



Testimony of Loree Sutton, M.D., Brigadier General, U.S. Army, Retired

Commissioner of the Mayor's Office of Veterans' Affairs

Before the New York City Council Committee on Veterans concerning

**Oversight - Supporting Veteran-Owned Businesses and Promoting Veteran Entrepreneurship**

1:00 pm, Monday, January 21, 2015

Council Chambers, City Hall

Good morning Chairman Ulrich and Chairman Cornegy, Jr. and the members of the Veterans Committee. My name is Loree Sutton, and I am privileged to serve as Commissioner of the Mayor's Office of Veterans' Affairs. I appreciate your leadership and look forward to sharing my perspective about today's topic as well as following up in the near future to discuss MOVA's strategy going forward. Thank you for the opportunity to come before you today to testify about Supporting Veteran-Owned Businesses and Promoting Veteran Entrepreneurship.

Working with the New York City Department of Small Business Services and the Mayor's Office of Contract Services, we have put together a collaborative report *A Roadmap for Supporting Veteran Owned Businesses*. This report gives details on services provided to New York City veterans; demographics on the veteran business community; veteran community needs, seven recommendations to serve veteran business, and next steps. It outlines how we can better assist veterans looking to start, or grow, their small businesses. This initiative will better prepare veteran business owners to potentially become eligible to win contracts in the City procurement process.

Mayor Bill de Blasio is committed to making New York City the place to call home for returning veterans, whether they are native New Yorkers coming back to their home of record, or veterans who are new to our City. We want to attract the best and the brightest and invite veterans and their families to continue serving others as they prepare to study, work, flourish – and even start a new business!

This initiative will allow us to assist them in their goal to become the future business leaders of New York City, whether they are looking to run a small "mom and pop" shop, incubate and launch a technology company or, use what they learn in the program to become the CEO of a Fortune 500 company. We know that veterans possess the indispensable skills, leadership, team ethic, values and maturity to thrive in today's career landscape

I look forward to working with SBS and MOCS and all generations of New York City veterans who are interested in exploring new and emerging employment and business opportunities. Having a veteran workforce better informed and prepared to succeed as entrepreneurs will be an asset to New York City. The feedback sessions thus far have been extremely productive, yielding valuable insights,

ideas and constructive feedback that will inform our actions going forward. The veterans in attendance were excited to hear about the City's Veterans' Entrepreneurship Program.

To this end, MOVA will continue to partner with SBS in conducting outreach sessions and engaging the veteran community in paving the way ahead for better business and employment opportunities for veterans and their families. MOVA will organize a Veteran Business Leadership Task Force whose recommendations will be submitted to the Commissioner and VAB for consideration and action.

Thank you for this opportunity to meet with you today and I look forward to continuing our journey together on behalf of all New York City veterans and their loved ones.

At this time, I am honored to turn over the testimony session to Commissioner Maria Torres-Springer and welcome any questions during the Q/A discussion period. Again, thank you.

**TESTIMONY BY  
COMMISSIONER MARIA TORRES-SPRINGER  
NEW YORK CITY  
DEPARTMENT OF SMALL BUSINESS SERVICES  
BEFORE  
THE COMMITTEE ON SMALL BUSINESS  
AND  
THE COMMITTEE ON VETERANS  
OF THE  
NEW YORK CITY COUNCIL  
WEDNESDAY, JANUARY 21, 2015**

Good afternoon Chair Cornegy, Chair Ulrich, and members of the Committees on Small Business and on Veterans. My name is Maria Torres-Springer and I am the Commissioner of the Department of Small Business Services ("SBS"). I am pleased to join General Loree Sutton, Commissioner of the Mayor's Office of Veterans' Affairs ("MOVA") and Lisette Camilo, Director of the Mayor's Office of Contract Services ("MOCS") to discuss the veterans report, *A Roadmap for Supporting Veteran Owned Businesses*, which we released together in December 2014. This report examines the state of veteran owned businesses in New York City, and outlines seven recommendations for how the City can help strengthen these businesses through training, outreach, networking, and identification. There are more than 200,000 veterans in New York City today, and thousands more will be returning home in the coming years. The City is committed to ensuring that these individuals who selflessly volunteered to serve and protect our country have the resources they need to be successful. We believe our recommendations are just the beginning of our work to further support veterans and veteran owned businesses in New York City.

I will start by discussing the services that SBS currently offers veteran jobseekers and entrepreneur. Then, I will discuss the findings of the veteran study including the demographics of the veteran community, their market size, and community needs. Next, I will walk through our seven recommendations and our continuing community outreach process. After my testimony, I am happy to take your questions.

## **EXISTING SERVICES FOR VETERANS**

SBS currently operates 16 Workforce1 Centers that offer recruitment services to businesses, as well as train and connect New Yorkers to jobs. To offer targeted support to veterans, SBS, the Mayor's Fund to Advance New York City ("Mayor's Fund") and the Robin Hood Foundation ("Robin Hood"), launched the Workforce1 Veterans Employment Initiative in July 2012. This initiative expands on the Workforce1 model to better connect local service members, veterans, and military families to meaningful employment. As part of this initiative, SBS has placed 10 dedicated Veteran Specialists, who are nearly all veterans themselves, at seven Workforce1 Career Centers across the city to provide priority of service to veterans, which means making sure all veterans and military spouses are first in line for staff



appointments and prioritized for all career, training, and job placement services; delivering one-on-one career development support; referring veterans in need of supportive services to Robin Hood's network of community partners; and connecting veterans to job opportunities. Since the program launch in July of 2012, the Veterans Workforce1 Employment Initiative has served nearly 11,000 veterans and spouses and connected more than 2,400 to work.

At our seven NYC Business Solutions Centers, SBS offers a set of nine free services to help businesses start, operate and expand in New York City. These services include financing assistance, business courses, legal advising, help navigating government, access to incentives, recruitment and training. To specifically support veteran entrepreneurs, NYC Business Solutions, the Institute for Veterans and Military Families at Syracuse University ("IVMF"), Kauffman FastTrac, the SUNY Levin Institute, and BNY Mellon launched the Veteran Entrepreneurship Program in January 2014 for a cohort of 20 veteran entrepreneurs. This pilot leveraged the collective partners' entrepreneurship-focused programming and was customized to address the unique challenges that veteran entrepreneurs face by providing veteran business mentors and connecting participants to resources offered by veteran service organizations. The first cohort has graduated, and we are actively recruiting for the next cohort that will start in February. We believe these efforts have provided valuable services to the veteran community but we also believe we have a tremendous opportunity to do more.

## **VETERAN STUDY**

To better understand the composition and the needs of the veteran business community and in compliance with Local Law 144, SBS and MOCS commissioned a study of the veteran businesses in New York City. This study, conducted by PricewaterhouseCoopers, relied on publically available market data, including information from the U.S. Census and U.S. Department of Veterans Affairs; in-depth interviews and focus groups with veteran-support organizations and business owners; and a customized online survey. Taken as a whole, this data helped us to estimate the number of veteran businesses in New York City, and their interest in and capacity to contract with the City.

The study found that New York City's veteran population is largely male (90%), older than 45 (83%), with a large percentage having served during the Vietnam War (29%). They are spread fairly

evenly across the five boroughs, with the largest concentration found in Queens. Ethnically, approximately half of the population is non-Hispanic Caucasian, and the other half is Asian, Latino or African-American. The study also found that largely veterans are well-educated, with nearly 60 percent having some college experience or a Bachelor's degree.

The study estimates that there are approximately 235,000 veterans in New York City. If you exclude the five percent who are unemployed and the approximately 40 percent who are retired, that leaves 129,000 veterans who are employed. Of these employed veterans, it is estimated that 11.9 percent, or 15,400 veterans, own a business. Based on U.S. Census data, approximately 40 percent of veteran business or an estimated 6,200 businesses are in industries in which the City procures including construction, professional services, and maintenance and repair. Importantly, however, we do not know if these businesses necessarily have sufficient capacity or interest in selling to the government.

The study also revealed a number of insights into the needs of the veteran community, including existing business owners, as well as veterans who are interested in starting a business. The study identified nearly 23,000 veterans who were interested in starting a business, and their most pressing needs which included business training, accessing start-up and growth capital, and getting assistance with business development services. Additional needs that the veteran community as a whole identified were finding employment, assistance with City procurement processes, networking with the veteran community, accessing Veterans Affairs benefits, and having a centralized directory for veteran resources.

## **REPORT RECOMMENDATIONS**

Based on the needs identified through the study, we believe there is a significant opportunity to build upon the existing services we offer to better serve the veteran community. We are pleased to describe seven recommendations that are designed to help veterans interested in starting and growing their business, as well as those interested in contracting with the City.

### **1) Outreach to the Veteran Business Community**

SBS will focus on broadening our reach in the veteran community to market services and share information, including through our NYC Business Solutions Centers, Workforce1 Centers, partnerships with other governmental agencies and community organizations, as well as through our website, social media, and email blasts. A close working relationship with MOVA will be a major component in coordinating effective outreach to the veteran community.

2) *Provide an opportunity to self-identify a business as veteran owned through the Payee Information Portal ("PIP")*

Currently, there is no way to identify veteran owned businesses participating in City procurement, and we will address this issue through recommended changes to the Payee Information Portal. PIP is a service on the City's website that allows businesses to enroll as potential vendors with the City and once registered, PIP allows enrolled firms to manage their account online and view financial transactions with the City if awarded City contracts. By allowing businesses to self-identify as veteran owned starting as soon as in the next two months, we could measure the number of businesses interested in City contracting, determine the current utilization of veteran owned firms in City procurement, and identify businesses for outreach, support and training. With a more defined list of businesses interested in contracting opportunities, we will be able to offer tailored services to this community of potential vendors.

3) *Support Veteran Entrepreneurial Efforts*

Since a significant number of businesses in the study were interested in starting a business, we will increase and enhance the ways we support veteran entrepreneurs. As you may know, our network of NYC Business Solutions Centers provides free services for businesses of any size and at any stage. In an effort to customize our services for veterans, we will launch a new course titled, "10 Steps to Starting a Business for Veterans" in February. We also have scheduled a training session for all of the Center staff on the services available for veterans. We currently are recruiting for the Veterans Entrepreneurship Program whose next cohort begins in February, and continue to investigate ways to expand the program. By sharing veteran data between PIP, NYC Business Solutions and our other services, we will be able to

better understand the needs of veteran business owners and specifically tailor our business services for veterans accordingly.

4) *Partner with Small Business Development Centers ("SBDCs") and Procurement Technical Assistance Centers ("PTACs")*

New York City is home to three PTACs, including one operated by SBS, and several SBDCs. PTACs provide government contracting assistance including certification for City, State and Federal contracting and training to help businesses compete for and win contracts. SBDCs offer free, one-on-one technical assistance to entrepreneurs and small businesses including financial assistance, disaster recovery assistance, procurement support, healthcare information and business courses. We can better partner with the SBDCs and PTACs to leverage their business training, consulting services and government contracting assistance and direct veteran businesses to the services that best meet their needs.

5) *Train Veterans on How to Do Business with Government*

The City has undertaken a number of efforts to reduce barriers for small businesses that are competing for contracts and currently doing business with the City. For example, SBS runs a monthly Selling to Government workshop that is open to the public, as well as additional capacity-building programs through the Compete to Win initiative, which includes technical assistance, upfront capital loans, bond readiness, and construction mentorship programs. Moving forward, SBS will better market these selling to government services to veterans so that we can assist them in navigating the City's procurement system.

6) *Provide Access to Certification Programs*

Today, there are opportunities for veterans based firms to certify in one of the existing certification programs for Minority and Woman-owned Business Enterprises ("M/WBE") and Emerging Business Enterprises ("EBE"). These programs, established by local law, contain goals for prime and subcontracting. Given the demographic data from the study, we estimate approximately half of the

existing veteran businesses can qualify for the M/WBE Program. Furthermore, we can evaluate whether EBE certification is an option for those who do not qualify for the M/WBE Program. We will certainly look to certify as many eligible veteran firms into these existing certification goal programs.

7) *Establishment of a Veteran Leadership Association to Support Procurement Efforts*

With support from the City Council, the City has an M/WBE Leadership Association that helps inform City policy and provides M/WBE firms with procurement workshops and capacity-building services. There is an opportunity to create a similar association that could work in partnership with the existing Veterans Advisory Committee hosted by MOVA to specifically support veteran owned firms interested in contracting with the City.

We recognize that the City Council was interested in investigating a goals program for veteran business owners, and I want to briefly explain why we have chosen not to create such a program at this time.

- First, the study showed that while some veteran businesses need assistance navigating City procurement, but there are many issues faced by veterans that will not necessarily be addressed by simply creating a goals program. At this point, we believe we can have a larger and more immediate impact within the veteran community by assisting veterans through a wide array of outreach, training, and networking opportunities. The seven recommendations outlined in the study build on the proven tools that the City has, and are designed to meet the needs that veterans identified in the study.
- Second, for those veteran businesses that are interested in City contracting, four of our seven recommendations focus on improving the capacity of businesses to sell to the government, navigate the City's procurement process, and compete for and win government contracts.
- Third, veterans can certify for existing goals programs, including the M/WBE Program and the EBE Program. Based on the demographics of New York City veterans that I described earlier, we estimate that approximately 50 percent of the veteran business community may qualify for these programs.

- Fourth, for businesses interested in contracting, the self-identification process through PIP is a simpler, less paperwork-intensive way to encourage participation from veteran business owners in City procurement, and it will allow us to more quickly identify and engage these businesses. We estimate that there are roughly 6,200 veteran owned businesses in industries from which the City procures, but we do not know how many firms are in fact already contracting with the City, how many are interested in contracting with the City, or how many need additional capacity in order to contract. To effectively create a goals program, we need to know more about the universe of businesses that want to sell goods and services to the City, which we will be in the position to do through the aforementioned changes to the PIP system. With that information, we can effectively evaluate the need for a specific goals program.

## **COMMUNITY ENGAGEMENT**

At SBS, we are committed to actively engaging the community to assure that the services we provide meet the needs of all of the people we serve. That is why in the weeks following the release of the report, in collaboration with MOVA and MOCS, we hosted several roundtable events across the city and have received valuable feedback from veteran entrepreneurs. Over the course of four scheduled meetings, we will have spoken with approximately 120 veteran business owners and organizations. For example, in the first two sessions, several business owners discussed their need for financing assistance, which affirmed the needs identified in the study. At the roundtable, we highlighted the financing assistance offered through NYC Business Solutions, and we will incorporate this feedback as we develop additional strategies to increase veteran business owners' access to capital. Our next event will take place in Jamaica, Queens on Friday, January 23 and we welcome all of you to attend.

## **NEXT STEPS**

We believe these seven recommendations provide a blueprint for immediately and meaningfully helping the veteran businesses of New York City, but they are just the beginning of our work. We are fully supportive of the veteran community and are committed not only to linking interested veteran businesses with City procurement opportunities, but also to helping veteran businesses of all types and

sizes open, operate and thrive. We look forward to working closely with the City Council, MOVA, and MOCS to ensure veteran business owners have the resources that they need to be successful. Thank you for inviting me to speak today and for your dedication to serving the veteran community in New York City. I, together with my colleagues at MOVA and MOCS, would be happy to answer any questions.



**NYC**

**A ROADMAP FOR  
SUPPORTING VETERAN  
OWNED BUSINESSES**



## Report Overview

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**“A Roadmap for Supporting Veteran Owned Businesses”** report is the result of a year-long effort starting in 2013.

The report was presented to City Council on December 1, 2014, and was created in collaboration between the following City agencies:



**Mayor's Office of  
Veterans Affairs**

Loree Sutton  
Commissioner



**Small Business  
Services**

Maria Torres-Springer  
Commissioner



**Mayor's Office of  
Contract Services**

Lisette Camilo  
Director

## **Presentation Overview**

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- 1 Current Services for Veteran Community**
- 2 Veteran Study Findings: Market Size & Community Needs**
- 3 Seven Recommendations to Serve Veteran Businesses**
- 4 Community Engagement**
- 5 Next Steps**

## Current Veterans Services for Jobseekers

Through a demand-driven system, **Workforce1 Centers** prepare and connect qualified candidates to job opportunities.

SBS has a dedicated staff of **10 Veteran Specialists** located at Workforce1 Centers across the city, who give priority service to veterans and their families for:

- One-on-one career development support,
- Referrals to supportive services offered by community partners,
- Connection to job opportunities.

Since its launch in July 2012, this initiative has served nearly 11,000 veterans and spouses and connected more than 2,400 to work, but are committed to increasing these numbers.



*SBS runs a network of 16 Workforce1 Centers across the city.*

## Current Veterans Entrepreneurship Services

**NYC Business Solutions Centers** offer nine services to help businesses start, operate and grow in New York City, including:

- Business courses
- Financing assistance
- Legal advising
- Help navigating government
- Recruitment
- Selling to government
- Incentives
- M/WBE certification

In January 2014, in partnership with the SUNY Levin Institute and the Institute for Veterans and Military Families at Syracuse University, SBS launched the **Veteran Entrepreneurship Program**, a business training program customized to meet the unique needs of veteran businesses by connecting to veteran mentors and assisted with accessing benefits, loans and capacity-building resources.

