. Despite new federal incentives and protectionist policies, e.g., the Jobs and Chips Act, the Bronx would not benefit because of its need for more suitable manufacturing space. Fazio stated that in addition to current uses in M1, M2, and M3 zones, the city's economic development planners should consider the apparent under-usage in C8 zones. Mr. Pavan agreed with Fazio's assessment and indicated that he would raise this issue with his colleagues at DOB and appropriate sister agencies.
- B. *Johanna Edmondson*, CEO of Female Fight Club, located at 5912 Riverdale Ave. (https://femalefightclubnyc.com/), stated that the pandemic inspired Female Fight Club NYC to help women to get outside and feel better about themselves. She is a former preschool teacher and decided to start her own business. Ms. Edmondson indicated the business model of the Female Fight Club is to provide a safe space for women to exercise, socialize, and build social capital. She stated that she has operated the business full-time for 18 months and has hired ten instructors. Her current location is roughly 2000 square feet and has a waiting list for most classes. In closing, Ms. Edmondson stated she is looking to expand her business but wants to remain in Riverdale.

- 1. Committee members and attendees discussed the Female Fight Club's most significant challenges and how the Bronx's community of business support service providers can help the company achieve its goals. David Lee inquired about the firm's most considerable start-up expenses and capital needs. Michael Nixon suggested that he and Ms. Edmondson connect to discuss her capital needs and see if BOEDC could assist. Ms. Edmondson indicated that marketing was her biggest challenge. N. Fazio suggested that Ms. Edmondson contact Michael Gabert of Flexis Media, LLC.
- C. Jose Severino and Pablo Cepeda, Managing Partners of Tilila Bar and Grill, located at 3648 Bailey Avenue (http://www.tililanyc.com/), discussed the ongoing challenges resulting from the fire of November 1, 2021. They thanked N. Fazio and CB 8 for their help in the fire's aftermath. However, according to the merchants, they were still unable to enter the storefront and start rebuilding. Finally, the merchants indicated that DOB coordinated with District Manager Gannon and issued all necessary permits. However, the property owner continued to stall and refused to move forward.
 - 1. Committee members and attendees discussed Tilila's situation with the property owner. Com. Pavan offered to meet with Mr. Severino and Mr. Cepeda privately to see if DOB can find ways to support Tilila. According to Mr. Pavan, the DOB, could not force private owners to repair their properties. However, he indicated that DOB would work closely with Mr. Severino and Mr. Cepeda to get them back in their space as soon as possible once repairs commenced. SBST representatives said they would work with the merchants until the landlord completed the repairs and that Mr. Cepeda and Mr. Severino would directly connect with a project advocate. The SBST also agreed to meet with their architect to head off any problems that might arise.
 - 2. N. Fazio thanked Com. Pavan and the SBST for their attention on this matter. He stated that despite the "pervasive misinformation" about landlords being able to "write off" vacant storefronts, there was nothing legal in the tax code that allowed such deductions. According to Fazio, city property owners can appeal to the NYC Department of Finance for a temporary reduction in their property taxes if the storefront is vacant. However, DOF is under no legal obligation to honor the request, and the decision is at the discretion of the city property tax assessor (https://www.nyc.gov/site/taxcommission/guidelines/guidelines.page). Fazio stated that if there were no objections, he would reach out to the tax assessor's office to explain the circumstances at 3646 Bailey Avenue and recommend that DOF deny any requests for a temporary reduction in property taxes until the owner demonstrated a good-faith effort to repair the building.