*The next cohort launches in Feb 2015.*

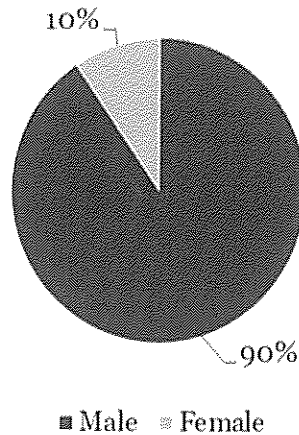


*SBS runs a network of seven NYC Business Solutions Centers across the city.*

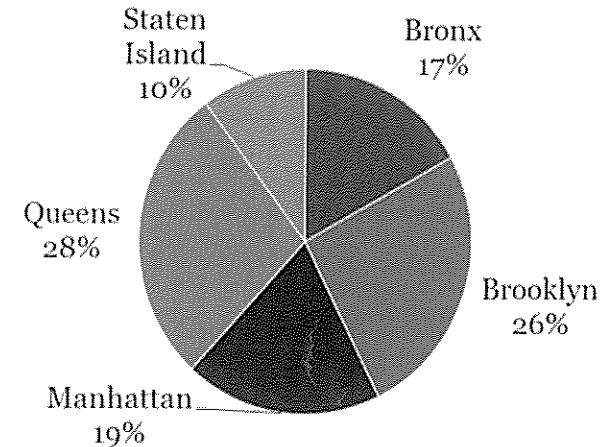
## Veterans Study

# Veterans Study: Demographics of the Veteran Business Community

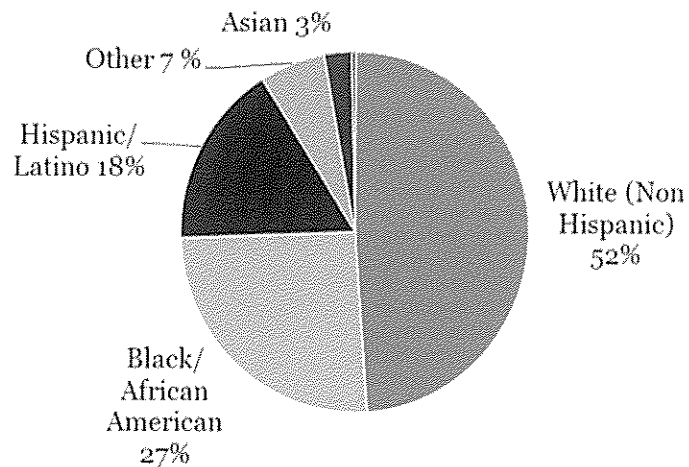
**Gender<sup>1</sup>**



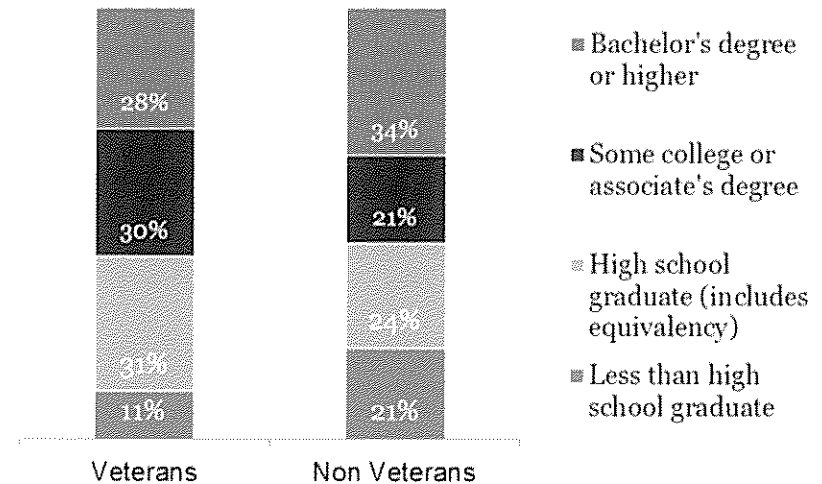
**Borough Distribution<sup>2</sup>**



**Ethnicity<sup>3</sup>**

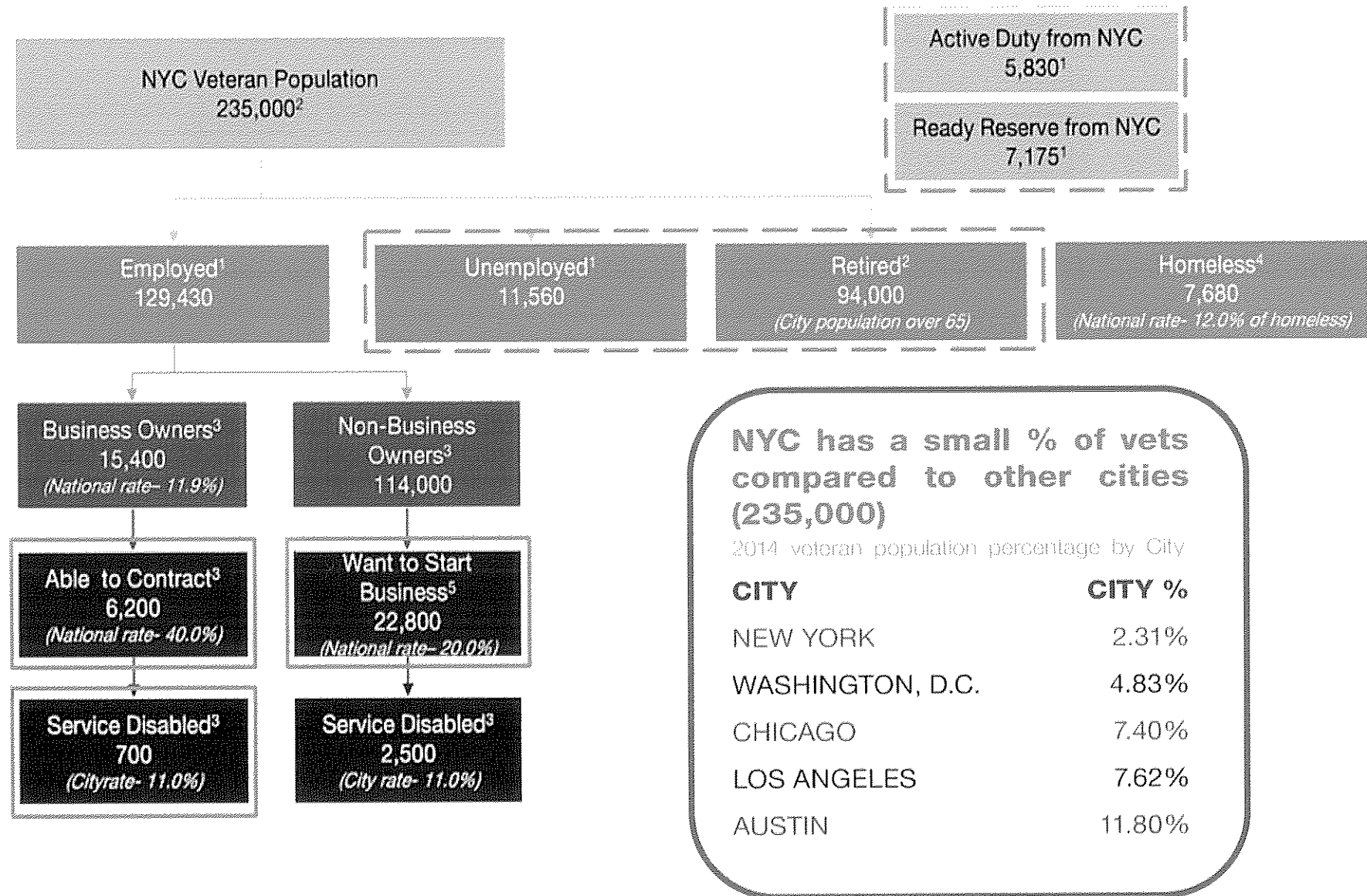


**Educational Attainment<sup>4</sup>**



Source: <sup>1</sup>American Community Survey (US Census) 2010, <sup>2</sup>US VA 2010, <sup>3</sup>BLS 2013

# Veterans Study: Size of the Veteran Business Owner Community



Source: <sup>1</sup>Department of Defense 2013, <sup>2</sup>US Department of Veteran Affairs 2010, <sup>3</sup>American Community Survey US Census 2010, <sup>4</sup>US HUD 2013, <sup>5</sup>IAVA Estimate 2013



## Veteran Community Needs

### **Outreach to the Veteran Business Community**

Establish better networking between veteran and non veteran businesses

### **Business Development and Growth**

Need assistance with business development and general business services (accounting, law, etc.)

### **Unemployment Assistance**

Unique unemployment needs including overcoming the societal stigma of mental illness

### **Start-Up and Growth Capital**

Need to better target sources of capital for veterans

### **Training Veterans in Business Skills**

Need training in order to navigate and thrive within the business world

### **Benefits Assistance**

Veterans lack guidance on how to utilize their specific benefits

### **A Centralized Directory/ Center for Veteran Business Needs**

Many organizations attempt to serve the veteran community but operate in silos

### **City Contracting**

Assistance in navigating procurement and identifying opportunities to boost veteran business development and growth



## Report Recommendations

Recommendations	Outreach	Business Support	City Contracting
1) Increase outreach to the veteran business community	★		
2) Provide an opportunity to self-identify a business as “veteran owned” through the Payee Information Portal	★		
3) Provide expanded business skills training to veteran business owners		★	
4) Leverage resources of Small Business Development Centers (SBDCs) and Procurement Training Assistance Centers (PTACs)		★	
5) Provide training on how to sell to government			★
6) Provide access to certification as an M/WBE or as an EBE with the City			★
7) Establish Veteran Leadership Association to Support Procurement Efforts			★

## **Report Recommendations: Improve Outreach**

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### **RECOMMENDATION 1: Increase outreach to the veteran business community**

- Enhance partnerships with community-based organizations to better reach and serve veteran communities
- Improve outreach to the community through coordination with partners in government and the City's online presence and social media

### **RECOMMENDATION 2: Provide an opportunity to self-identify a business as “veteran owned” through the Payee Information Portal (PIP)**

- Businesses can enroll online as a vendor with the City
- Will help with tracking, but also connecting self-identified businesses with support, training and resources
- Will provide necessary data on total number of businesses interested in contracting

## **Report Recommendations: Support Business Growth**

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### **RECOMMENDATION 3: Provide expanded business skills training to veteran business owners**

- Creating a “10 Steps to Starting a Business” course for veterans
- Promoting NYC Business Acceleration across veteran communities
- Targeting NYC Business Solutions Services to veterans and provide training to our Center staff

### **RECOMMENDATION 4: Leverage resources of Small Business Development Centers (SBDCs) and Procurement Training Assistance Centers (PTACs)**

- Taking a close look at the business training, consulting services and government contracting assistance offered by SBDCs and PTACs so we can direct veteran businesses to the services that meet their needs

## Report Recommendations: Help with City Contracting

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### **RECOMMENDATION 5: Provide training on how to sell to government**

- Targeted veteran outreach for SBS' monthly workshop called *Selling to Government*
- Better connect veterans to Compete to Win workshops, courses and one-on-one assistance

### **RECOMMENDATION 6: Provide access to certification as a Minority-and/or Woman-owned Business Enterprise (M/WBE) or as an Emerging Business Enterprise (EBE) with the City**

- Connect qualified veteran businesses to existing programs for City procurement

### **RECOMMENDATION 7: Establish a Veteran Leadership Association to Support Procurement Efforts**

- Replicate the M/WBE Leadership Association, in partnership with MOVA's existing veterans association, to provide certification assistance and capacity-building services to help businesses contract with the City

## Community Engagement



*SBS and MOVA hosted the first roundtable on January 9 in Lower Manhattan.*



*SBS and MOVA hosted the second roundtable on January 16 in Brooklyn.*



### Upcoming events:

- Friday, January 23 in Queens
- Thursday, February 12 in Brooklyn

## Next Steps

Recommendations	Outreach	Business Support	City Contracting
1) Increase outreach to the veteran business community	★		
2) Provide an opportunity to self-identify a business as “veteran owned” through the Payee Information Portal	★		
3) Provide expanded business skills training to veteran business owners		★	
4) Leverage resources of Small Business Development Centers (SBDCs) and Procurement Training Assistance Centers (PTACs)		★	
5) Provide training on how to sell to government			★
6) Provide access to certification as an M/WBE or as an EBE with the City			★
7) Establish Veteran Leadership Association to Support Procurement Efforts			★





**NYC**

[www.nyc.gov/sbs](http://www.nyc.gov/sbs)  
[www.nyc.gov/mocs](http://www.nyc.gov/mocs)  
[www.nyc.gov/veterans](http://www.nyc.gov/veterans)

# New York City Council

## Testimony

Vince McGowan  
Chairman, Veterans Advisory Board

January 20, 2015



**Questions/Issues with market size data utilized in the report:  
Roadmap For Supporting Veteran-Owned Business**

**Summary:** The *Roadmap For Supporting Veteran Owned Business* is a report prepared for the New York City Council by Price Waterhouse Coopers and submitted by the NYC Department of Small Business Services in consultation with the Mayors Office of Contract Services and in collaboration with the Mayor's Office of Veterans Affairs.

The purpose of the report is to examine New York City's Veteran Business Owner (VBO) population and offer recommendations on how this community might best be served and supported, particularly with regards to accessing City contract opportunities.

The report states that there are approximately 15,400 VBOs in New York City, and highlights as a major conclusion:

*By focusing strictly on contracting opportunities, the City would further reduce the population of appropriate VBOs to an estimated 6,200 individuals who could potentially be considered for City contracting initiatives.*

The report uses this numerical estimate to support its key conclusion that the City should not consider a goals program for VBOs, and should focus on using or re-purposing existing structures and approaches.

In examining the report, questions arise about the data sources and methodology used to determine the VBO population size and, to a lesser degree, the alignment of VBOs to City procurement needs. In particular, the report's omission of the U.S. Census Bureau's 2007 Survey of Business Owners as a data source is perplexing.

**Questions:**

1. To what extent was MOVA included/consulted during the study design and data gathering process?
2. What are the exact data sources referenced in the document? There are a number of footnote indicators that do not connect to any actual footnotes. It is possible that this is simply a quality control issue, and that they may have been cropped (along with the page numbers) in the .pdf version released to the public.
3. Why was the U.S. Census' 2007 Survey of Business Owners not utilized as a data source?
  - a. This tool provides detailed veteran business ownership and industry-related data down to the county (i.e. Borough) level.
  - b. The information is available via an easily searchable public database (factfinder.census.gov).

CONTINUES →

	No. of firms	c. The data provided by this survey indicates a much higher rate of veteran business ownership in New York City than the report indicates:
<b>Manhattan (New York County)</b>		
Veteran Owned	14,257	
50% Vet Owned	5,364	
<b>Brooklyn (Kings County)</b>		
Veteran Owned	10,977	
50% Vet Owned	3,508	
<b>Bronx (Bronx County)</b>		
Veteran Owned	4,460	
50% Vet Owned	1,475	
<b>Queens (Queens County)</b>		
Veteran Owned	9,542	Insufficient data
50% Vet Owned	2,800	
<b>Staten Island (Richmond County)</b>		920
Veteran Owned		
50% Vet Owned		
<b>TOTALS</b>		
<b>Total Veteran Owned (not incl. Staten Is)</b>	<b>39,236</b>	
<b>Total 50% Vet Owned</b>	<b>14,067</b>	
<b>Total at least 50% Vet Owned</b>	<b>53,303</b>	

Approximately 40,000 vs. 15,400 (potentially higher, if 50% ownership is considered).

- d. Even accounting for an attrition rate comparable to the contraction of the NYC veterans population since 2007, the number of VBOs would be significantly higher than estimated in the report.
  - e. The only place the 2007 Survey is mentioned in the report is under the *Demand and Supply Analysis* section, as a source for data on national and state-level veteran business ownership.
  - f. Given its importance and value as a data tool in this subject area, if the 2007 Survey was in fact examined and then rejected as a resource, the report should have included a reasonable rationale for this decision.
4. For the section: *Demand and Supply Analysis*, how exactly were MOCS City procurement categories and VBO industries aligned? This is not an apples-to-apples comparison, so some insight into the methodology used would be helpful. Also, it appears that national and state-level summary data was utilized to extrapolate findings, rather than referring to the county (borough) level survey data available.
  5. The section: *Veteran Community Needs* is sparse, and does not include references.

**Conclusion:** New York City has a track record, reaching back to the post-Civil War era, of providing our veterans with opportunities to prosper and contribute to our city's economy. This report advocates a move in the other direction, using potentially questionable quantitative data to support this conclusion. We encourage the City Council to scrutinize the methodology of this report and consider its findings in this context.

**Testimony of Brian Goldstein, Director of Operations  
NY SBDC before the  
New York City Council  
Supporting Veteran-Owned Businesses and Promoting Veteran Entrepreneurship  
January 21<sup>st</sup>, 2015**

Thank you Chairman Cornegy, Chairman Ulrich and the City Council Members for inviting us to represent the Small Business Development Center (NYSSBDC) to offer testimony at this afternoon's hearing. My name is Brian Goldstein, and I am the Director of Operations for the SBDC. Joining me today is one of our Regional Center Directors, Mr. Robert Piechota from the Brooklyn SBDC located at CUNY's City Tech with Outreach locations in Coney Island, Red Hook, and the Navy Yard.

I will give you an overview of the SBDC, and the SBDC Veterans program, and some client data, and ask Mr. Piechota talk about his centers activities and the additional veteran activities in the city. At the outset, I want to say that the SBDC, has a great deal of experience in working with the veteran community. Statewide, we have a commitment from every Center in the SBDC network to work with, and move veterans to the front of the line for access to services.

**The NY SBDC**

The NY SBDC is a 30 year partnership between the State University of New York, the U.S. Small Business Administration, New York State, higher education and the private sector. The State and City Universities as well as our private partners, PACE and Columbia Universities, form an integrated network in support of small business success.

In New York City we have 8 Regional Centers with locations in every borough.

The SBDC offers an array of services to targeted constituencies, relying upon one-to-one business advisement, training and research. Each year we work with 20,000 businesses and are the most heavily utilized resource by small business owners in New York. 24 Regional Centers leverage host higher educational institution's expertise and facilities in every region of the State serving as a focal point for community assistance. Proximity counts so we have over 40 Outreach Centers delivering services to local communities.

We work with every type of business operating in New York. Together, this past year, these firms invested over \$304 million that created 3,663 jobs and retained another 2,386 jobs, confirmed by clients and third party survey. 1,746 businesses started by entrepreneurs working with the SBDC this year.

For veterans, a priority, we average of over 1,500 veterans each year over the past 10 years across New York State.

In New York city we have worked with over 4,900 Veterans, who created or saved around 1,300 jobs, and invested over \$35.5 million dollars into their businesses. These veterans start as early as while they were deployed on active duty through electronic services including EntreSkills for Veterans<sup>TM</sup>, an online business planning tool to enlisted military.

In the recent past, the NY SBDC was funded by the SBA to have a sole NYC Veterans Business Advisor through the Veterans Service and Assistance Program located in NYC. Unfortunately that program ended a few years ago, as well as the targeted funding for the position. The veteran community has and will remain a priority for our organization. Mr. Piechota will talk to this further.

The SBDC also participates in the military's Transition Assistance Program (TAP) as service men and women leave active duty to return to civilian life. Over 300 per year of these military veterans are women.

Veterans working with the SBDC have invested over \$193 million impacting 4,572 jobs over a ten year period. Service-Disabled veterans have invested \$19.6 million impacting 424 jobs. *Note: Veteran-Owned Businesses tend to hire a disproportionately high number of veteran employees, so these businesses often 'pay-it-forward' for fellow veterans integrating back into civilian life.*

This past National Veterans Small Business Week (November 3-7, 2014) provided more current information. Veterans are up to 45% more likely to be self-employed than the non-veteran population (SBAVetBizWeek) and possess key attributes that explain higher than expected entrepreneurial rates;

1. Work Ethic: Veterans know the commitment and support necessary to be successful.
2. Risk Tolerance: Veterans are conditioned to gather intel, assess risk and take action.
3. Agility: Recognizing threats and opportunities with quick response is ingrained.
4. Leadership: Veterans are taught to build, inspire and work as a team.
5. Determination: Veterans work toward a vision, no matter the obstacle.

(SBAVetBizWeek)

New York State has one of the largest veteran populations, estimated at 892,221 (USVA).

About one-half, 435,630 are ages 20-64, the years when individuals are most entrepreneurial. This statistic can be envisioned as a bell curve, peaking in the 30-50 ages and including 174,452 veterans. This age group represents a large but declining population that experienced a spike in population following the Gulf War and more recent conflicts.

New York has 424,483 veterans from Vietnam, Korea and WWII who are less inclined to be small business owners and operators. In the 2007 Census Bureau's Survey of Business Owners, New York had 127,156 Veteran-Owned Businesses, **28,845 of which had employees,**

averaging 11 employees per firm with a total payroll of \$12.9 billion and sales of \$65.9 billion. The balance of 98,311 VOBs is sole proprietorships.

The SBDC provides an average of over 5 hours of assistance to veteran-owned businesses and an estimated 50%, initially; abandon original concepts. This is because the entrepreneur finds business concept flaws that produce greater risk than acceptable. Our experience is that committed VOBs access approximately 10 to 16.5 hours of SBDC assistance.

As an advocate for veteran-owned business success, I applaud your efforts to further their opportunities in New York City. This renewed focus represents a substantial enhancement for growth of VOBs.

Thank you.

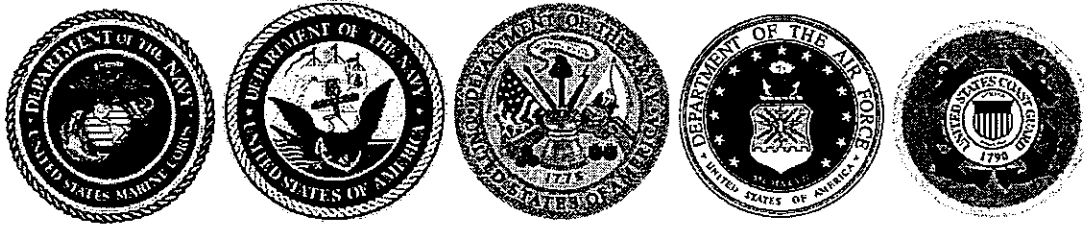
#### **Additional SBDC Specialty Programs of Service to Veteran-Owned Businesses**

Selling to the Government covers small business procurement bid notification (BidLinx), the Contractor Bonding Program and assistance to sales opportunities available to small and medium-sized NYS firms. This assists clients in becoming responsive and qualified bidders on State and local government procurements while encouraging improved access to bonding and working capital. Successful bids translate to increased employment.

Veterans have remained a priority, noting the estimated 15,000 deployed reservists and active military from New York who are returning to NY each year as conflicts wind down. Our Veteran's Business Opportunity Center Program (VBOC) is a federally funded initiative that allows us to place dedicated Veteran Business Advisors in the field.

Ole: The Organization of Latino Entrepreneurs continues to grow, creating ties to the Spanish-speaking community with bi-lingual advisors. Twenty SBDC Advisors share resources, programming and materials for the Latino ethnic entrepreneurial group, including veterans.

Entrepreneurial Education refers to the web-based entrepreneurial curriculum, EntreSkills™ with a business plan builder and self-paced modules on financial planning, procurement and related topics. The EntreSkills for Veterans™ version, deployed with SBDC Advisor assistance, allows veterans to develop a business plans remotely in regular contact with an Advisor.



## **Supporting Veteran-Owned Businesses and Promoting Veteran Entrepreneurship**

Testimony –

Patrick J. MacKrell  
President & Chief Executive Officer  
New York Business Development Corporation

January 21, 2015

Good Afternoon.

My name is Pat MacKrell. I am the President and Chief Executive Officer of New York Business Development Corporation and its affiliates - The 504 Company, The Excelsior Growth Fund and The NYBDC Foundation – (collectively, "NYBDC"). NYBDC is lending consortium formed by the banks of New York to promote opportunity, prosperity and jobs growth in New York State. We work in close partnership with those banks and the New York Bankers Association and the Independent Bankers Association of New York State to promote access to capital.

We were founded in 1955 and have operated continuously since that date focused on a mission to serve the capital needs of NYS small businesses. We are supported by **118 banks operating in New York State and the New York State Common Retirement Fund** which provide us with leveraged capital to support our lending to small businesses. We have a managed portfolio of approximately **\$1.3 billion**. Our loans range in size from \$25 thousand to \$5 million<sup>1</sup>.

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<sup>1</sup> In the weeks following Hurricane Sandy we partnered with NYC Economic Development Corporation, Empire State Development, Goldman Sachs, New York Bankers Association, 33 member banks, the Mayor's Fund to Advance the City of New York and the Partnership for New York City to form a small business emergency loan fund. In a unique and effective public-private partnership, we worked closely with the NYC Small Business Services to administer the fund. We advanced our first loan on November 21, 2012 and our last on August 12, 2013. In all, we considered 1,551 loan applications and advanced \$18.29 million in loans to 797 small businesses. Additionally, we disbursed \$4.9 million in grants to 514 small businesses. We

We are an "alternative lender" providing loans to small businesses that are unable to obtain conventional financing on reasonable rates and terms. Frequently, our borrowers are start-ups, early stage businesses or in a challenging industry.

I previously served on the SBA's National Advisory for Veteran Business Affairs and on its National Advisory Council.

I am a veteran having served in the United States Marine Corps and have previously owned a small business. You can be assured that veteran business owners or those looking to start a business receive the full attention of myself and our organization.

In the period measured from the depth of the "Great Recession" – October 1, 2009 – through December, 2014 we approved loans to **660 new and existing NYC businesses** in the total amount of **\$543 million**. Our lending activity increased substantially during the period of 2009 to 2013 as we sought to address the capital needs of small businesses that were unable to access capital from conventional lenders on reasonable rates and terms.

During that same period we approved **14 loans to veteran owned businesses located in NYC totaling \$9.6 million** or **2%** of our total NYC loan activity in both units and dollars. Our loans to veteran owned businesses share most of the same characteristics as loans to other small businesses in NYC with uses ranging from retail/hospitality (e.g. cigar shop, liquor store, coffee shop, restaurants), service businesses (e.g. plumbing contractor, electrical contractor, educational services) and professional (e.g. medical doctors, architects) to wholesalers (e.g. clothing, seafood) to start-up, early stage and mature businesses.

I would like to applaud the efforts of the NYC Department of Small Businesses Services and its partners for targeted job training and employment services provided to veterans. Although many veterans are in search of a business opportunity, most simply need a job to provide for their families and to gain the experience necessary to succeed as an employee or an entrepreneur. Additionally, I would like to recognize the fine work of the NYC Small Business Solutions Centers that have been a consistent source of support for veteran owned businesses and have been a key partner with us in addressing the capital needs of those businesses.

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devoted many thousands of hours to this effort on a completely voluntary basis. We are now engaged in the next phase and are assisting NYC disburse Community Development Block Grant – Disaster Recovery funds through loans and grants to small businesses.

Our commitment to veterans extends not only to service members recently released from active duty but also the members of our Reserve and National Guard components. These "citizen soldiers" are more likely known in our community not as heroes but as our doctors, plumbers, accountants, electricians, etc....who operate a small businesses. Many small businesses have been impacted by the active duty service of an owner. In some cases the sole owner of the business has been called away to fulfill a military commitment.

We have a number of programs, initiatives and observations we would like to share with the committees today.

**NYS Common Retirement Fund Veteran Loan Program** – The NYBDC Veterans' Loan Program provides term loans in amounts up to \$150,000 at a below market fixed rates for current or former members of our armed forces. This loan program is made possible through our loan agreement with the New York State Common Retirement Fund and the commitment of both the Office of the New York State Comptroller Tom DiNapoli and our partner banks. We have long relied on the support of the Common Retirement Fund to support long term fixed rate loans to small businesses. Under the Veteran Loan Program the Common Retirement Fund loans us money at a reduced rate, we reduce our normal margin and the veteran business owner is the beneficiary with a fixed rate loan that is substantially below market rates. For example, the interest rate for a 10-year term loan funded today would 2.86%.....which would be fixed for entire term of the loan. This is our flagship veteran loan program.

**ESD Bridge to Success** - Empire State Development currently provides limited credit insurance to a group of lenders with the goal of expanding lending to MWBE's that are seeking access to mobilization capital to facilitate broader opportunity in respect to government procurement contract opportunities. To the extent that the veteran owned business has also been certified as an MWBE, the business has access to capital to take advantage of procurement opportunities through ESD's Bridge to Success Program. In that regard, we urge the NYC Small Business Solutions Centers (including the Regional Procurement Technical Assistance Centers at 110 William Street) and the NYS Small Business Development Centers (including the Regional Procurement Technical Assistance Center at LaGuardia Community College) to enhance its familiarity with the Bridge to Success Program so that it can be made available to support veteran owned MWBEs in connection with procurement opportunities.

**Program Goals and Certification** - SBS has not currently recommended a goals program for veterans and acknowledged the absence of certification process for veteran owned businesses. We do support a certification process at the state level to aid in the identification of veteran owned businesses in anticipation of establishing goals programs at the state and municipal levels. We should also acknowledge that the federal government has established program goals for veteran owned businesses and provides support to NYC businesses in



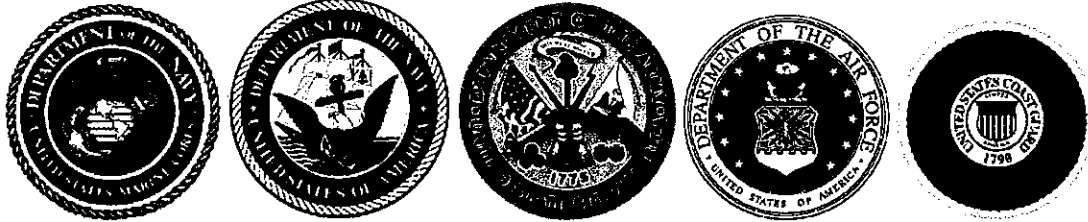
that regard. Both the Small Business Solutions Centers and the Small Business Development Centers serving NYC should be urged to enhance coordination with the respective Procurement Technical Assistance Centers to promote knowledge regarding program goals and expand opportunity for veteran owned businesses.

**Franchise Lending** – Many veterans have found a path to small business ownership and financial independence through the purchase and operation of franchise businesses. These opportunities provide a structure and support system that many veterans are comfortable with. The franchise relationship also provides many key ingredients to the successful operation of a business that a fledging business owner may not be able to provide. Unfortunately, loans to support the purchase of a franchise and the working capital and fit-up necessary to operate a franchise are not readily available on reasonable rates and terms due to the lack of collateral or net worth of the borrower. NYBDC has a robust franchise lending program and is able to support veterans seeking to establish their own business through a franchise relationship.

In closing I would simply like to add that we remain open to explore all opportunities to support veteran owned businesses and the aspirations of veterans seeking to start a business and look forward to any thoughts or ideas you may wish for us to consider.

Enclosures:

FY 2014 Annual Report  
NYBDC Loan Program Description  
Veteran Loan Program Description



## **THE NYBDC VETERANS' LOAN PROGRAM**

NYBDC is pleased to announce its Veterans' Loan Program to provide term loans at a below market fixed rate for current or former members of our armed forces. This loan program is made possible through our loan agreement with the New York State Common Retirement Fund and the commitment of both the Office of the New York State Comptroller and our partner banks to support access to capital for this most deserving group of patriots.

The recent commitments of military resources around the world draw heavily on our Reserve and National Guard forces. These "citizen soldiers" are more likely known in our community not as heroes but as our doctors, plumbers, accountants, electricians, etc... who operate a small business. Many small businesses in New York State have been adversely impacted by the active duty service of an owner. In some cases the sole owner of the business has been called away to fulfill a military commitment. A goal of this loan program is to provide affordable, long term financial assistance to these small business owners to allow them to recover from the business consequences of their deployment.

Another goal of the program is to support the dreams and goals of current or former members of our armed forces to start or grow a small business. In this way we are hopeful that we can express our thanks to all of our veterans for their service to our country and support the growth of small business in New York State.

Loans for working capital, business acquisition and purchase of real estate, machinery and equipment are available under this program. This program can be combined with other financing offered by our lending partners as participants or as separate credit facilities.

Eligible borrowers must be New York businesses where the owner(s) of the majority of the equity is a New York State resident(s) who is a member or honorably discharged veteran of the United States Armed Forces (including the Regular, Reserve and National Guard components).

The maximum loan amount is \$150,000. Approval of the loan will be subject to an 85% SBA guaranty. The interest rate is Treasury plus 1.50% (inclusive of the SBA servicing fee).

We can process the loans as PLP 7(a), conventional 7(a), or under the recently announced SBA Patriot Express Loan Program.

Do you have a customer who could benefit from a loan under our Veterans' Loan Program?




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# NEW YORK BUSINESS DEVELOPMENT CORPORATION



# NYBDC

## Program Description:

Created by an act of the New York State Legislature in 1955, New York Business Development Corporation (NYBDC) is a private corporation with more than 140 New York State banks participating as members. Its mandate includes promoting employment and economic development in New York State through long-term loans to creditworthy small businesses in participation with our member banks and other lending partners.

Through NYBDC, businesses in New York State have the opportunity to obtain financing that may not be available through conventional means. Interest rates are competitive and applications are handled expeditiously.

NYBDC honors the commitment to its lending partners and the small business community by making every effort possible to find a way to do the loan, including but not limited to alternative sources of collateral, adding SBA or USDA guarantees and offering flexible repayment terms.

NYBDC seeks a lending partner on every transaction. We do not compete with our lending partners.

## Highlights:

- Innovative loan structuring
- Longer repayment terms
- Fixed and variable interest rates

## Use of Funds:

- Working capital
- Owner-occupied real estate
- Leasehold improvements
- Machinery and equipment
- Debt refinancing
- Business acquisitions

## SBA 7(a) Lending:

NYBDC has unparalleled expertise in SBA 7(a) lending. As a participant in the SBA Preferred Lending Program (PLP), NYBDC can process, underwrite, close and service SBA 7(a) loans as a resource to our lending partners. NYBDC can serve as your bank's "SBA Department," from origination through collection, and, if necessary, liquidation and application for the SBA guaranty. The centralization of SBA 7(a) loan approval authority and liquidation promote efficiencies in the process for the experienced SBA lender. We can provide that experience to your bank!

Our lending partners can work smarter and more effectively with SBA 7(a) knowing that we are involved as the SBA Expert!

## NYBDC Loan Amounts:

\$25,000 to \$5,000,000

These amounts represent our participation in the loan, not the total project financing.

## Interest Rates:

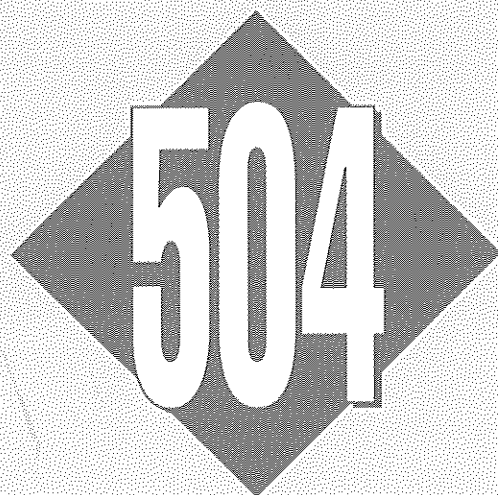
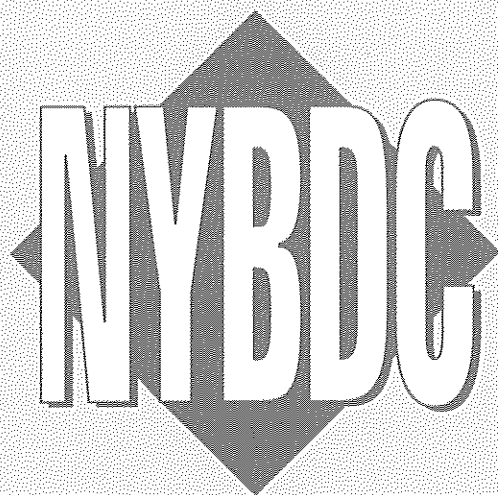
Fixed rates are tied to Treasury securities similar to the loan terms. Rates are fixed for a period of three to 15 years. Variable rates are priced at or above Prime.

## Other Programs / Partners:

- Linked Deposit
- NYSERDA
- Manufacturers Assistance Programs
- Local and Regional Loan Funds
- Community Partners
- The 504 Company

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New York Business Development Corporation  
The 504 Company

*Access to Capital for Small Business*

**ANNUAL  
REPORT** | 2014

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# Members

Adirondack Bank  
Adirondack Trust Company  
Alpine Capital Bank  
Amalgamated Bank  
American Community Bank  
Apple Bank for Savings  
Astoria Bank

Ballston Spa National Bank  
Bank Hapoalim  
Bank of Akron  
Bank of America  
Bank of Bennington  
Bank of Castile  
Bank of Cattaraugus  
Bank of China  
Bank of Greene County  
Bank of Holland  
Bank of Millbrook  
Bank of Richmondville  
Bank of Utica  
BankUnited  
Berkshire Bank  
Bridgehampton National Bank

Canandaigua National Bank  
& Trust Company  
Capital One Bank  
Carver Federal Savings Bank  
Catskill Hudson Bank  
Cattaraugus County Bank  
Cayuga Lake National Bank  
Champlain National Bank  
Chemung Canal Trust Company  
Citibank  
Citizens & Northern Bank  
Citizens Bank  
Community Bank  
Community National Bank  
Country Bank

Delaware National Bank of Delhi  
Deutsche Bank Trust Company  
Americas  
Dime Savings Bank of Williamsburgh

East West Bank  
Elmira Savings Bank  
Empire National Bank  
Empire State Bank  
Evans Bank  
First National Bank of Dryden  
First National Bank of Groton  
First National Bank of Jeffersonville  
First National Bank of Long Island

First National Bank of Scotia  
First Niagara Bank  
Five Star Bank  
Flushing Bank  
Fulton Savings Bank

Genesee Regional Bank  
Glens Falls National Bank  
& Trust Company  
Gold Coast Bank  
Gouverneur Savings  
& Loan Association  
Greater Hudson Bank

Habib American Bank  
Hometown Bank of the Hudson Valley  
HSBC Bank, USA  
Hudson Valley Bank

NYBDC relies on the financial support of its member banks and the New York State Common Retirement Fund to support its operations. In FY 2014, 118 banks and the Common Retirement Fund provided lines of credit totaling \$166 million, which supplemented our equity and significantly expanded our capacity to meet the needs of small businesses. The support of our member banks and shareholders (both separately listed in this Annual Report) makes NYBDC unique and facilitates the accomplishment of our mission.

Israel Discount Bank of New York

JPMorgan Chase Bank

KeyBank

Lakeshore Savings Bank  
Lyons National Bank

M&T Bank  
Mahopac Bank  
Maple City Savings Bank  
Medina Savings & Loan Association  
Metropolitan Commercial Bank  
Morgan Stanley Bank

National Bank of Cossackie  
National Bank of Delaware County

National Union Bank of Kinderhook  
NBT Bank  
New York Commercial Bank  
Northfield Bank  
Northwest Savings Bank

Oneida Savings Bank  
Orange County Trust Company

PathFinder Bank  
Patriot Federal Bank  
Peoples Neighborhood Bank  
People's United Bank  
Pioneer Savings Bank  
Putnam County Savings Bank

Rhinebeck Savings Bank  
Ridgewood Savings Bank  
Riverside Bank  
Rondout Savings Bank

Safra National Bank of New York  
Santander Bank  
Saratoga National Bank & Trust Co.  
Savannah Bank  
Sawyer Savings Bank  
Signature Bank  
Solvay Bank  
State Bank of India  
Sterling National Bank  
Steuben Trust Company  
Suffolk County National Bank

TD Bank  
The Berkshire Bank  
Tioga State Bank  
Tompkins Trust Company  
Trustco Bank, New York

Ulster Savings Bank  
Upstate National Bank  
USNY Bank

Valley National Bank  
Victory State Bank

Walden Savings Bank  
Wallkill Valley Federal Savings  
& Loan Association  
Watertown Savings Bank  
Westchester Bank

# Report on Operations

## *Adjusting (and Re-Adjusting) our Focus to Find and Fill the Gaps*

Almost six decades ago, New York's banks recognized the need for an additional resource to provide capital for small businesses so they could create jobs and opportunity in communities across New York State. They joined together with other public-minded companies interested in providing a resource for small businesses and created New York Business Development Corporation (NYBDC). Our enabling statute set the framework for a unique organization and also established our core mission: to create opportunity and promote prosperity by supporting the capital needs of small businesses to start, sustain and grow operations. From the beginning, NYBDC has been a bank crafted and funded alternative to address financing needs not filled by the commercial loan products available in the market. The work of NYBDC as an alternate lender is not separate or independent of its member banks, but instead represents our members' commitment to serve small business — both directly through their own product offerings and indirectly through their support of NYBDC and its affiliates.

We have remained true to our mission and continue as the unique organization that we were intended to be. One of the aspects of our organization that makes us very different is the fact that we enjoy the financial support of 118 member banks and the New York State Common Retirement Fund, all of which provide for our working capital needs through lines of credit. Our stock in trade remains loans to start-up and early-stage businesses, loan structures with high leverage and loans to struggling businesses or to those in challenged industries. We supplement rather than duplicate the small business lending programs made available by our member banks.

As our organization has evolved it has assumed leadership roles in SBA lending and other special purpose loan programs consistent with our mission. The formation of The 504 Company (also known as Empire State Certified Development Corporation) facilitated our participation in the SBA 504 Loan Program, which provides 90 percent financing for fixed-asset projects to allow businesses to retain the working capital

necessary to create jobs. In the past year, The 504 Company role has expanded considerably to support all manner of small business lending with smaller dollar loans (\$250,000 or less) through the SBA Community Advantage Loan Program and New York State's Capital Access Program.

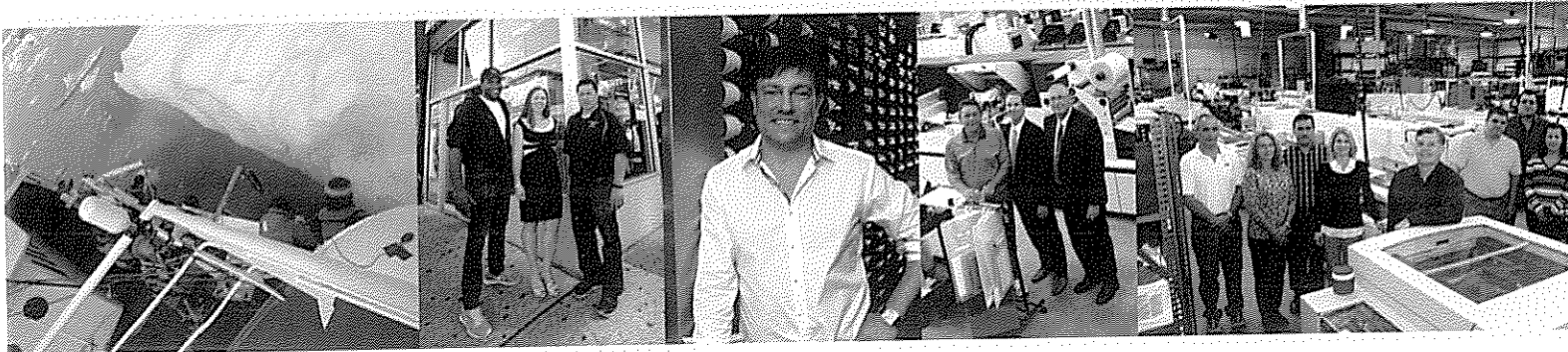
We continue to evolve to find and fill the gaps by providing mobilization capital for minority- or women-owned businesses through New York State's Bridge to Success Program, facilitating the financing of energy-saving solutions for small businesses in cooperation with the New York State Energy Research and Development Authority and by continuing our work with the City of New York to provide assistance to businesses impacted by Hurricane Sandy, just to name a few. We look forward to expanded opportunities to address the needs of underserved businesses through continuing to focus on finding and filling the gaps with creative, responsive and prudent programs.

All that said, we saw a significant dollar decrease in both loan approvals and fundings in FY 2014 as conventional solutions available in the market addressed a broader array of the needs of small businesses seeking larger dollar loans. However, we saw a slight increase in the overall number of loans processed as we saw a notable increase in demand for smaller dollar loans.

We also experienced a record volume of loan prepayments in FY 2014 on the heels of very high prepayment activity in FY 2013. In most cases, the prepayments were part of a larger conventional financing offered by a lending partner. We regard such prepayments as an affirmation of our mission as it reflects that a small business has evolved from one with limited financing options to one where conventional lenders seek its business in a competitive market.

Despite the decline in the dollar amount of funded loans and the brisk prepayment activity, we had a record year for earnings driven by careful funds management, substantially increased revenue at The 504 Company from Community Advantage

*(continued on page 2)*





# Report on Operations

(continued from page 1)

Loan activity and good success at holding the line on operating expenses.