IV. Chair's Report

A. N. Fazio affirmed that on Thursday, January 19, he participated in a meeting with EDC, BOEDC, SOBRO, BDCI, CM Sanchez, Fordham Rd, BID, and other economic development organizations in the Bronx about the Kingsbridge Armory's redevelopment (presentation attached). Attendees participated in a roundtable discussion on the site's potential redevelopment and the community's needs. As a result, Nathan Gray from EDC offered to attend the next meeting of CB 8's

- Economic Development Committee to continue the discussion and solicit more input from the community.
- B. N. Fazio reiterated Mr. Nixon's assertions regarding the NYC Opportunity Fund https://sbsopportunityfund.nyc/. Approximately 1,500 local businesses will be served by the fund with loans up to \$250,000 at a market-leading rate of 4 percent.
- C. In closing, N. Fazio announced that the committee would hold its next meeting on Tuesday, March 7, at 7:30 PM and that the Committee would announce the location within the next few weeks.

VI. Outstanding Business / New Business

- A. N. Fazio asked the Committee about preliminary research for the "Bronx Bucks" app concept. In its "advisory capacity," he asked if the Committee should present its findings to pertinent community partners. The members in attendance conveyed unanimous support for the proposal and indicated that the Committee should advise the BOEDC, Bronx Borough President, Bronx Chamber of Commerce, and any other organizations capable of taking on the initiative.
 - N. Fazio stated that as part of the preliminary research, he met with Colu
 Technologies, one of many possible firms that are capable of providing the app
 build-out, back-end service, and maintenance (https://colu.com/; presentation
 attached)
 - 2. Mr. Nixon asked how the app works and who else has implemented it. Fazio stated that Colu has worked with other cities on similar projects, including Akron, Youngstown, Boston, Utica, and several European cities https://www.youtube.com/watch?v=w_tDpeqdrCg (https://www.youtube.com/watch?v=t6SKkgmumi8&t=12s); https://www.boston.gov/departments/small-business-development/b-local-support-bostons-small-businesses#:~:text=The%20B%2DLocal%20app%20rewards,redeemed%20at%20 your%20local%20business). According to Fazio, a Bronx iteration ("Bronx Bucks") would work like a rewards program and function as a digital currency. It would provide direct subsidies to small businesses and incentivize residents to spend more disposable income within the Bronx.
 - 3. Com. Pavan asked about the analytics in terms of economic impacts. Fazio stated that, according to data provided by Colu, multipliers could reach as high as 14x. For example, the latest iteration in Utica elicited a 12.85x in its early stages of operation. In addition, Fazio said that part of the benefits of a digital currency is the ability to track the movement of money through the economy. This data would provide economic developers insights into subsidizing various economic sectors efficiently and incentivizing consumers for the most significant economic impact. According to Fazio, administrators could also leverage the app to promote Bronx events, like the Tour de Bronx, Van Cortlandt Park's Octoberfest, Wave Hill concerts, etc.
- B. The committee members discussed possible dates and locations for the following commercial corridor walkthrough. N. Fazio said he would send out some potential dates for members to consider. He also asked members to email their suggested locations.

C. N. Fazio announced that the chair of the Racial, Equity, and Diversity Committee emailed regarding collaboration with the Committee on the burgeoning cannabis industry. The committee members discussed their views of the MRTA and the proliferation of illegal establishments. M. Esema suggested that the Committee hold off until other committees can weigh in on the issue as a whole. The Committee did not reach a clear consensus, and members decided to discuss the topic at the next meeting.

V. Budget Item Discussion for FY 2025:

https://docs.google.com/spreadsheets/d/1eogzg4cvaRdUyIYiHF_dZXilWvCUbmfH/edit#gid=685388108

A. Julia Gomez suggested that the "Bronx Bucks" app idea be a Capital Item. All the other members in attendance agreed with the suggestion. Other suggestions included additional Argus cameras in commercial corridors and more funding for the SBS's Emergency Response Unit (ERU). N. Fazio stated that the Committee asked for more ERU funding last year. However, he would endeavor to reach out to Bernadette Nation at SBS to inquire about ERU's specific needs.

VI. Approval of Minutes

- A. The Committee approved the minutes from October 27, 2022, with no objections.
- B. Chair Fazio indicated that the date listed on the website for the meeting on December 6, 2022, needed to be corrected. Accordingly, the Committee approved the minutes as amended.