The past year was characterized by numerous highlights and accomplishments, including the following:

- Net interest income increased 7.6 percent to \$6.7 million.
- The NYBDC Foundation (supported by donations from NYBDC and The 504 Company) awarded gifts or grants to 154 not-for-profit organizations.
- Fee and other income increased two percent to \$11.8 million.
- The 504 Company continued a national leadership role in both the SBA 504 and Community Advantage Loan Programs.
- Income before provision for income taxes increased 8.8 percent to \$3.9 million.
- Our managed portfolio is \$1.3 billion.
- Loans to minority- or women-owned businesses represent 35 percent of our portfolio.

Strong financial performance year after year has helped us build a balance sheet to support expansive and creative loan programs, and we are intent on doing just that in the years to come.

NYBDC and The 504 Company supported the establishment of The Excelsior Growth Fund (Excelsior), which was designated as a Community Development Financial Institution (CDFI) by the United States Department of the Treasury. Excelsior will target its operations toward small businesses in low- and moderate-income communities in New York State, which are underserved by conventional lenders. As we write this, we are working on exciting programs at Excelsior to use technology to increase the ease and speed of obtaining loans by creditworthy businesses, to provide technical assistance programs and to supply specialized financial counseling for businesses poised for acceleration. Excelsior represents a significant opportunity to complement and expand our work as an alternate lender with smaller dollar

loans offered to businesses outside of our traditional SBA loan programs. These loans will be offered to businesses in cases where use of SBA loan products is either impractical due to loan size or inappropriate for eligibility reasons not related to creditworthiness.

During FY 2014, NYBDC opened an office in Binghamton, New York to better serve the Southern Tier and the lending partners in the region. Additionally, we expanded our Albany office to accommodate our increased staffing.

Last year, The 504 Company opened an office in Philadelphia, Pennsylvania as it expanded its area of operations to include the Commonwealth of Pennsylvania. During FY 2014, we increased our presence in Pennsylvania by adding an office in Pittsburgh and expanded our area of operations to include the State of New Jersey and opened an office in Newark, New Jersey. This expansion will not only increase access to SBA 504 loans in Pennsylvania and New Jersey, but will also support an increase in staffing to process, underwrite and service loan activity generated as a result of these expansions and allow us to enjoy greater economies of scale, which translates into expanded opportunities to promote economic development in our area of operations. We are very optimistic that the synergies of a three-state operation will not only facilitate greater service to our lending partners who maintain a multi-state presence, but will also provide opportunities for expanding our role in economic development as we move towards having a greater impact as a financial services provider.

In closing, thanks to our outstanding staff. Each year new records of service and financial performance are established due to their commitment and dedication to our mission and the mutual support, guidance and encouragement they provide to each other. We have grown our staff to 84 from 41 only 10 years ago. Despite this growth and the geographic separation of our offices, our terrific staff continues to work as a strong team focused on providing solutions to fill the gaps.

Patrick J. MacKrell  
President & CEO

New York Business Development Corporation  
The 504 Company

James J. Byrnes  
Chairman of the Board

New York Business Development Corporation

Herbert G. Chorbajian  
Chairman of the Board  
The 504 Company



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**Patrick J. MacKrell**  
President & CEO  
New York Business  
Development Corporation  
Albany, New York



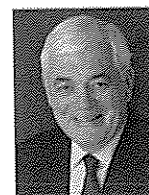
**Brian T. McMahon**  
Executive Director  
New York State Economic  
Development Council  
Albany, New York



**Allen J. Naples**  
Regional President  
M&T Bank  
Syracuse, New York



**David J. Nascia**  
President & CEO  
Evans Bank  
Hamburg, New York



**Michael P. Smith**  
President  
New York Bankers  
Association  
New York, New York



**Mark E. Tryniski**  
President & CEO  
Community Bank, N.A.  
DeWitt, New York



**Michael N. Vittorio**  
President & CEO  
The First National  
Bank of Long Island  
Glen Head, New York



**Amos Winbush III**  
Chief Executive Officer  
CyberSynchs, LLC  
New York, New York

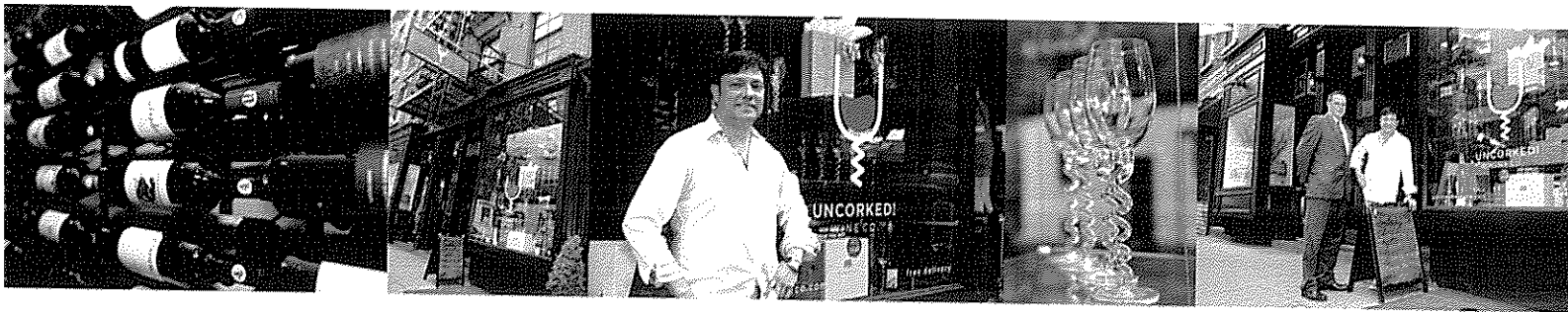


**Maryann M. Winters**  
Partner  
Sirchia & Cuomo, LLP  
East Syracuse, New York



**Lewis Yevoli**  
Retired New York  
State Assemblyman  
Old Bethpage,  
New York





## Uncorked Wine Co. | Manhattan, NY

When Paul Common lost his job as an equity researcher for Merrill Lynch, he capitalized on his decade-long passion. An amateur wine collector, Common opened a retail wine shop.

He read everything he could about the industry, then enlisted the help of Pace University's Small Business Development Center to fine-tune his business plan. He drained his bank accounts of \$185,000 to open Uncorked Wine Co., the retail wine shop he envisioned. But his investment covered only half of what he needed to gut, rehab and stock the tiny storefront he planned to lease in New York City's Greenwich Village.

Staff at Pace's SBDC referred Common to NYBDC, which approved a \$185,000 loan for Uncorked Wine Co. for furniture, fixtures, equipment, inventory and working capital.

"NYBDC was the only lender that came through," Common said.

Steve Willard, NYBDC senior vice president, said he was impressed by Common's extensive knowledge of wines, solid business plan and the shop's unique model. Uncorked employs technology by which customers can taste wines for free, removing the uncertainty from their purchasing decisions. It's a critical selling tool because the average cost of a bottle of wine at Uncorked is \$25, compared with a national average of \$8 per bottle, Common said.

The wine shop's \$50,000 technology allows for up to 40 opened bottles of wine at a time. Argon gas in 10 separate wine stations depressurizes the bottles after they are uncorked. This gives the wine two-months' longevity, rather than the typical life span of two days.

"This 'try before you buy' option turned out to be quite a hit with the store's growing clientele, and the equipment serves to both control the sample sizes and reduce waste typically associated with opened, unfinished bottles for tastings," Willard said.

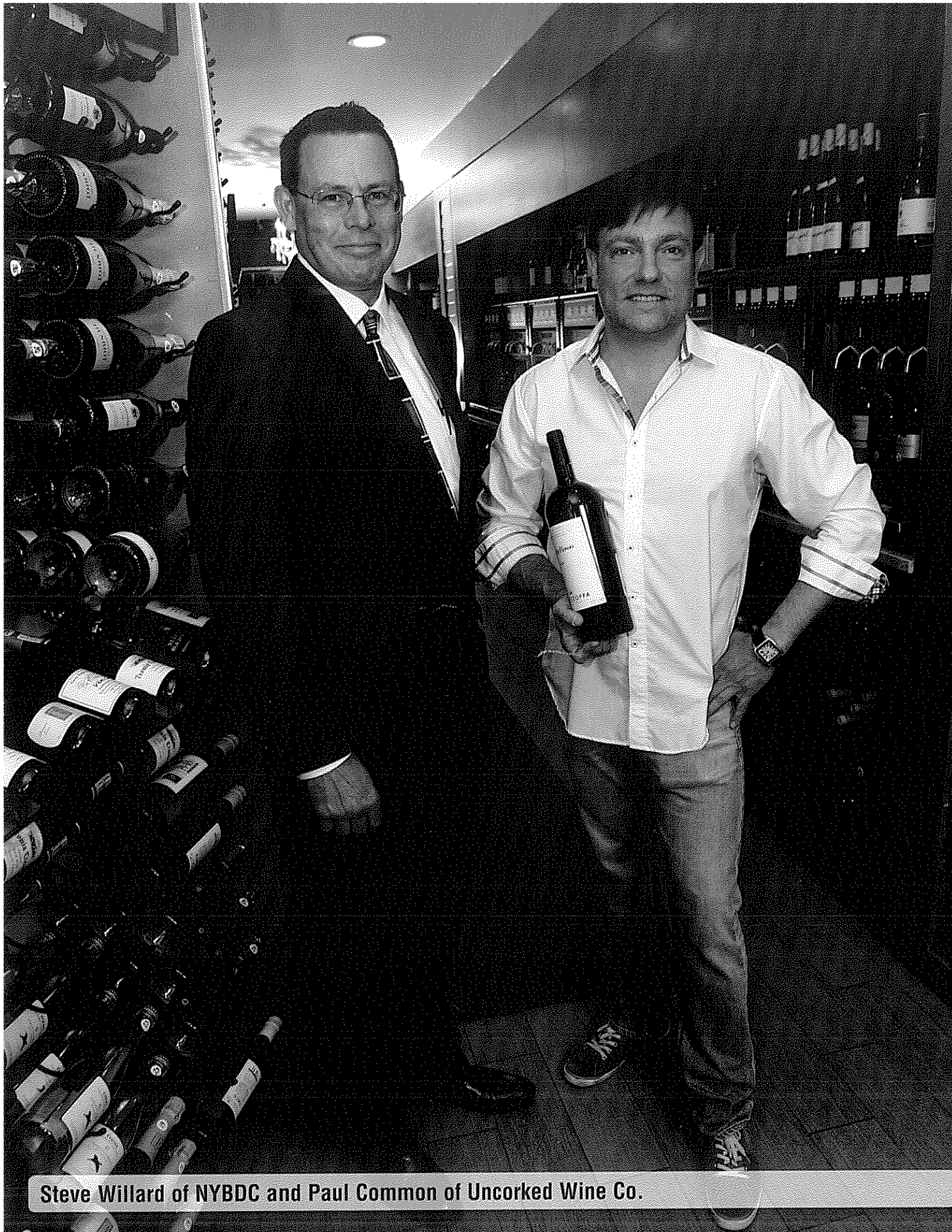
Common said the technology addresses the biggest challenge he faced as a wine lover: his frustration at receiving bad advice – or no advice at all – from wine sellers.

"You can test-drive a car, try on a pair of jeans or even taste a piece of cheese before you buy. Why not test-drive your wine?" he said.

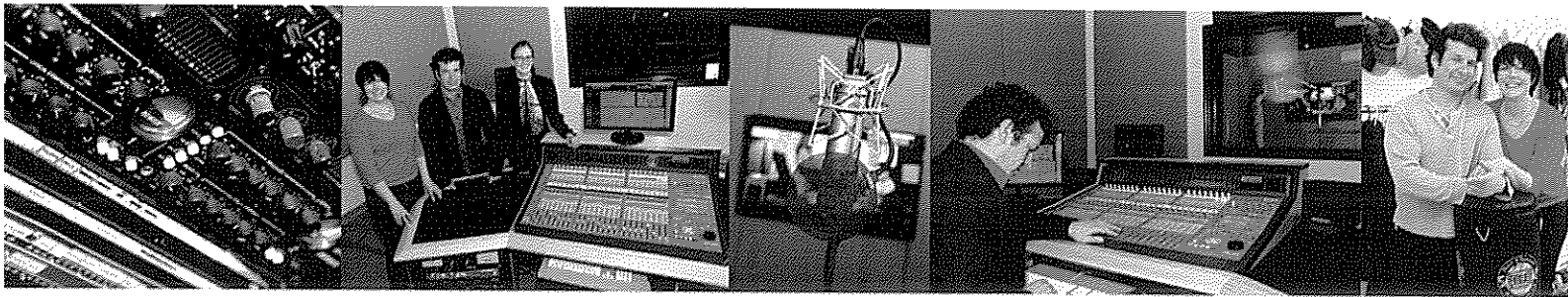
It also provides an edge over the half dozen other wine shops in the neighborhood. Revenue at Uncorked Wine increased 25 percent annually since the shop opened in 2012. Sales in 2014 are expected to top \$650,000. Common, the shop's only full-time employee, said he needs to reach \$1 million in sales a year to earn a living and support his family.

Nationwide, one-half of all wine sales occur in the last two months of the year, when people are buying for gifts or home consumption, said Common, so the key is bolstering interest during those off-times. Common is working to boost participation in the store's Wine of the Month Club, currently five percent of all revenue. He counts on foot traffic for the bulk of sales.

"No question this would not have been possible without NYBDC's loan. The start-up costs were too high," Common said.



**Steve Willard of NYBDC and Paul Common of Uncorked Wine Co.**



# Alchemy Post Sound

Peekskill, New York

Andrea and Leslie Bloome have a lot invested in sound. Their company, Alchemy Post Sound, produces sounds called “Foley” for film and television.

Foley, one of five sound elements heard in all feature films, TV shows, commercials and video games, is a highly detailed sound effect specific to an actor’s movements, such as footsteps, the rustle of clothing or the crinkling of paper. Foley sounds are added to the film or TV soundtrack in the post-production process.

The husband-and-wife team had been operating a successful post-production music recording studio since 2002. As demand for Foley sounds grew in the entertainment industry, the couple saw an opportunity to perform more of the highly specialized work. They opened a small Foley sound stage (named for director Jack Foley, who wanted to hear the sounds of actors’ footsteps as they entered or left the stage) just outside Peekskill in Westchester County in 2010, and their reputation quickly gained a foothold in the New York sound community. When they decided to expand, they could not find a bank willing to lend them money.

“It was a new business model, and we were considered to be high risk. We tried to find traditional lenders, but they weren’t interested,” said Andrea Bloome. She is the company’s chief operations officer and a former online marketing specialist for such notables as *Sports Illustrated*, Getty Images and Bank of America. Leslie, Alchemy Post Sound’s CEO, is a 21-year Foley artist with more than 250 feature-length film and television credits.

That’s when NYBDC stepped up.

“The business was successful and quickly grew out of its space,” said Tamara Underwood, NYBDC vice president. “It was also turning down big opportunities because of its basement set-up, making it difficult to market to the likes of such big names as HBO.”

NYBDC partnered with The 504 Company, to make a \$350,000 loan available to convert 3,500 square feet of a former warehouse in Peekskill into a soundproof studio, buy and equip two sound booths and live music-recording space, and provide working capital.

“It was a great process. They were flexible in terms of our construction budget, and allowed us to move money to accommodate costs,” Andrea Bloome said.

Bloome says NYBDC’s impact on Alchemy Post Sound extended far beyond the loan. Underwood and others were instrumental in connecting the couple with private bankers and other influential members of the community who can partner with the company as it continues to grow.

“They put us in touch with people who might provide resources for us in the future,” Andrea Bloome said.

Alchemy Post Sound opened in its new space in November 2013 and expects to increase revenue four-fold in the next two years. Since expanding, the company attracts work from as far away as Europe and Israel. The larger space also allows the Bloomes to expand the music recording side of their business. The company employs three people and plans to add two more positions.





Tamara Underwood of NYBDC and Andrea Bloome and Leslie Bloome of Alchemy Post Sound.



## K. Sidrane Inc.

Farmingdale, New York

When Hurricane Sandy barreled up the East Coast in 2012, its devastation left K. Sidrane Inc. in Freeport under four feet of water and Neil Sidrane contemplating the future of the second-generation label-printing and packaging company. One painful lesson from the storm was certain: The business could not continue to operate in the flood zone.

Over the years, Sidrane, the Long Island company's owner and president, had considered moving the 66-year-old manufacturing business into larger space. But he never felt enough pressure to make it happen. "Other times, it would have been nice. This time was different," Sidrane said. "This time, I needed to make it work."

The 504 Company and K. Sidrane's longtime banking partner, Bank of America, collaborated on a \$4.25 million loan that allowed the manufacturer to buy and equip a new location near its storm-damaged property, but outside the flood zone. The 22,000-square-foot building, just 15 years old, also has room to expand.

"It's beautiful," Sidrane said. The new location needed gutting and a total rehab after years of being occupied by a sheet metal manufacturer, but the result was worth the investment. "When you walk in you say, 'Wow, this is where I want to do business.'"

Sidrane said the move would not have been possible without the loan through the 504 program. His company was required to contribute only 10 percent, or \$425,000, of the project, rather than the 20 percent required by conventional lenders. It also was able to lock in interest rates on a 20-year term.

"No question the loan was absolutely helpful. And they were nice people," Sidrane said. And despite a 20 percent sales dip between 2012 and 2013 that was created when the business lost equipment and had to close temporarily after the storm, "our bank obviously had enough faith in us to make the loan."

Bank of America recognized the manufacturer's unfortunate situation as a growth opportunity.

"We were proud to partner with The 504 Company to provide a comprehensive financing package, including funds for renovations and new equipment," said Warren D. Krug, senior credit solutions specialist, Bank of America. "The move to a larger and more efficient building in the aftermath of Superstorm Sandy has positioned K. Sidrane well for future growth."

The new facility opened February 14, 2014. Year-over-year revenue is expected to jump 50 percent at the close of one full year in the new facility. K. Sidrane currently employs between 40 and 50 people, depending on production demand, and the increased volume is expected to add up to 12 new jobs.

Rob Root, vice president with The 504 Company, says K. Sidrane's long, successful history and solid management team made the company a good risk.

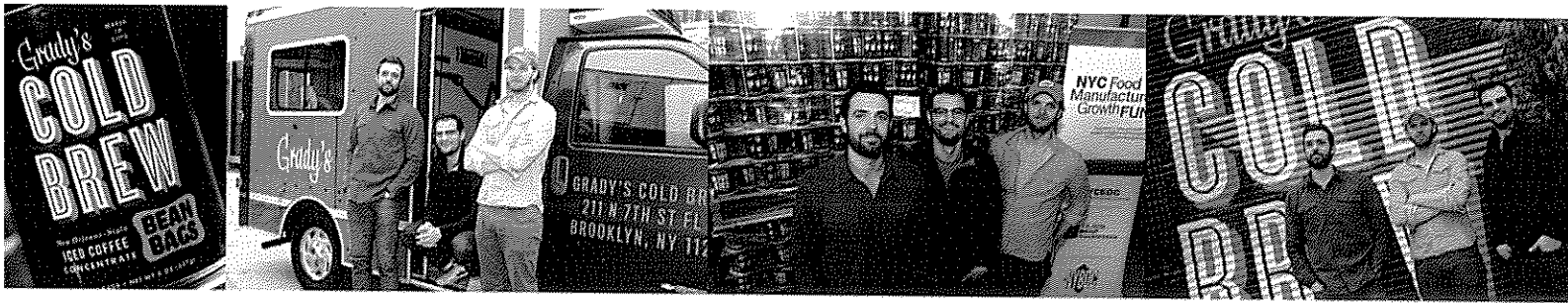
"The low equity requirement allowed the company to preserve capital needed to reinvest in the company to rebuild and support its projected growth. In the aftermath of Superstorm Sandy, the second-generation company has positioned itself well for the future," Root said.

K. Sidrane Inc. was started by Neil's father in an apartment in New York City on a press that the elder Sidrane built from scratch. It has evolved into a full-service manufacturer of self-adhesive labels and medical device packaging.





**Warren Krug of Bank of America, Robert Root of NYBDC, and Neil Sidrane of K. Sidrane Inc.**



# Grady's Cold Brew

Brooklyn, New York

Grady Laird first started selling bottles of his cold-brewed coffee concentrate to co-workers at GQ Magazine in 2009, when he was working as a production editor there. Laird and two friends, Dave Sands and Kyle Buckley, started making the coffee concentrate in Laird's apartment kitchen in Brooklyn, and as business grew they brought on friends and family as investors.

Sales were steadily increasing, and in early 2012 while searching Craigslist, Laird found Grady's Cold Brew a new home in a 6,000-square-foot brewery, in space sandwiched between Brooklyn's fast-growing Williamsburg and Greenpoint neighborhoods. At the time, the space was adequate for production because Grady's was only beginning to find its way to the shelves of a few local grocery stores. Grady's Cold Brew is sold in 16- and 32-ounce bottles that must be refrigerated. The concentrate is added to water, regular milk, soy milk or other beverages to make iced coffee.

By the summer of 2013, expansion came to a halt. More than two dozen Whole Foods outlets from New York City to Maine, as well as Fairway and Fresh Direct, were selling the New Orleans-style coffee concentrate in their grocery stores, and Grady's production had reached capacity.

"We were on a sales freeze because we knew we couldn't make enough product," Laird said. The small group of the company's initial investors had decided early on that they would not take on additional investors because it would mean giving up equity in the business, and private lenders would not take on the risks associated with their startup.

About a year earlier, the owners considered a loan through NYBDC, but quickly determined they were not ready to take on such a large financial burden. "We weren't confident enough yet to take on a loan," Laird said.

After gaining a foothold in the coffee market, Grady's Cold Brew was ready. The business received a \$415,000 loan from NYBDC through its NYC Food & Beverage Manufacturers Growth Fund for machinery, equipment, site upgrades and other expenses. This NYBDC loan program is supported by loans from the New York City Economic Development Corp. and Goldman Sachs' Urban Investment Group. The Food & Beverage Manufacturers Growth Fund will provide up to \$10 million to support NYBDC's provision of affordable growth financing for the small, food-manufacturing sector that is a critical piece of New York City's economy. Loan amounts range from \$50,000 to \$750,000.

The growth fund loan allowed Grady's to increase capacity (production could increase 10-fold this year), maintain working capital and launch a new product. Grady's has hired a handful of new sales people, bringing its total employees to 12. Laird expects to hire as many as 10 new employees as demand for the company's new product grows. The new product, brew-it-yourself, cold-brew grounds called Grady's Cold Brew Bean Bags, debuted in late March.

Laird says NYBDC provided Grady's with more than money. The application process required a business plan — something the owners had never developed.

"The loan turned out to be an incredibly good thing for more than one reason," Laird said. "It forced us to put together a profile that gave us a nice, solid business foundation."



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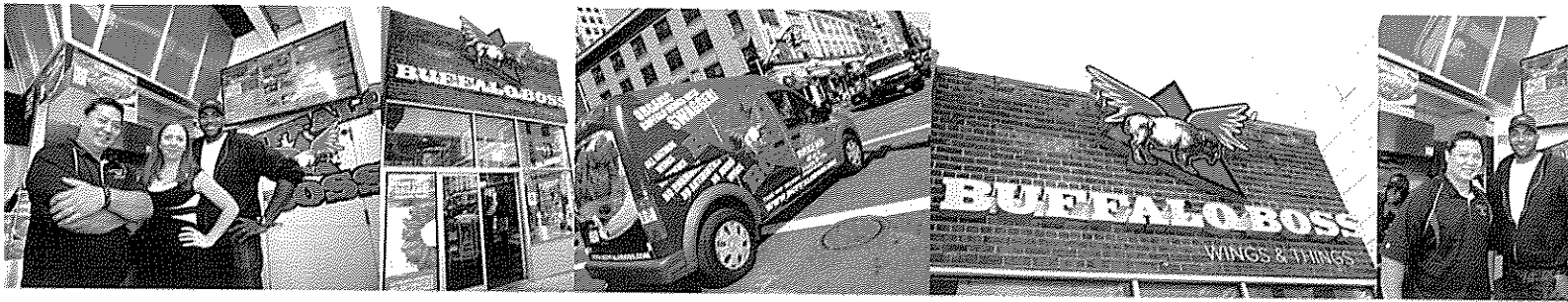


**10,000  
small  
businesses**



Dave Hanold of NYBDC and Dave Sands, Grady Laird and Kyle Buckley of Grady's Cold Brew.





# Buffalo Boss

Brooklyn, New York

Buffalo Boss cranked out more than 73 tons of organic chicken wings in 2013. The casual restaurant, with 32 employees at three locations in Brooklyn, is poised to top \$1.8 million in revenue in 2014 and open its fourth location.

It was a much different story in 2010, when Jamar White and Ron Lee were looking for money to open their first location, a 400-square-foot storefront on Fulton Street in northern Brooklyn. The fledgling entrepreneurs had been rejected by traditional lenders, and so they maxed-out their credit cards and brought on friends and family (including White's cousin, rapper and music producer Jay-Z) as investors.

Buffalo Boss was a hit from the start. Customers loved the all-natural, hormone-free chicken wings, and business grew at rapid-fire pace. The restaurant on Fulton Street turned a profit in its 13<sup>th</sup> month.

"When we started building up a fan base and seeing high-volume sales, we realized this wings concept had 'legs.' We also knew that a single, small store doesn't pay the rent," White said.

White and Lee began plans for a second location, this one on Jay Street in Brooklyn. On the advice of a friend, whose Blue Marble Ice Cream in Brooklyn received a loan through NYBDC in 2011, the two men pursued a similar loan program through NYBDC's affiliate, The 504 Company. Immediately, The 504 Company's Christina Lopez saw the partners' passion and enthusiasm for building their brand, as well as their 16-hour-a-day dedication to the enterprise.

"Buffalo Boss is an example of a company that knows its customer. Both primary owners are personally committed to the company's success and are involved in day-to-day operations and decision making," said Lopez, assistant vice president, The 504 Company.

The \$243,600 loan that White and Lee received in 2012 through the SBA Community Advantage Loan Program helped fund the opening of the partners' Buffalo Boss on Jay Street. "If we hadn't received the loan, it would have been much more difficult to proceed. It probably would have taken us at least a year and a half longer to pull things together," Lee said.

Proceeds from the loan also helped pay off a high-interest loan that the partners took out to cover fees when they opened a Buffalo Boss concession at Brooklyn's Barclays Center earlier that year. Those concession rights established Buffalo Boss' wings as the official chicken wings of the Brooklyn Nets.

Now, the partners are working with NYBDC to close on a 7(a) loan that will help finance a fourth location. It will be in Manhattan – the first Buffalo Boss outside Brooklyn – and will create another 20 jobs. Their model includes a five-year plan to open 10 more Buffalo Boss restaurants.

"We want to continue to promote our brand in the five (New York City) boroughs, then push nationwide," Lee said.

White and Lee take great pride in the jobs that their restaurants create, especially for a population of individuals that have difficulty finding employment. They work with local rehabilitation programs and halfway houses to train previously incarcerated people and recovering individuals to work in their establishments.

"At the end of day, these types of business loans are so important to small businesses like ours. They create new opportunities and jobs, and help grow the economy as well," White said. "We really believe in investing in a community that is investing in us."



Jamar White of Buffalo Boss, Christina Lopez of NYBDC, and Ron Lee of Buffalo Boss.



## The Great Tree Inn

Mayville, New York

Most small businesses start with a spark of creativity and enthusiasm, or as Sheila Dowhy referred to it as “a moment of insanity.” Both Mark and Sheila Dowhy were well established in their respective professions in the health care industry when they decided to pursue a dream of opening a bed and breakfast.

“We were always the entertainers of our group of friends and family. Mark loves to cook and I am a bit compulsive about cleaning,” said Sheila. “We didn’t want to open a restaurant, but there was something about the idea of cooking breakfast and being a host that really appealed to both of us.”

The Great Tree Inn, an 1820s farmhouse and barn in Mayville, New York, at the northern tip of Lake Chautauqua, includes seven en suite rooms in a bucolic 10-acre setting adjacent to the famous Chautauqua Institution, a community founded in 1874 that encourages intellectual exploration and enrichment through a unique slate of fine and performing arts, lectures, interfaith worship, programs and recreational activities throughout the year.

The Great Tree Inn met the qualifications on the Dowhys’ business checklist. The owner was looking to retire, seven rooms made the inn economically sustainable and it was located in close proximity to their day jobs. The next step was financing.

The Dowhys didn’t hear back from the first local bank that they approached, but Adam Desmond at First Niagara saw the potential of the project and brought in NYBDC to partner on the \$650,000 loan to help the Dowhys purchase the property and assets.

“It can be an intimidating process for new business owners to go through the analysis that the financing process requires, but Mark and Sheila had everything in order and had done their research,” said Desmond. “We weren’t just looking at the pedigree and the possibility of The Great Tree Inn, we were looking at Mark and Sheila. People like them are the best reason to make this type of investment.”

“NYBDC partners with local banks to help support financing in what would be considered risky investments,” said Michael Taylor, senior vice president of NYBDC. “The hospitality industry is tough for a number of reasons, but The Great Tree Inn has a lot of merits, especially the dedication and professionalism that the Dowhys brought to the table.”

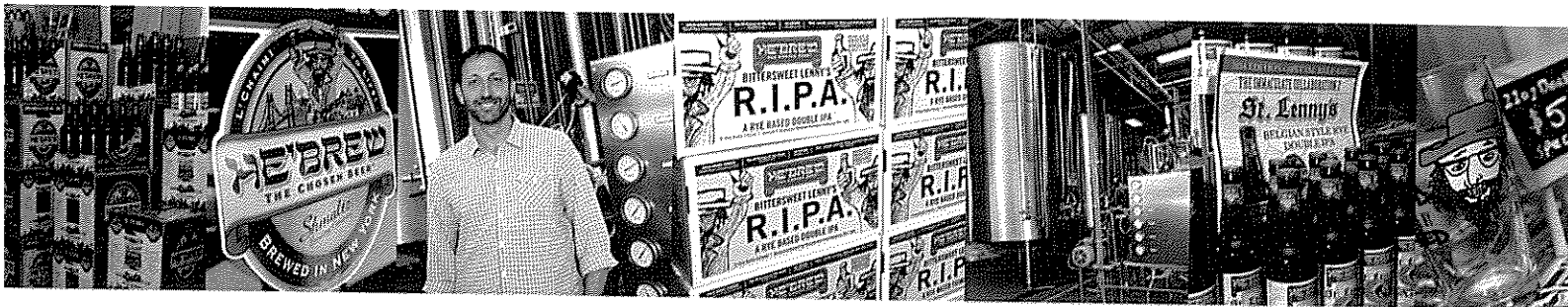
The Dowhys have enjoyed great success as the proprietors of The Great Tree Inn. They exceeded their first-year expectations and are now exploring ideas to market to new audiences, such as special wine and dine packages and reaching out to birding and hiking clubs.

“This is fulfilling and rewarding,” said Mark, who has since stepped away from his previous career. “It’s great to meet all different types of people and see them take a breath and relax. We love to see the nice compliments on TripAdvisor and have return visitors. That’s why we are doing this.”





**Michael Taylor of NYBDC and Mark Dowhy and Sheila Dowhy of The Great Tree Inn.**



# Shmaltz Brewing Co.

Clifton Park, New York

The first of Shmaltz Brewing Co.'s He'Brew Beer and Coney Island Craft Lager lines rolled off the company's own assembly lines in July 2013. It was the first time that the nationally recognized craft beer maker had brewed its own labels since its owner, Jeremy Cowan, started the company in 1996.

Cowan credits a \$3.5 million loan through The 504 Company for making it happen. Until his microbrewery in Clifton Park, a suburb in Upstate New York's Saratoga County, began operations, the beer maker had been contracting out all of its brewing and packaging. The new microbrewery created 11 full-time and five part-time positions and is preparing to add four new full-timers.

The 504 Company partnered with Ballston Spa National Bank to issue the \$3.5 million in funding that Cowan used to buy equipment and fit-up the leased property. The benefits of the 504 program: a longer-term loan, lower interest rate and less money down.

"I guarantee you that this would not have happened without the SBA's 504 program. I approached private lenders, but could not have gotten the ratios that allowed us to do this project," said Cowan, who in years past grew Shmaltz using small personal loans, credit cards and, eventually, a line of credit. Cowan, of New York City, created Shmaltz Brewing Co. with \$2,000 of his personal savings and contracted with a private company to brew and label his He'Brew and Coney Island Craft Lager brands.

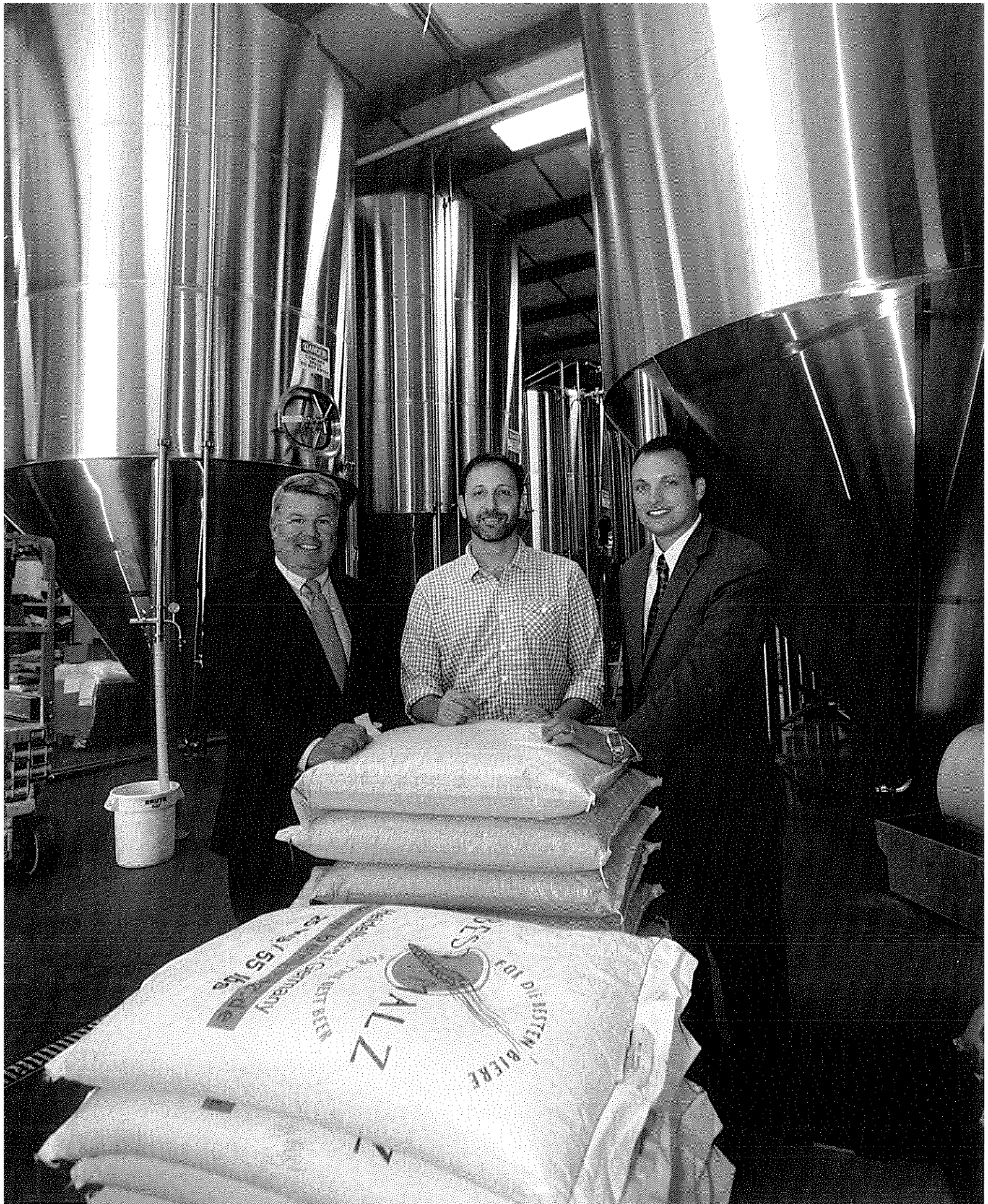
Several breweries across the state have expanded with the help of the 504 program. Equipment costs alone can balloon into multi-million-dollar investments and those in the fledgling craft beer industry have not generated enough income to afford the 20 percent initial cash outlay required for conventional loans. The craft beer movement is gaining momentum, and The 504 Company recognizes Cowan and brewers like him must expand to meet a rising demand for their products.

"When Jeremy Cowan came to The 504 Company, he had done a stellar job of building his brands," said Ross Pancoe, vice president, The 504 Company. "He had delicious beers to support them, but he just needed access to enough capital to make building a brewery a reality. The 504 Company was able to provide him the access to capital that he needed."

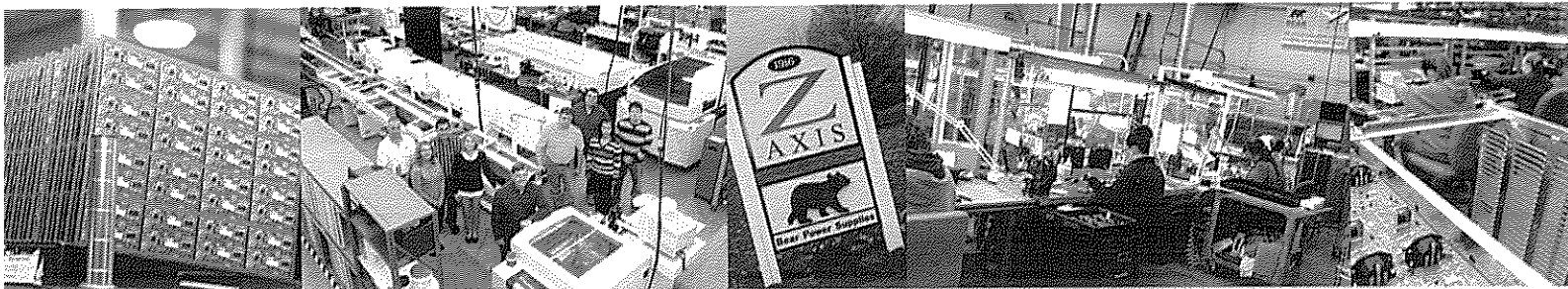
Shmaltz's new 20,000-square-foot microbrewery can produce up to 20,000 barrels (or 250,000 cases) a year, and Cowan is already planning for growth. He and Ballston Spa National Bank are working to finalize a separate, \$300,000 loan to buy more fermentation tanks and other brewing equipment. The expansion should increase production by 40 percent later this summer, and another 40 percent in the fall. Sales are up 40 percent over 2013's \$6 million, and the increased production should add even more jobs.

Cowan describes the 504 program as "a very productive collaboration between private business and federal programs." He expects that coming through the process successfully will open doors in the future.





**Timothy Collins of Ballston Spa National Bank, Jeremy Cowan of Shmaltz Brewing, and Ross Pancoe of NYBDC.**



## Z-AXIS Inc.

Phelps, New York

When Michael Allen contemplated the future of Z-AXIS Inc., its outlook appeared grim. Parent owner Video Display Corp., a publicly traded company based in Georgia, was selling Z-AXIS, and Allen saw two possible outcomes for his employer of 25 years. Neither prospect boded well for the electronics company and its 60 employees, many of whom had worked at Z-Axis for decades.

"The largest likelihood would have been that we were acquired by a company that had synergy with us, the companies would combine and they would shut us down," said Allen, an electrical engineer who was named president of Z-AXIS in 2006. "The second likely situation would have us acquired by someone else, and we would be run as just another division."

Allen had inquired about buying Z-AXIS over the years, but the timing was never right. Now, with Video Display's majority owner selling off his companies, Allen and his wife, Robin, made the bid for Z-AXIS.

"The alternative would have been disastrous to my employees, who were devoted to our customers, had been here a long time and really cared about what we were doing," said Allen, who was recently honored with the 2014 SBA Small Business Person of Year Award for New York.

The \$10 million deal came together with the help of more than \$5 million in loans through The 504 Company and the SBA's 7(a) program. The 7(a) loan, which totaled \$3.85 million, was used to purchase the business and working capital. The \$931,600 504 loan, along with a \$1.65 million First Niagara Bank loan, helped the Allens buy the property and equipment. Additional funding came from the Ontario County IDA, Cephas Capital, a seller note and the Allens.

Z-AXIS designs, tests and manufactures circuit boards and other power supplies at its 30,000-square-foot plant in Phelps, a town in Ontario County located 35 miles east of Rochester. Half of its business comes from \$1 billion companies – predominantly in the medical sector – that are located throughout North America. The other half is contract work, with 95 percent performed for New York State businesses.

Pennie Smith, vice president of The 504 Company, met Allen after receiving a referral from the Ontario County IDA. Allen was concerned that an out-of-state buyer interested in buying Z-AXIS would eventually move operations out of New York, leaving 60 people without work.

"His passion for the company and his dedication to employees were very evident. I knew this was a project we wanted to be a part of. Although Mike had limited personal funds, the project came together with the support of the Ontario County IDA, seller debt and venture capital funds," Smith said.

Allen has hired 15 more employees since buying the company in January of this year, and he expects to grow the company's revenue 50 percent in 2015.