VII. Adjourned: 9:40 PM

Nick Fazio respectfully submitted the minutes on Monday, February 6, 2023.



Agenda

- History of the Armory
- Kingsbridge Armory: Scale and Condition
- Together for Kingsbridge/Juntos Para Kingsbridge Process
- Community Values
- Discussion





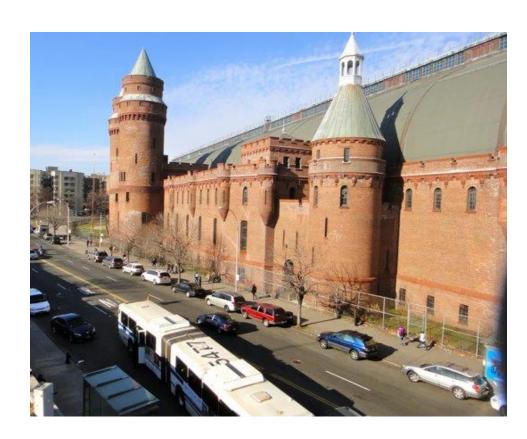
History of the Armory



Kingsbridge Armory

- Operated as an Armory from 1917 to 1994.
 Transferred to City in 1996.
- The facility has held a series of short-term uses throughout its history including shows, exhibitions, and filming.
- It is a New York City and New York State Landmark building.
- Largest Armory in New York City and, possibly, in the United States.
- Two previous redevelopment attempts did not move forward.
- Emergency Uses:
 - Homeless Shelter (1980s mid-1990s),
 - Pandemic (2020)
 - Twin Park North fire (2022)





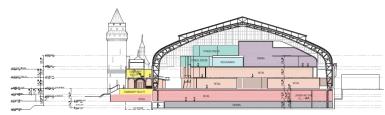
Previous redevelopment attempts have been unsuccessful...

2006 Request For Proposal - Related Companies were selected, the proposal included 605,000 GSF Retail + 400 parking spaces.

In 2009, the City Council voted the proposal down.

2012 Request For Proposal - KNIC was selected as the developer, planned to convert the Armory into an ice center, including 9 ice rinks, parking, ancillary retail, and a community facility space.

- ULURP was completed in December 2013.
- Community Benefits Agreement signed between KNIC and Community Orgs included:
 - Monetary contributions for community priorities
 - Local procurement, hiring, training, and living wages
 - Environmental sustainability
 - Community space and programming
 - Construction of New School
- KNIC was unsuccessful in obtaining financing.



Section of Related Proposal



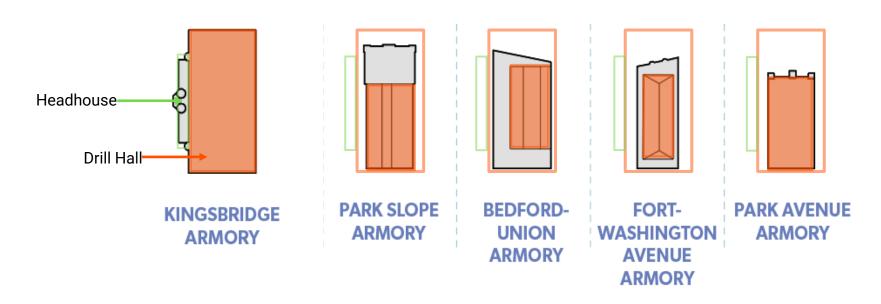
Conceptual Rendering of KNIC Proposal



The Kingsbridge Armory: Scale and Condition



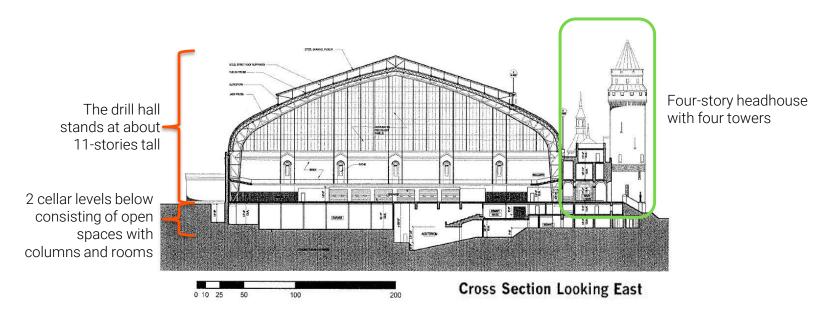
The Kingsbridge Armory is bigger than any other armory in the City.



The Armory has a footprint of 200,000 square feet (SF), that's more than 27 basketball courts.



The Kingsbridge Armory is made up of unique spaces.





The inside of the Armory is over 500,000 square feet, around the size of Madison Square Garden.



fields or 27 basketball courts.

The Armory Today – Exterior













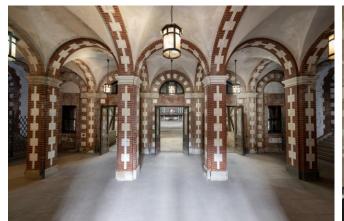
The Armory Today -Roof







The Armory Today – Headhouse









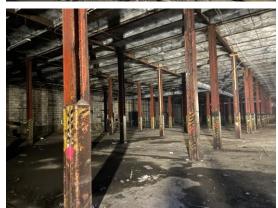




The Armory Today - Cellar levels

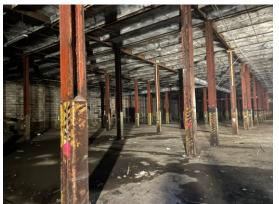














Visioning Process: Together for Kingsbridge



What is our goal?

In partnership with local elected officials and the Community Working Group, NYCEDC has started a robust and inclusive engagement process to define a vision for the Armory's future.

We will release a Vision for the Armory's future this Spring. The Vision will capture the community's priorities for the Armory and will serve as the foundation for a future RFP.

As part of our outreach, we will:

- Engage a broad range of people,
- Rely on local partnerships and relationships,
- Build a shared understanding of opportunities, challenges, and trade-offs through extensive due diligence about the building's condition.



Engagement Timeline

Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Research + Discovery		Community Values + Needs Assessment	What's possible for the Armory		Vision for the Armory		Vision launch
Existing condition Assessment + drafting	S		(timeline u	ndetermined)			
		Stakeholder Intro Interviews, focus grou		Community tours (Tentative)			
		Public Workshop 1 11/5		Public Workshop 2 TBD		Public Workshop 3 TBD	Vision (Launch Events TBD
	CWG Meeting 10/5	CWG Meeting 11/15	CWG Meeting 12/13	CWG Meeting TBD	CWG Meeting TBD	CWG Meeting TBD	CWG Meeting TBD



Emerging Values & Needs



Community Values

- Togetherness + mutual support
- Collective economy
- Strong work ethic, working class values
- Diverse, inclusive of all cultures
- Resilience through creativity + resistance
- Family
- Kindness + compassion towards others
- Educational + vocational progress



Redevelopment Needs

- Thoughtful + intentional development
- Anti-displacement stance
- More community involvement + outreach
- Community ownership of land + profits

Discussion



We want to hear from you!

Upcoming Events

Sat Jan 21 12 - 3 pm Public Workshop at PS 340 Annex

March Public Workshop #3

Visit www.kingsbridgetogether.com





























Reimagining Civic Engagement

How can local leaders leverage the power of their community to make their city a better place to live?

Colu empowers city leaders to achieve their goals



Mayor **Jamal Tito Brown** of Youngstown, Ohio

"The 'YO!' app resonated with people. It felt like the community was coming together to see how we can grow...