First Niagara Bank recognized Allen's talents to lead Z-AXIS during a period of change, and his ability to identify new markets and develop new products to meet the needs of those markets, said Paul Hohensee, vice president of business banking for First Niagara. "As a result of Michael's efforts, Z-AXIS reversed its fortunes, restored profitability, and increased employment at the company by 23 percent between 2010 and 2013."





**Michael Allen of Z-AXIS Inc., Pennie Smith of NYBDC, and Paul Hohensee of First Niagara Bank.**





## Hi-Lite Airfield Services

Watertown, New York

Growth at Hi-Lite Airfield Services has been in the double digits for the last 15 years. The business, which began as a highway- and airport-stripping business 25 years ago, has developed into an industry-leading airfield contractor that performs runway painting and maintenance for some of the world's largest airports.

To continue expanding, John S. McNeely, Hi-Lite's president and CEO, knew the company had to invest in costly equipment and improve cash flow. That opportunity came when Hi-Lite secured a \$6.371 million loan package through NYBDC, the U.S. Department of Agriculture and NBT Bank. The two loans were provided through the USDA's Rural Development Program, a program that supports small businesses in rural areas with the intention of creating jobs and improving the local economy.

Hi-Lite used the financing to buy equipment and refinance debt, allowing for a longer-term loan, a lower rate of interest and the freeing up of cash. Another component of the financing came from the Jefferson County IDA, which provided an \$800,000 term loan. NBT additionally provided working capital for the company.

"If we had not gotten these loans, we would have taken on fewer contracts and grown less," said McNeely, who owns the company with his brother and sister-in-law, Calvin and Rhonda McNeely. "This will allow me to grow the business and pursue new opportunities. I have great partners moving forward."

Robert Markowski, vice president, NBT Bank, said the bank has maintained a long-standing relationship with Hi-Lite. As such, NBT is confident in the company's management and high-quality work. However, its explosive growth was difficult to support with only traditional bank funding.

"Being able to partner with the NYBDC, Jefferson County IDA and the USDA allowed all of us to provide the financing the company needed for continued expansion and future success, while providing an overall loan structure that NBT Bank could support," Markowski said.

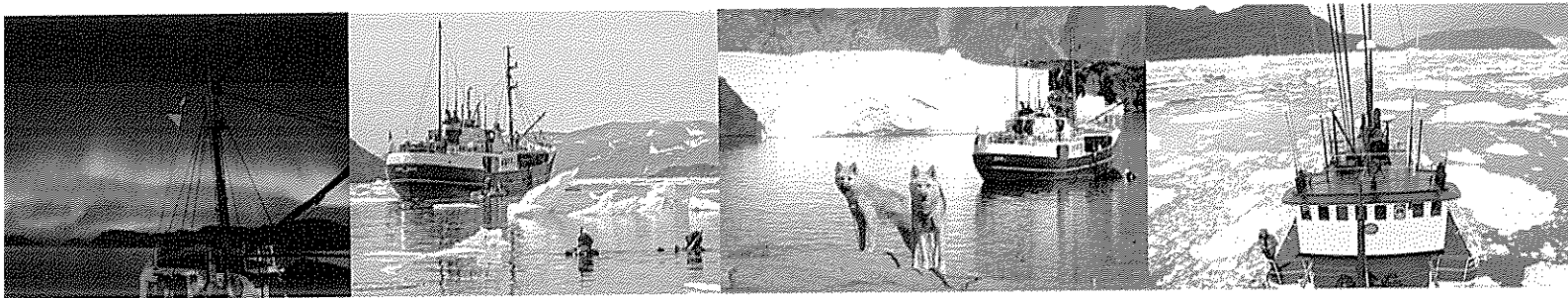
With 135 people on the payroll, Hi-Lite is one of the largest employers in Jefferson County. The airline maintenance contractor plans to hire at least 12 more workers and fill three salaried positions over the next two years, a plan made possible by the loan package. McNeely expects to finish 2014 with almost \$30 million in revenue, triple that of 2010, and the company is poised to double sales over the next five years. Hi-Lite Airfield Services specializes in airfield surface preparation, runway rubber and paint removal, pavement maintenance and friction testing.

This is the second time that NYBDC and its affiliates have helped fuel the company's growth. In 2009, Hi-Lite used financing through The 504 Company to expand its maintenance shop. The expansion shifted much of the equipment maintenance in house, saving money that then was directed to add customers and grow sales.

"Hi-Lite Airfield Services has shown a commitment to growing their business in New York State, and the North Country in particular," said Brian Bund, NYBDC vice president. "Working in conjunction with NBT Bank and the Jefferson County IDA, we were able to put this recent financing together and position Hi-Lite for future success."



**Dick McNeely, Linda McNeely, John McNeely, Rhonda McNeely and Calvin McNeely of Hi-Lite Airfield Services; Robert Markowski of NBT Bank; and Brian Bund of NYBDC.**



# Cape Race

Brooklyn, New York

Milos Simovic had grand plans for Cape Race. He bought the 125-foot fishing trawler in 2006 and planned to charter the impressive yacht for research and pleasure excursions. Simovic pumped \$1.3 million of his own money into the venture, and Cape Race began chartering small oceanic research expeditions for the U.S. Navy, NASA and the National Science Foundation, and occasionally hosting film and TV projects.

Still, despite the high-end upgrades, the vessel lacked some of the elements necessary to comply with health codes, making it ineligible to serve a wealthy clientele interested in private adventure travel – a market in which Simovic saw great potential.

Then in 2012, after Hurricane Sandy tore up the East Coast, Cape Race became an unofficial base camp for agency and government officials who would conduct storm-related business from the boat. “We were one of the few places with power, so we’d offer hot showers and I’d cook,” said Simovic, who docks in Red Hook, Brooklyn. It was during one of these on-board meetings that Simovic met NYBDC President Patrick MacKrell.

“That was a godsend for me,” said Simovic, who does business as Drifting Society Corp. “I had invested everything – run up credit cards, taken money from friends and exhausted my savings. And you’re certainly not a candidate for a traditional loan when you own a ship.”

In 2013 Simovic received a \$225,000 loan through The 504 Company and New York’s Capital Access Program (NYSCAP) to purchase additional equipment and complete renovations on the boat. Those renovations included building out some of the cabins and renovating bathrooms. The funding also paid for a washer and dryer, air conditioning and an awning on the deck. Working capital was used for website development, reserve fuel and six months of operating expense.

The NYSCAP provides loan loss reserve support for loans for working capital needs, technology or facility upgrades, business startups or business expansions.

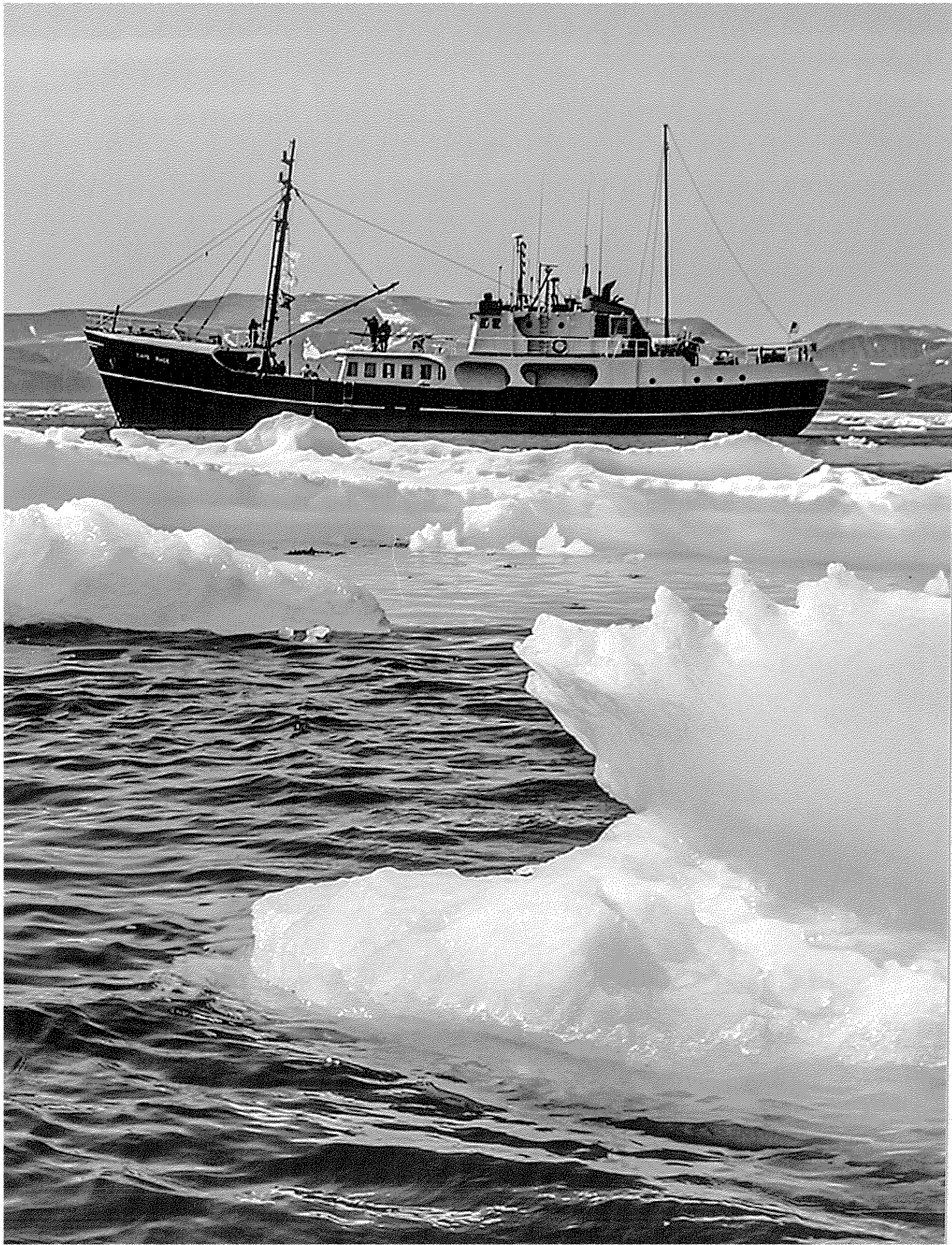
David Hanold, vice president, The 504 Company, said Cape Race did not have an extensive operating history at the time it was being considered for the loan, and its short tenure made it difficult to secure traditional financing.

“However, due to the pipeline of upcoming expeditions and projected revenue, The 504 Company was able to provide \$225,000 in financing for ongoing repairs and renovations,” Hanold said. “These renovations helped the business secure more contracts for 2014, 2015 and beyond to destinations as diverse as the Arctic Ocean, Caribbean Islands and the coast of Brazil.”

The private excursions on Cape Race run from \$40,000 for a week in the Caribbean, to \$140,000 for a 10-day charter to new, untouched routes in the Arctic. One client reserved the 10-cabin yacht for a private trip to the Amazon.

Without the loan, Simovic said, he would not have been able to book the private adventure travel excursions for the last two seasons. “No doubt we would still be restoring the ship piecemeal because we wouldn’t have had the money to do everything right away.”





# NYBDC and The 504 Company Make \$100,000 Grant to Support Red Hook Initiative's '500 Futures' Campaign

Early in 2014, New York Business Development Corporation announced a \$100,000 grant to Red Hook Initiative (RHI) in support of "500 Futures," a four-year campaign designed to reach 500 Red Hook youth annually to ensure that they graduate from high school and go on to college or to a strong career path.

RHI's work over the last decade has demonstrated that education, employment, social support systems, and improved

infrastructure will ensure long-term resilience for Red Hook residents. The 500 Futures program aims to raise \$1.25 million per year over the next four years to meet an increased demand for comprehensive services for Red Hook youth.

The non-profit believes that young people cannot only be recipients of services, but can also be trained to deliver the message and to create their own social change. More than 80 teenagers are employed annually at RHI; many work at the center throughout their four years of high school, earning money

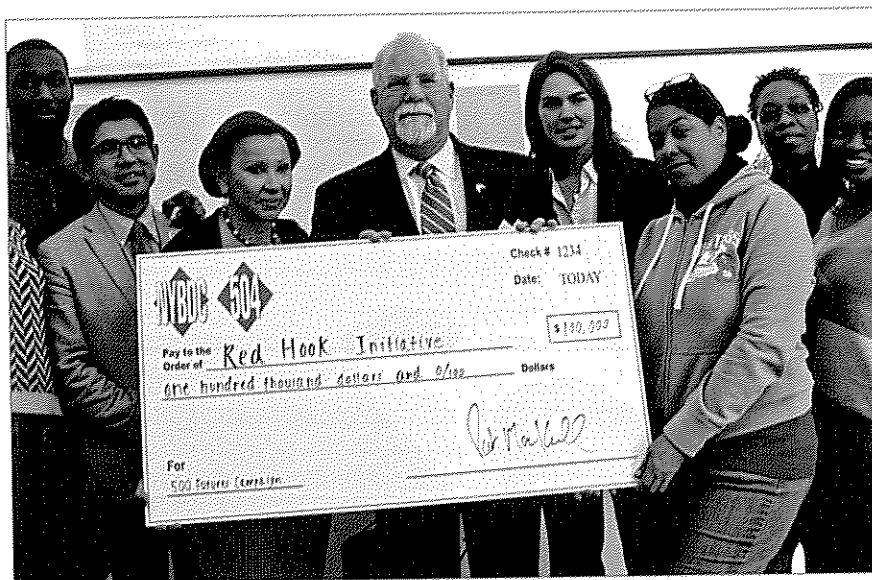
while focusing on a plan for their future. NYBDC and its affiliate, The 504 Company, jointly supported the grant, which will be disbursed in equal installments over the next four years.

According to Congresswoman Nydia M. Velázquez (D-NY 7), "Investing in our young people and their education serves to strengthen our communities over the long term. This innovative

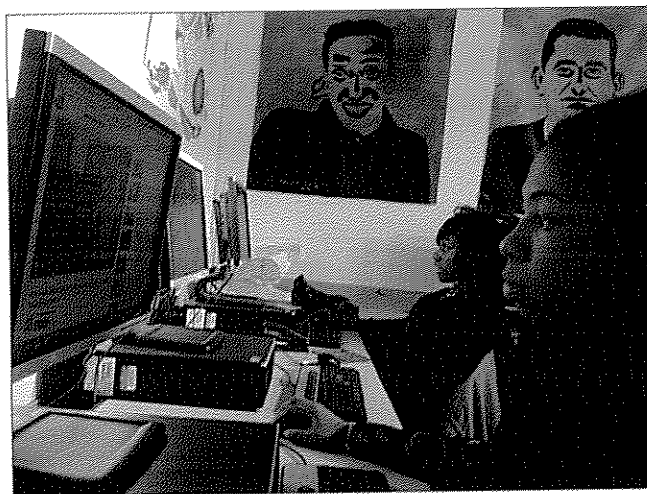
program targets needed assistance to local youth, helping them finish high school and pursue higher education or a productive career."

Jill Eisenhard, RHI's founder and executive director, said, "We are thrilled to partner with NYBDC

and The 504 Company through the 500 Futures campaign. Because of their support, we will be able to provide customized and high-quality programs for 40 young people in the community. If those young people are able to identify and achieve short- and long-term goals now, they will



*Red Hook Initiative participant Tyrel; NYC Council Member Carlos Menchaca; Congresswoman Nydia Velázquez; Pat MacKrell; Jill Eisenhard; and staff members Alisa Pizarro, Rebecca Fishburne and Fabiola Prostenus.*



*Participants visit a college campus to learn about applying, enrolling and attending college.*

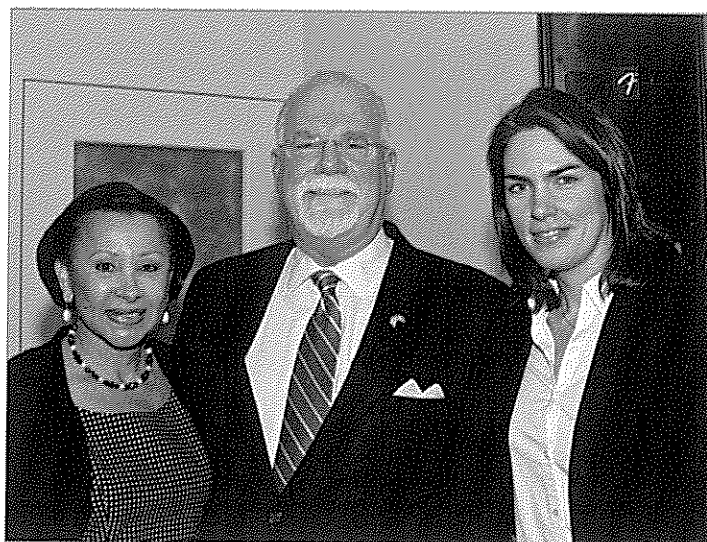


be well positioned to succeed in academic and professional pursuits, and ultimately break the cycle of intergenerational poverty.”

“I have been impressed with RHI from our very first encounter with the organization shortly after Hurricane Sandy,” said Patrick J. MacKrell, president and chief executive officer of NYBDC and The 504 Company. “As NYBDC worked with small businesses in Red Hook in connection with the Hurricane Sandy Small Business Emergency Loan Fund, we constantly heard about the good works and vision for change at RHI. When we took a closer look at the organization and learned of the 500 Futures program, we saw an immediate alignment with our mission to promote opportunity and our overall commitment to economic development. Opportunity leads change; the education and job experience supported by 500 Futures will open the door to that opportunity in a very direct and meaningful way.”

In October 2012, Hurricane Sandy severely damaged Red Hook closing businesses and leaving thousands of residents without electricity, heat and water. Shortly after the storm hit, NYBDC, NYBA, the City of New York and Goldman Sachs set to work to develop and fund small business emergency loan programs to serve the immediate needs of impacted

small businesses. Through the Hurricane Sandy Small Business Emergency Loan Fund, NYBDC was able to help more than 50 small businesses in Red Hook access more than \$1.1 million to rebuild after the storm.



*Congresswoman Nydia Velázquez, Pat MacKrell of NYBDC, and Jill Eisenhard of Red Hook Initiative.*

The RHI staff and participants created a plan and took action to help their community in the immediate wake of Hurricane Sandy. The RHI building, undamaged by the storm, became a place of shelter for thousands to get a hot meal, charge their phones, and pick up supplies. RHI continues to create opportunities for Red Hook residents and to adapt and address

the needs of the neighborhood. The 500 Futures campaign is an example of this.

Individuals or corporations who are interested in becoming part of the campaign can get involved by donating, volunteering their time and services, or by signing up to assist with fundraising within their own

personal networks. For more information, visit [www.rhicenter.org](http://www.rhicenter.org).

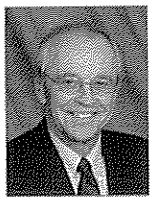
RHI is a community center in Red Hook, Brooklyn that serves more than 1,500 Red Hook residents annually. Founded in 2002, RHI believes that social change to overcome systemic

inequities begins with empowered youth. More than 95 percent of RHI’s employees are Red Hook residents.



*Participants in RHI’s professional development program, geared toward helping young adults prepare for the workforce.*

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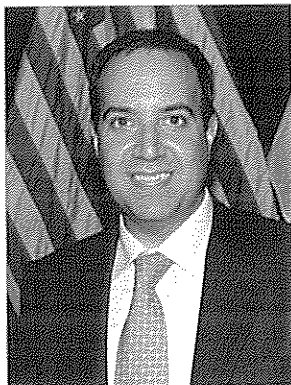
**Patrick J. MacKrell**  
*President & CEO  
New York Business  
Development Corporation  
Albany, New York*

## Chairman's Leadership Award



**Jeanne Hulit**

The Chairman's Leadership Award for FY 2014 was awarded to Jeanne Hulit in recognition of her support of small business during her tenure at the United States Small Business Administration where she served as Regional Administrator (Region I), Associate Administrator for Capital Access and, ultimately, as a member of the President's Cabinet as SBA Administrator. During her tenure at the SBA, Jeanne was a tireless advocate for small business, with a particular focus on efforts to simplify and streamline credit programs to facilitate the broadest possible access and impact.



*"Thanks to the Brooklyn Chamber's partnership with NYBDC, we were able to create The Brooklyn Fund, which has already exceeded \$2 million in funding to small businesses across the borough. That funding has helped Brooklyn's businesses expand and grow stronger, and has created nearly 40 jobs. Our partnership also allowed for the donation of \$20,000 to non-profits in Brooklyn, like the Caribbean American Chamber of Commerce and The Brooklyn Community Improvement Association. I want to thank NYBDC for all of their great work, and I look forward to continuing to work with them in the future to make Brooklyn even better!"*

*Carlo A. Scissura  
President and CEO  
Brooklyn Chamber of Commerce*

# The 504 Company Board of Directors



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Regional Sales Manager  
SBA Division  
TD Bank  
Flemington, New Jersey



**Noel Murphy**  
President  
Celtic Tours  
Albany, New York



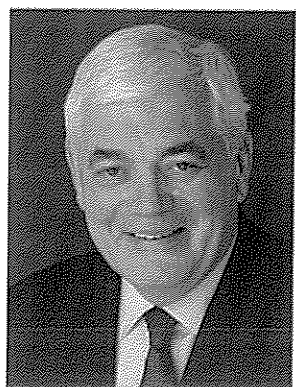
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**Charles F. Ryan**  
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HSBC Bank USA  
New York, New York



**Robert K. Streh**  
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JPMorgan Chase  
Shelton, Connecticut



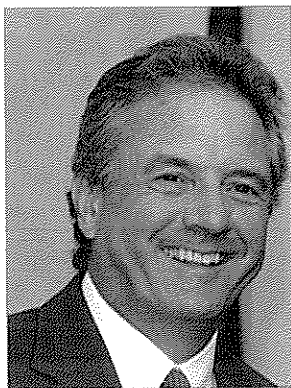
*"The longstanding partnership between NYBDC and the New York Bankers Association has produced important gains for our state economy by providing critical support for our all-important job creators. NYBA is deeply proud of its collaboration with the NYBDC."*

*Michael P. Smith  
President & CEO  
New York Bankers Association*



## NYBDC Stockholders

Adirondaack Trust Company	First Niagara Bank	Northeastern New York Community Trust
Ballston Spa National Bank	Flushing Bank	NYSEG Retirement Benefit Plan
Bank of America	Fulton Savings Bank	Orange County Trust Company
Bank of Castile	Gleacher & Company, Inc.	Paragon Home Loans, Inc.
Bank of Greene County	Glens Falls National Bank & Trust Company	PathFinder Bank
Bank of New York Company, Inc.	Global Crossing North America, Inc.	Phoenix Home Life Mutual Insurance Company
Barclays Bank	Greater Binghamton Chamber of Commerce	Pleasant Valley Wine Company
Berkshire Bank	Guardian Life Insurance Company	Procter & Gamble Pharmaceuticals, Inc.
Capital One Bank	Hope Gas, Inc.	ReliaStar Life Insurance Company
Cattaraugus County Bank	HSBC Bank USA	Rochester Business Alliance
Central Hudson Gas & Electric Corp.	Jeffersonville Bancorp	Rochester Gas and Electric Corporation
Chamber of Commerce of Orange County	Joseph Davis, Inc.	Santander Bank
Chemung Financial Corporation	JPMorgan Chase Bank	Security Mutual Life Insurance Company of New York
Chenango County Chamber of Commerce, Inc.	JPMorgan Chase Community Development Corporation	David A. Shults
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Citizens Communications	KeyCorp	Sterling National Bank
Columbian Mutual Life Insurance Company	Lincoln First Real Estate Credit Corporation	Steuben Trust Company
Combined Life Insurance Company of New York	Manufacturers & Traders Trust Company	TD Bank
Community Bank	Mohawk Valley Chamber of Commerce	Teachers Insurance & Annuity Association of America
Council of Industry	Montgomery County Chamber of Commerce	Tioga State Bank
Delaware & Hudson Railway Company	National Bank of Delaware County	Tompkins Trust Company
Delaware National Bank of Delhi	National Grid	Ulster Savings Bank
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Elmira Savings Bank	NBT Bank	Verizon Communications
Federal Deposit Insurance Corp. (FDIC)	New York Life Insurance Company	Wells Fargo
Barbara L.S. Finch	New York State Electric & Gas Corp.	



*"SBA's outstanding partnership with NYBDC has been vital to ensure that new and expanding small businesses have adequate access to capital. Without this partnership, starting or expanding a business in New York would be much more difficult. This is particularly true in areas of the state that have less advantage. Owning a small business will always continue to present new challenges. I am confident that together we will be on good footing to meet those challenges for many years to come."*

*Bernard J. Paprocki  
U.S. Small Business Administration  
District Director*

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*Assistant Secretary*



*"The Independent Bankers Association of New York State (IBANYS) and our member institutions – local community banks and thrifts throughout New York – value the partnership we share with the NYBDC. Throughout the years, Pat MacKrell and NYBDC's outstanding staff have greatly enhanced the small business lending environment that is so vital to New York's economy and our local communities. We look forward to continuing this partnership in the future."*

*John J. Witkowski  
President & CEO  
Independent Bankers Association of New York State*

# Lenders of the Year

These bankers have worked extensively and creatively with NYBDC and The 504 Company to promote access to capital for New York's small businesses.

## NYBDC Lender of the Year – Robert Grady

Senior Vice President  
Suffolk County National Bank



*"For many years, Bob has been committed to supporting the needs of small businesses across Long Island with the highest level of service. He is focused on identifying the needs of small businesses and applying creative and appropriate solutions to meet those needs. In doing so, Bob has been a consistent supporter of NYBDC and its mission to promote employment and economic development throughout New York State by providing creative long-term financing solutions to creditworthy businesses. We thank Bob for his tireless efforts and look forward to working with him and his colleagues at Suffolk County National Bank for many years to come."*

James J. Goldrick  
Senior Vice President - Long Island Regional Manager  
NYBDC



## The 504 Company Lender of the Year – Dorothy Cheung

Small Business Division Sales Manager  
Citibank



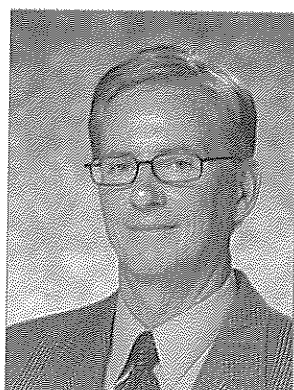
*"Dorothy is one of the most hardworking bankers I have ever known. She has so much passion for providing access to capital for businesses in the boroughs and is a big fan of the SBA 504 loan program. We look forward to our continued partnership with Dorothy and Citibank for many years to come."*

Linda Zou  
Senior Vice President  
NYBDC



# Community Partners provide loan referrals and technical assistance to our borrowers

Accion East, Inc.	Economic Development Corporation for Erie County	Rockaway Development & Revitalization Corp.
Adirondack Economic Development Corporation	Essex County Industrial Development Agency	Rockland Business Association
Albany-Colonie Regional Chamber of Commerce	Fulton County Chamber of Commerce	Rockland Economic Development Corp.
Albany Local Development Corporation	Genesee County Economic Development Center	Rome Industrial Development Corp.
Amherst Industrial Development Agency	Herkimer County Industrial Development Agency	St. Nick's Alliance
Bronx Overall Economic Development Corp.	Hudson Development Corporation	Saratoga Economic Development Corp.
Brooklyn Economic Development Corporation	Jefferson County Industrial Development Corp.	Schenectady Economic Development Corporation
Brooklyn (Kings County) Hispanic Chamber of Commerce	Livingston County Industrial Development Agency	Schoharie County Planning & Development Agency
Broome County Industrial Development Agency	Local Development Corp of East New York	Schuyler County Partnership for Economic Development
Business Council of Westchester	Local Development Corporation of Laureton, Rosedale and Springfield Gardens	Seneca County Industrial Development Agency
Catskill Watershed Corporation	Lockport Industrial Development Agency	Southern Tier Economic Growth, Inc.
Cattaraugus Empire Zone Corporation	Mohawk Valley Chamber of Commerce	Southwest Brooklyn Industrial Development Corp.
Center for Economic Growth	Mohawk Valley Economic Development Growth Enterprises Corp.	Steuben County IDA
Central New York Regional Planning & Development Board	Montgomery County Chamber of Commerce	Sullivan County Chamber of Commerce
Chamber of Schenectady County	Montgomery County Economic Opportunity and Development	Sullivan County Partnership for Economic Development
City of Middletown Industrial Development Agency	Morris Park Local Development Corporation	Tier Information & Enterprise Resources, Inc.
City of Mount Vernon Urban Renewal Agency	NFC Development Corp.	Tioga County Economic Development & Planning
Clinton County Area Development Corp.	New York State Small Business Development Centers	Tompkins County Area Development, Inc.
Community Capital New York	Ogdensburg Growth Fund Development Corporation	Ulster County Development Corp.
Community Development Corporation of Long Island, Inc.	Ontario County Industrial Development Agency	Washington County Local Development Corporation
Cornell Agriculture & Food Technology Park	Orange County Business Development Corporation	Wayne County Industrial Development Agency
Cortland County BDC-IDA	Orange County Partnership	West Brighton Community Local Development Corporation
County of Chautauqua Industrial Development Agency	Putnam County Economic Development Corporation	Westchester County Association Inc.
County of Orleans Industrial Development Agency	Queens Economic Development Corporation	Women's Enterprise Development Center, Inc.
County of Otsego Industrial Development Agency	REDEC Relending Corporation	Women's Venture Fund, Inc.
Credit, Inc.	Renaissance Economic Development Corporation	Wyoming County Industrial Development Agency
Development Authority of the North Country	Rensselaer County Industrial Development Agency	Yates County Industrial Development Agency
Dutchess County Economic Development Corporation	Rensselaer County Regional Chamber of Commerce	Yonkers Local Assistance Corp.
East Williamsburg Valley Industrial Development Corporation	Rensselaer Gateway Development Corporation	
Economic Development Corporation (Warren County)		



*"The New York State Economic Development Council represents local and regional development organizations throughout the state. As economic development professionals work to attract investment and jobs to their communities, NYBDC is an invaluable partner in meeting the capital needs of small business owners – New York's job creators. Large economic development projects make headlines, but small businesses make local economies sustainable. Through steady and strong leadership, a talented staff, and deep capital resources, NYBDC is a leader in helping communities grow."*

Brian McMahon  
Executive Director  
New York State Economic Development Council

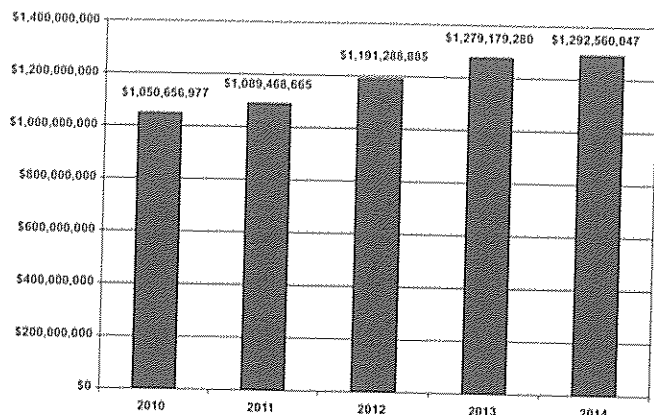
**COMBINED STATEMENTS OF FINANCIAL CONDITION – September 30, 2014 and 2013**

	2014	2013
<b>Assets</b>		
Loans receivable	\$210,355,260	\$206,614,689
Less allowance for loan losses	(5,748,924)	(6,147,280)
Net loans receivable	204,606,336	200,467,409
Cash	878,621	151,529
Restricted cash	4,255,867	6,618,069
Accrued interest receivable	949,866	913,894
Investments	2,451,144	2,212,052
Deferred tax benefit	2,819,822	3,082,465
Other assets	2,920,024	2,257,472
	<b>\$218,881,680</b>	<b>\$215,702,890</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Notes payable:		
Members	\$45,000,000	\$40,054,737
New York State Common Retirement Fund	73,203,856	77,447,793
Bank and other lines of credit	49,438,473	47,419,266
Bank term loans	13,794,468	16,540,555
Other obligations	3,364,016	2,159,803
Total notes payable	184,800,813	183,622,154
Accrued interest payable	418,762	435,811
Accrued expenses and other liabilities	4,739,616	5,002,098
Total liabilities	189,959,191	189,060,063
<b>Equity</b>		
Capital stock, no par value, authorized 500,000 shares; issued and outstanding		
217,444 shares, \$5 stated value per share	1,087,220	1,087,220
Paid-in capital	3,572,955	3,572,955
Retained earnings	18,318,565	17,050,418
Accumulated other comprehensive income	146,358	71,160
Total stockholders' equity	23,125,098	21,781,753
Net assets of Empire State Certified Development Corporation	5,797,391	4,861,074
Total equity	28,922,489	26,642,827
	<b>\$218,881,680</b>	<b>\$215,702,890</b>

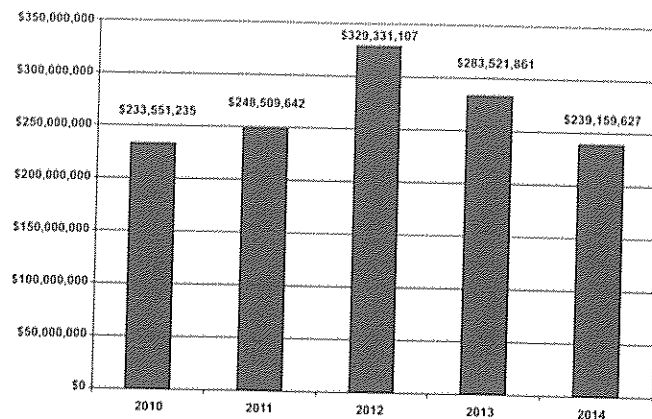
**COMBINED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME – Years Ended September 30, 2014 and 2013**

	2014	2013
Interest income	\$11,613,645	\$11,266,069
Interest expense	4,959,322	5,084,610
Net interest income	6,654,323	6,181,459
Provision for loan losses	301,243	109,523
Net interest income after provision for loan losses	6,353,080	6,071,936
Fees and other income	11,884,675	11,730,523
Income before operating expenses	18,237,755	17,802,459
Operating expenses:		
Salaries and employee benefits	8,949,550	8,951,786
Other expenses	5,357,214	5,238,431
Total operating expenses	14,306,764	14,190,217
Income before provision for income taxes	3,930,991	3,612,242
Provision for income taxes	1,476,466	1,517,923
Net income	2,454,525	2,094,319
Other comprehensive income		
Net unrealized gains on investment securities available for sale, net of tax	75,198	4,905
Comprehensive income	<b>\$2,529,723</b>	<b>\$2,099,224</b>

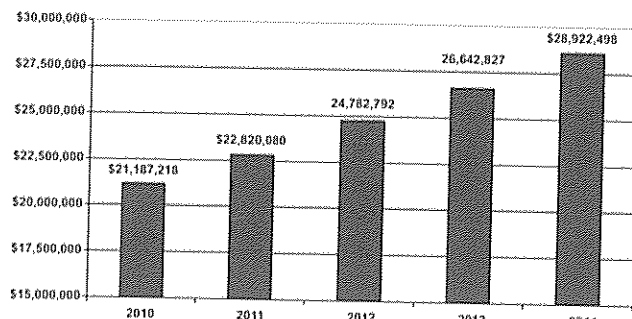
**COMBINED LOAN PORTFOLIO:** At September 30, 2014, the combined total loan portfolio managed exceeded \$1.29 billion, an increase of 1.05% over the previous year-end and 23% over 2010.



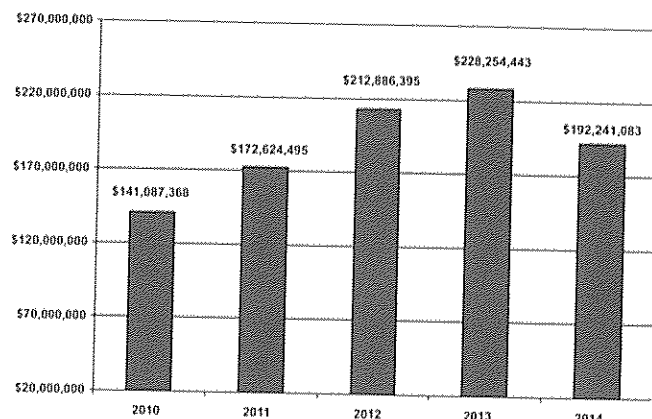
**COMBINED LOAN APPROVALS:** Combined loan approvals as of September 30, 2014 exceeded \$239 million, a 16% decrease over the prior year.



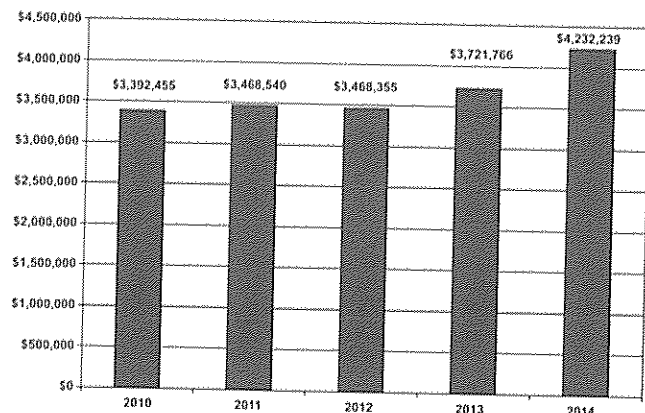
**COMBINED EQUITY:** Combined equity reached \$28.9 million by September 30, 2014.



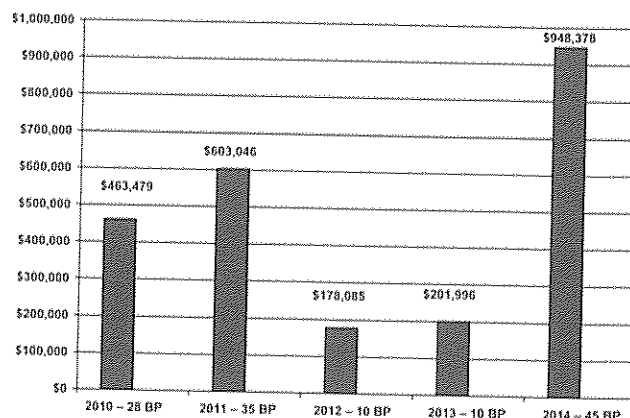
**COMBINED LOAN VOLUME:** The combined loan volume as of September 30, 2014 exceeded \$192.0 million or approximately 104% of the budgeted volume for the year.



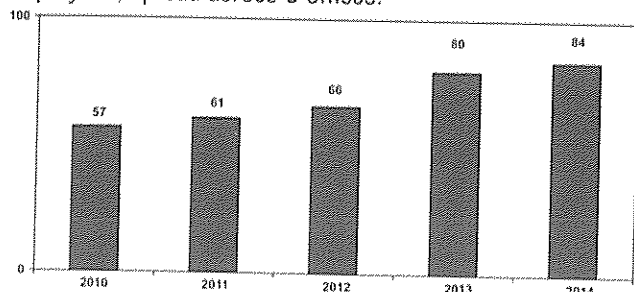
**COMBINED INCOME BEFORE LOAN LOSSES AND TAXES:** Combined income before income taxes is 14% greater than the prior Fiscal Year, reaching \$4.23 million as of September 30, 2014.

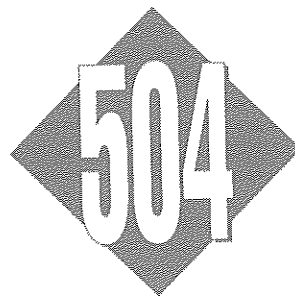
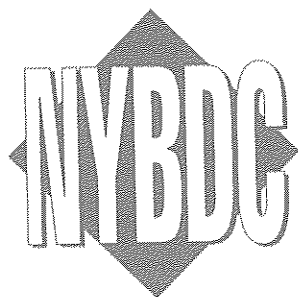


**LOAN LOSSES:** Loan losses (charge-offs, net of recoveries) for NYBDC are \$948.0 thousand for FY 2014. This figure represents approximately 45 basis points of the loan receivable balance (\$210.0 million).



**NYBDC Staffing Levels:** NYBDC has grown its staffing base by 47% over the past 5 years, and now employs 84 full time employees, spread across 8 offices.





## NEW YORK LOCATIONS

**Albany**  
50 Beaver Street  
Albany, NY 12207  
(518) 463-2268

**Binghamton**  
2 Court Street  
Binghamton, NY 13901  
(607) 584-3397

**Buffalo**  
300 International Drive  
Williamsville, NY 14221  
(716) 626-3423

**Long Island**  
534 Broadhollow Road  
Melville, New York 11747  
(516) 845-2700

**New York City**  
5 Hanover Square  
New York, NY 10004  
(212) 785-5642

**Rochester**  
70 Linden Oaks  
Rochester, NY 14625  
(585) 662-4150

**Syracuse**  
The Tech Garden  
235 Harrison Street  
Syracuse, New York 13202  
(315) 453-8195

**White Plains**  
445 Hamilton Avenue  
White Plains, NY 10601  
(914) 358-6404

## PENNSYLVANIA LOCATIONS

**Philadelphia (504 Only)**  
600 Eagleview Blvd  
Exton, PA 19341  
(855) 504-PENN (7366)

**Pittsburgh (504 Only)**  
2009 Mackenzie Way  
Cranberry, PA 16066  
(855) 504-PENN (7366)

## NEW JERSEY LOCATIONS

**Newark (504 Only)**  
One Gateway Center  
Newark, NJ 07102  
(800) 923-2504

# Veteran Food Vendors

## Problems and Solutions

Excerpt:

Informal Urbanism: Legal Ambiguity,  
Uncertainty, and the Management of Street  
Vending in New York City.

by

Ryan Thomas Devlin

In New York, rather than being regulated in a straightforward manner that is guided by formal laws, the practice of street vending is managed informally on the part of store owners, building managers, police officers, even vendors themselves. The key mechanism through which this informal management occurs is legal ambiguity and uncertainty created by complex and convoluted vending laws, which leave vendors open to harassment and intimidation, particularly in high value, central areas of the city under the control of Business Improvement Districts (BIDs). As vendors learn through experience the blocks or streets where they will receive the most harassment, they eventually police themselves, gravitating to parts of the city where property interests have less resources or influence to maintain effective control over vending. This produces a landscape of street vending where the spatial distribution of vendors is shaped less by actual laws, and is more of a reflection of the power, influence and resolve of individual property owners and property organizations such as BIDs.