Mayor **Kim Janey** of Boston, MA

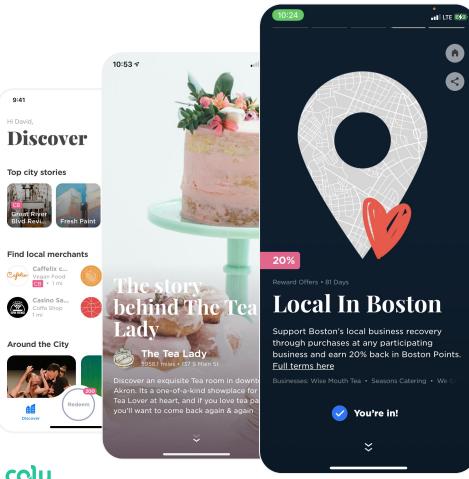
"This dynamic program is a proven and powerful economic tool."



Mayor **Dan Horrigan** of Akron, Ohio

"Our partnership with Colu will enable the city to reward customers for shopping local, improving revenues for our small businesses."





The Solution: reward residents for keeping their dollars local

- City-branded mobile-app
- Powered by a unique City Coin
- Connects residents with local businesses
- Gamification elements to incentivize engagement
- Gives businesses a digital platform



Using ARPA Budgets for Utica Proud



Cities face critical challenges in a post-pandemic world

Set & customize essential goals and desired actions to promote.

Here are a few examples:

Civic Engagement

Take surveys and provide feedback to local representatives; report to 311 apps

Health & Wellness

Walk more; prevent illness by getting screened and tested; focus on mental health



Sustainability

Recycling; carpooling; public transit; increase EV adoption; optimize grid demand

Education

Take classes to acquire essential skills such as financial and digital literacy to boost employment opportunities

Local Economy

Shop at local businesses, and promote a diverse and inclusive economy



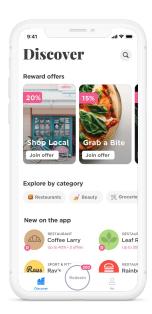
City Coin Success Stories





77%

Out of the total local coins spent, **77**% were spent at Black-owned, immigrant-owned & women-owned businesses





X2

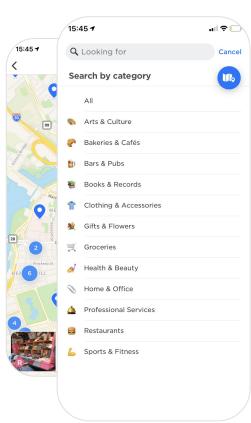
The shopping volume at local businesses has more than **doubled** since inception



More engagement. More awareness. More inclusion



Reward offers

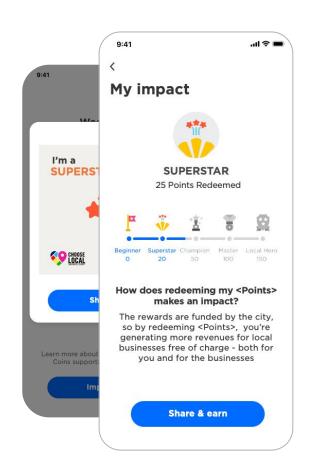


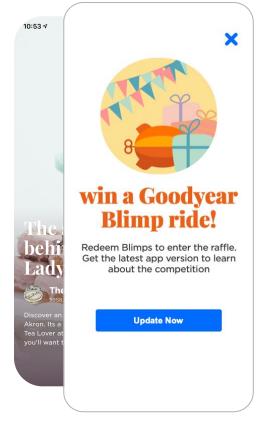
Directory & nearby map



Behind the counter stories

Gamification elements to drive engagement





Patches for outstanding users

Competitions and promo codes

Launching a New City

- Design and Implementation
- License fee and app oversight

Recommended Add Ons:

- Community Ambassadors
- Program Promotional Materials Kit
- Additional Use-Cases
- Expert Visits
- Tutorial Video and Marketing
- Launch Event



Visit colu.com/uticaproud to learn more.





Meeting with Nick Kohr, Owner of Brew Cafe in North Fair Oaks







Making a Change in the SMC Community



Max Waine, Atlas Pizza: San Bruno



Alpa Bahs, Eats Meets West: Belmont



Sean Azad, Dahlia Mexican Grill: San Mateo

Custom-Tailored Solution in 6 Steps



Step 1 Strategy

SWOT analysis, goals, actions) and execute commercial agreement



Step 2 Create Custom App

Customized city-branded mobile app



Step 3 Create Content

Onboard local Businesses and sponsors



App is live and ready for the city to use



Step 5 Download App

and accumulate coins by taking specific predefined actions



Step 6 Redeem City-Coins

branded coins at small businesses throughout the city

Utica Overview: 1 Month Post-launch



Program Overview

- Yielded <u>\$31,100</u> in economic activity generated from \$2,419 worth of Halfmoons.
- 12.85x Economic Multiplier
- 148 local businesses on the app
- 35 Redeeming Businesses
- 1,119 registered users





In the First Month:

↑ \$1,572 Paid to Utica Businesses

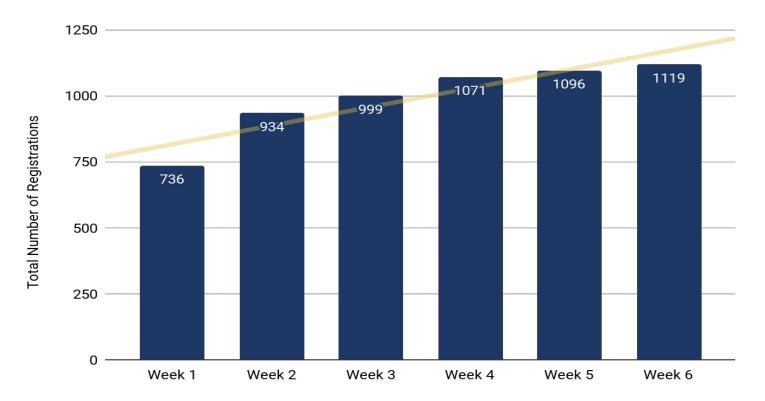
131 124 Transactions Using Halfmoons

14 Businesses Received Payments in Halfmoons



User Acquisition

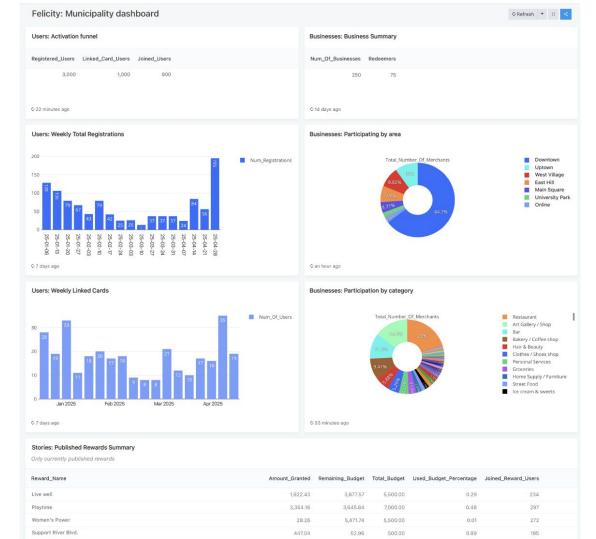
Over 1,000 users in the first month...and counting!





Driven by Real-Time Economic Data

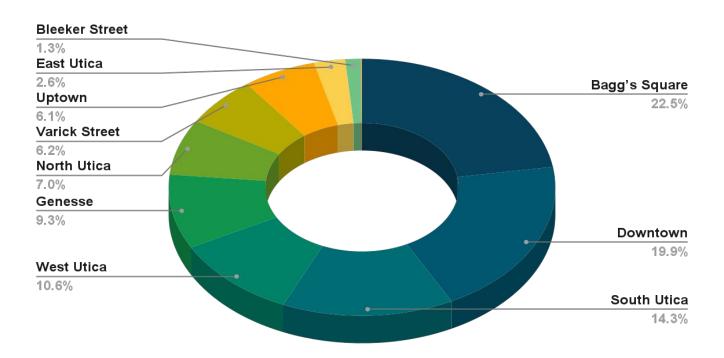
Quantify the impact of your budget and achieve your KPIs.