# Contents

- Brief History
- Discussion
- The promise from the State of New York
  - NY General Business Law article 4 section 32-35
- Divisive Amendment of the promise
  - NY General Business Law article 4 section 35-a
- City Administrative Code degrading the promise
  - NYC ADC Title 17Chapter 3 Subchapter 2 Section 17-307
- Rules of the City of New York further diminishing the promise
  - R.C.N.Y. Title 24 Chapter 19/20/6
- Solutions: Replace Section 35-a with something containing more common sense

# History

- 1894 GBS 32-35 established
- 1979 Mayor Beame institutes a cap on textile vendor licenses at 853
- 1983 Mayor Koch limits number of food vendors to 3000 and limits number of any corporation/entity permits to only one
- 1991 state law 35-a passed

# Discussion

Please refer to the following News articles:

<http://www.nytimes.com/1991/07/04/nyregion/mixed-reviews-on-5th-ave-to-veterans-peddling-soft.html>

<http://www.nytimes.com/2007/12/19/nyregion/19vendor.html>

<http://www.nytimes.com/2009/08/22/nyregion/22hotdogs.html>

Veteran Vendors have been able to sell anything they wanted on the streets in the City of New York from 1894 until Tuesday July second of 1991. Right after the cease fire in the first Gulf War; the State of New York decided to start turning its back on Veteran Vendors. It did this through the creation of the amendment known as 35-a. One casualty of this attack on Veterans was a subset of that Veteran Vendor population: Veteran Food Vendors.

It seems to me as a result of this degradation of the ability of veterans to vend, the department of health was emboldened to severely restrict veterans from receiving cart permits in the City of New York. Because of push back from Veterans W.R.T. GBS 35 there was a quasi full term food cart permit created for parks in the City of New York.

One other result of the pushback from Veterans is the decision from multiple court cases to throw out Violations incurred through the use of 35-a by the City of New York.

The solution to this is to eliminate 35-a in its present form. As it is now the law is written on a state level specifically for Manhattan. The law needs to be broadened to include any metropolitan area and keep the 'veterans first' ethos.

In the rest of this slide show I have pasted portions of the law I believe cogent to the issue at hand. All are excerpts and everything has a website attached for more information.

NY Code  
General Business  
Article 4  
Section 32

1. Every honorably discharged member of the armed forces of the United States, who is a resident of this state and a veteran of any war, or who shall have served in the armed forces of the United States overseas, and the surviving spouse of any such veteran, if a resident of the state, shall have the right to hawk, peddle, vend and sell goods, wares or merchandise or solicit trade upon the streets and highways within the county of his or her residence, as the case may be, or if such county is embraced wholly by a city, within such city, by procuring a license for that purpose to be issued as herein provided - See more at:

<http://codes.lp.findlaw.com/nycode/GBS/4/32#sthash.AS3XvSNT.XRPFWrIU.dpuf>

8. Any provisions of this section to the contrary notwithstanding, any city, village or town may, by local law or ordinance, require a person holding a license issued pursuant to the provisions of this section by the clerk of the county in which such city, village or town is located, to file a further application with such official of the city, village or town as is designated in such local law or ordinance, for the issuance of a local license and may prescribe the terms and conditions under which such local license may be issued and may prohibit the right to hawk, peddle, vend and sell goods, wares or merchandise or solicit trade upon the streets and highways within any such city, village or town under the provisions of this section unless such local license has been issued. - See more at:

<http://codes.lp.findlaw.com/nycode/GBS/4/32#sthash.AS3XvSNT.XRPFWrIU.dpuf>

The Promise

You still have to get a  
license from your city

Don't mess with  
disabled vets!!!

NY Code  
General Business  
Article 4  
Section 35

This article shall not affect the application of any ordinance, by-law or regulation of a municipal corporation relating to hawkers and peddlers within the limits of such corporations, but the provisions of this article are to be complied with in addition to the requirements of any such ordinance, by-law or regulation; provided, however, that no such by-law, ordinance or regulation shall prevent or in any manner interfere with the hawking or peddling, without the use of any but a hand driven vehicle, in any street, avenue, alley, lane or park of a municipal corporation, by any honorably discharged member of the armed forces of the United States who is physically disabled as a result of injuries received while in the service of said armed forces and the holder of a license granted pursuant to section thirty-two. - See more at: <http://codes.lp.findlaw.com/nycode/GBS/4/35#sthash.p7Y3Tt4p.dpuf>

This law was obviously written at a state level to curtail veteran vendors in Manhattan. It was the beginning of the end for veteran vendors. I fear if we continue to do nothing we'll be excluded entirely from vending.

NY Code  
General Business  
Article 4  
Section 35-a

1. (a) In cities having a population of one million or more, the official designated by a local law or ordinance to issue a local license to hawk, peddle, vend and sell goods, wares or merchandise or solicit trade upon the streets and highways within such city shall issue specialized vending licenses to honorably discharged members of the armed forces of the United States who are physically disabled as a result of injuries received while in the service of said armed forces and who are eligible to hold licenses granted pursuant to section thirty-two of this article - See more at: <http://codes.lp.findlaw.com/nycode/GBS/4/35-a#sthash.ji8thC5Z.dpuf>

(b) The official in such city responsible for issuing specialized vending licenses shall set forth by rule procedures for issuing specialized vending licenses pursuant to this section; such rules shall establish a priority system, based upon the date of application for specialized vending licenses issued pursuant to this section, provided, however, that any disabled veteran vendor holding a specialized vending license issued in such city prior to March first, two thousand three, shall be accorded a priority based upon the date of issuance of such specialized vending license. - See more at: <http://codes.lp.findlaw.com/nycode/GBS/4/35-a#sthash.ji8thC5Z.dpuf>

2. In areas where general vending is authorized, outside of the area specified in subdivision seven of this section, all specialized vending license holders, including those vendors authorized to vend in the area specified in subdivision seven of this section, shall be subject to those restrictions on the placement of vehicles, pushcarts and stands contained in any local law, ordinance, by-law, rule or regulation of a city having a population of one million or more, to the extent that such restrictions are not inconsistent with the provisions contained in subdivisions four, five, six and eight of this section. - See more at: <http://codes.lp.findlaw.com/nycode/GBS/4/35-a#sthash.ji8thC5Z.dpuf>

7. In the borough of Manhattan in the city of New York in the area bounded on the east by Second avenue, on the south by Thirtieth street, on the west by Ninth avenue and Columbus avenue and on the north by Sixty-fifth street, the following additional provisions shall apply to the issuance of specialized vending licenses to disabled veteran vendors pursuant to this section: - See more at: <http://codes.lp.findlaw.com/nycode/GBS/4/35-a#sthash.N7zqD7nW.dpuf>

11. Where the city of New York authorizes general vending, through permit, auction, lottery or any other method subsequent to the effective date of this subdivision other than temporary general vendor licenses issued in connection with street fairs on any block face, street or avenue specified in paragraph (a) of subdivision seven or subdivision seven-a of this section, the prohibitions and restrictions in this section on vending by specialized vending licensees shall not apply on such block face, street or avenue and the number of specialized vending licensees authorized per block face, street or avenue shall, at a minimum, be equal to the greatest number of any single type of other vendor including but not limited to food, general, or vendors of written matter and others similarly situated on such block face, street or avenue. - See more at: <http://codes.lp.findlaw.com/nycode/GBS/4/35-a#sthash.N7zqD7nW.dpuf>



NY Code

New York City Administrative Code(NEW)

Title 17

Chapter 3

Subchapter 2

Section 17-307

We had the right to vend 100%  
Now we have to compete with  
Other populations

This limits veteran vendors  
to a waiting list of 100.  
We're now competing  
with a waiting list of 2500

- See more at: <http://codes.lp.findlaw.com/nycode/ADC/17/3/2/17-307#sthash.hjYjvKID.dpuf>

(a) On and after July thirtieth, nineteen hundred eighty-three, no new full-term permits shall be issued until the number of such permits which are in effect is less than three thousand. Thereafter, the maximum number of such permits which may be in effect shall be three thousand and no new permits shall be issued in excess of such maximum number - See more at: <http://codes.lp.findlaw.com/nycode/ADC/17/3/2/17-307#sthash.FVDxOEOL.dpuf>

(e) The commissioner shall establish a separate waiting list for the issuance of full-term permits pursuant to this subchapter to be administered in accordance with requirements to be established by rules of the commissioner. The commissioner may by rule limit the number of places on such waiting list. - See more at: <http://codes.lp.findlaw.com/nycode/ADC/17/3/2/17-307#sthash.FVDxOEOL.dpuf>

(a) Notwithstanding the provisions of paragraph two of this subdivision limiting the number of full-term permits that are authorized to be issued, the commissioner may issue up to a maximum of one hundred additional full-term permits authorizing the holders thereof to vend food from any vehicle or pushcart in any public place in the city of New York where food vendors are not prohibited from vending. Such permits shall be issued only to natural persons who at the time of application for a permit hereunder are not holders of a full-term permit issued pursuant to paragraph two of this subdivision and who have not had a full-term permit revoked or suspended. No person shall be issued more than one permit. Such permits shall be issued in the order in which applications for such permits are received in accordance with the preferences specified in subparagraph (b) of this paragraph and the procedures established by the commissioner. The issuance or renewal of a full-term permit pursuant to this paragraph shall be subject to the permittee within three months after the certification of a complete application therefor presenting a pushcart or vehicle for inspection by the department and, within six months after such certification, passing such inspection. *After the initial issuance of such permits, the commissioner shall establish a waiting list, not to exceed four hundred in number, to be administered in accordance with procedures to be established by rules of the commissioner.* (b) Preferences shall be given in the issuance of permits pursuant to this paragraph and in the placement on such waiting list to the following categories of persons in the following order: (i) Veterans who on August second, nineteen hundred ninety-one held a valid general vendor's license issued by the department of consumer affairs pursuant to subchapter twenty-seven of chapter two of title twenty of the code by virtue of having claimed a disability. (ii) Disabled veterans. (iii) Disabled persons. (iv) Veterans. - See more at: <http://codes.lp.findlaw.com/nycode/ADC/17/3/2/17-307#sthash.FVDxOEOL.dpuf>

Title 24: Department of Health and Mental Hygiene Chapter 19: Waiting List Rules For Full-term and Temporary Mobile Food Unit Permits And Full-term Mobile Food Unit Permits Designated Exclusively For Use In Specific Boroughs § Section 19-10: Selection of Applicants From a Waiting List.

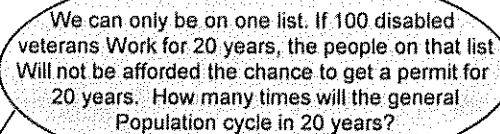
When the number of outstanding full-term mobile food unit permits falls below two thousand eight hundred (2,800), the statutory maximum of three thousand (3000) imposed by §17-307(b)(2)(a) of the New York City Administrative Code less the two hundred (200) designated exclusively for use in specified boroughs by §17-307(b)(2)(b)(i), and at such time as the Department in its discretion may determine based upon a consideration of the number of vacancies, a number of persons on the waiting list equal to the number of vacancies shall be notified by the Department, in waiting list order, of their eligibility to apply for a full-term mobile food unit permit and shall form a pool of prospective applicants. <http://rules.cityofnewyork.us/content/section-19-10-selection-applicants-waiting-list>

### **NEW YORK CITY DEPARTMENT of HEALTH and MENTAL HYGIENE MOBILE FOOD VENDOR PERMIT WAITING LIST INSTRUCTIONS AVAILABLE POSITIONS:**

On Thursday, June 21, 2007, the Department of Health and Mental Hygiene will establish eight (8) separate waiting lists for

the opportunity to apply for a mobile food vendor unit permit (decal). There will be:

- 2,500** positions on the Full-term (two-year) Citywide Permit waiting list,
- 1,000** positions on the Temporary (seasonal) Citywide Permit waiting list,
- 100** positions on the waiting list for a permit to vend full-term only in the Bronx,
- 100** positions on the waiting list for a permit to vend full-term only in Queens
- 100** positions on the waiting list for a permit to vend full-term only in Staten Island,
- 100** positions on the waiting list for a full-term citywide permit for disabled U.S. veterans only,
- 100** positions on the waiting list for a full-term citywide permit for disabled persons (non-veterans)



We can only be on one list. If 100 disabled veterans Work for 20 years, the people on that list Will not be afforded the chance to get a permit for 20 years. How many times will the general Population cycle in 20 years?

Title 24: Department of Health and Mental Hygiene Chapter 20: Preference and/or Waiting List Rule For Full-term Mobile Food Unit Permits § Section 20-10: Selection of Applicants From Preference and/or Waiting List.

When the number of permits outstanding falls below the statutory maximum of one-hundred (100) and at such time as the Department in its discretion may determine based upon a consideration of the number of vacancies, a number of persons on the preference and/or waiting list equal to the number of vacancies shall be notified by the Department, in preference and waiting list order, of their eligibility to apply for a full-term mobile food unit permit and shall form a pool of prospective applicants. Vacancies shall be filled from the highest preference category for which an applicant exists either on a waiting list or who may be identified as the result of the published notice specified in §20-04 <http://rules.cityofnewyork.us/content/section-20-10-selection-applicants-preference-andor-waiting-list>

Based on this Court's review of both the statutory and regulatory schemes implicated in this case, I find that the Board's interpretation that the state legislature intended to include food vendors within the category of SVLs under Section 35-a of the New York General Business Law is erroneous. This Court finds as a matter of law that the law does not apply to food vendors, and, therefore, the Agency directives to move were unlawful. Accordingly, it is ORDERED and ADJUDGED, that the petition is granted, and the proceeding is remanded for further proceedings consistent with this decision.

Refer to:

<https://cases.justia.com/new-york/other-courts/2013-ny-slip-op-30550-u.pdf?ts=1384649374>

<https://cases.justia.com/new-york/other-courts/2013-ny-slip-op-30555-u.pdf?ts=1364397944>

<http://cases.justia.com/new-york/other-courts/2013-ny-slip-op-30548-u.pdf?ts=1396133081>

This decision by the supreme court NY county calls into question section (b) through (j) chapter 6-13 of title 24(DOHMH)

This provision of the Rules of New York provides Veterans with a permit for their cart that gives them abbreviated rights in the vending community. A regular citywide permit can have someone there working the cart while the owner is off doing something else. The veteran must be tethered to the cart.

**§6-13 Disabled veterans mobile food unit vending permits. Website:**<http://72.45.128.254/nycnew/>

Disabled veterans who hold currently valid (i) specialized vendor licenses issued pursuant to General Business Law §35-a, (ii) general vendor licenses issued by the Department of Consumer Affairs and (iii) mobile food vending licenses issued by the Commissioner, may apply for and be issued permits to operate mobile food vending units on sidewalks surrounding parks within the jurisdiction of the New York City Department of Parks and Recreation, or successor City agency, in accordance with the following conditions:

- (a) An applicant for such a restricted area permit may not hold any other currently valid mobile food vending unit permit, and only one such permit may be issued to any applicant.
- (b) In accordance with General Business Law §35-a, such permit authorizes vending only on sidewalks surrounding park lands.
- (c) Operation of the mobile vending unit is subject to all provisions of General Business Law §35-a.
- (d) During all times that a mobile food vending unit issued a permit under this section is in operation, as the term "operation" is defined in Health Code §89.03 (j) or successor provision, a disabled veteran shall be present, but may be assisted by an employee who is a licensed mobile food vendor. Department inspection reports which note the absence of a disabled veteran licensee are deemed proof that a disabled veteran is not operating the unit, in violation of General Business Law §35-a.

The solution:

I propose the rewriting of the GBS 35-a because while it was an insult, divisive and caused a lot of problems, it did control the number of food carts on the streets of New York City. This is all we really need. As a state law it should not single out any particular metropolitan area, instead it should provide a framework for large cities, and growing cities to control the number of vendors for the general public health and safety.

To that end the rewrite of the law should contain the following:

-In municipalities where the number of licenses/permits must be limited due to health and safety, Veteran Vendors will get the entire number of licenses/permits where supply of licenses/permits exceeds demand by Veterans. Veterans may not be limited by street, but by number of veterans per block face.

-Municipalities may exceed numbers of licenses/permits within their own rules provided they follow this edict: once the cap is exceeded because of the issuance of the maximum number of licenses/permits to Veteran Vendors, no new licenses/permits may be issued until the number of existing licenses/permits falls below the established cap for the municipality (this provides veterans returning home en masse an opportunity without alienating the opportunity of anyone else who is currently operating. For NYC this might double the number of full term permits issued, but it will not allow any more permits issued until the number of permits out there falls below 3000... if there are already 3000 veteran vendors then the cap must stand at 3000)

-Waiting lists for vendors:

Any waiting lists for vendors may be established with the understanding that veteran vendors will be put on any waiting lists before anyone else and at any time. Waiting lists with veteran vendors on it cannot be frozen or limited in number to veterans. Waiting lists with veterans on it will be used before any other waiting list. Veterans may be on multiple waiting lists if there are specialized lists for veterans only. Veterans will always go before any other type, class, or definition of individual when put on any waiting list.

-Specialized licenses may be issued to veterans provided that does not deny them access to concurrent holding of any other license or permit applied for within the street vending community. A specialized license may grant more privileges to veterans as a whole population within the vendor community, such license/permit may not grant less privileges. Any license/permit granted a veteran will meet or exceed the scope of any other permit issued within a municipality. Only one type of specialized license may be distributed within the veteran vendor community in any single municipality in order to identify that individual as a Veteran granted rights under the specialized license.

-A Veteran will be allowed to vend in an equal or greater capacity to any other class or type of vendor within any county except those having to do with state business law article 4 section 32 paragraph 1: "No part of the lands or premises under the jurisdiction of the division of the state fair in the department of agriculture and markets, shall be deemed a street or highway within the meaning of this section".

*-If necessary hawking peddling and vending need to be defined to include but not limit: food vendors, textile vendors, service vendors, and (insert your general type of vendor here). I do not think this is necessary because it has historically been quite clear that the only limitation on selling goods on the street is that it must be done from a hand drawn cart.*

# FACT SHEET



## ABOUT BOOTS TO BUSINESS

### THE ENTREPRENEURSHIP TRACK OF THE TRANSITION ASSISTANCE PROGRAM

Boots to Business is an entrepreneurial education and training program offered by the U.S. Small Business Administration (SBA) as a training track within the Department of Defense's Transition Assistance Program (TAP). The curriculum provides valuable assistance to transitioning Service members exploring business ownership or other self-employment opportunities by leading them through the key steps for evaluating business concepts and providing the foundational knowledge required to develop a business plan. In addition, participants are introduced to SBA resources available to help access start-up capital and additional technical assistance.

## A THREE PART PROGRAM

### THE ENTREPRENEURSHIP TRACK OVERVIEW

An informational video shown during the core TAP course introduces entrepreneurship as a post-service career option.

### INTRODUCTION TO ENTREPRENEURSHIP TWO-DAY COURSE

A two-day course offered as a TAP training track course for those interested in learning more about the opportunities and challenges of business ownership. Subject matter experts and practitioners from SBA and its network of partners teach the course at over 165 military installations worldwide. Participants learn business fundamentals and techniques for evaluating the feasibility of their business concepts.

### FOUNDATIONS OF ENTREPRENEURSHIP COURSE

After completing the Introduction to Entrepreneurship class, transitioning Service members and their spouses can elect to further their study through an instructor guided high-touch eight-week online course taught by professors from a consortium of accredited universities led by the Institute for Veterans and Military Families at Syracuse University. By dedicating a minimum of 10 hours per week to connected and independent study, participants work through the fundamentals of developing an actionable business plan.

After completing Boots to Business, participants will have the tools and knowledge they need to identify a business opportunity, draft a business plan, and launch their enterprise.

## INNOVATIVE DELIVERY & PARTNERSHIP

To deliver Boots to Business and support transitioning Service members and veterans, SBA collaborates with its Resource Partners (Veterans Business Outreach Centers, Small Business Development Centers, Women's