Consumer Behavior Insights

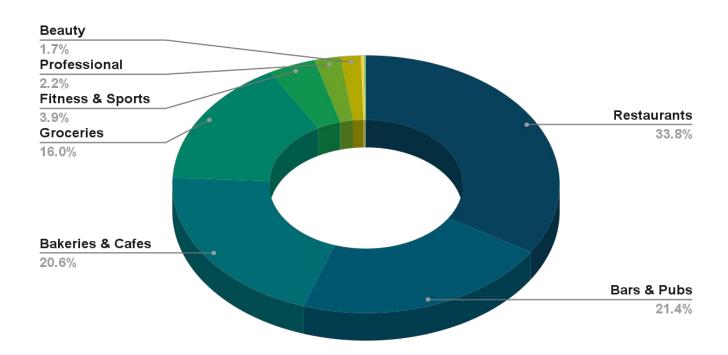
See where your residents are shopping most and which areas show signs of struggle.





Consumer Behavior Insights See where your residents are shopping based on

business category.



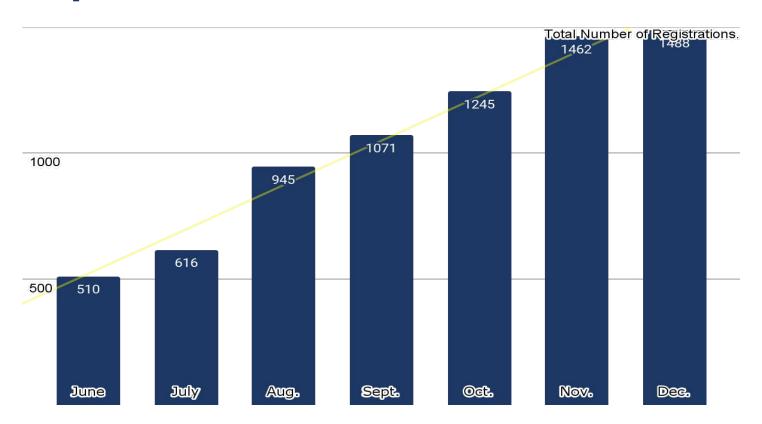


What's Next?

Examples from Saline County



User Acquisition





Economic Activity

Total Transactions Amount + Redeemed Amount = **Economic Activity** Economic Activity / Rewards Granted = **Economic Multiplier**



Testimonials



"The Utica proud app is the missing puzzle piece that we didn't know we needed. As a business owner I've been able to witness firsthand, the joy that it's brought our customers when they're able to pay for their breakfast in Halfmoons. They're being rewarded for supporting their favorite local business, which is something that our community loves to do. I'm proud to be an ambassador of an app that mutually benefits our community members and our small businesses."

-Ronny Rodriguez Owner of Willie's Bagel Cafe





"Colu and Utica proud is a great program that incentivized local shopping and strengthen local economy. This program is greatly benefiting the Utica community in ways I have not seen. It's bringing the community together while supporting our local businesses."

-Tabo Bo, Utica Proud Ambassador.





Colu's City Coin Initiatives Continually Brings Positive Benefits to Communities Across the Nation

"The results speak for themselves"

-Deputy Mayor James Hardy of Akron, Ohio

"We've seen really good results from it. We've got people coming in who normally wouldn't be able to afford good quality shoes, or not as often, for work, exercise, kids' shoes, to help out the whole family. They're spending money around town, and buying shoes sooner than normal"

-Daniel Pilkington Owner of Brown's Shoe Fit of Saline County, Kansas

"We love the MPK Rewards Program!"

-David Lee Longtime Resident of Monterey Park, California



THANK YOU!

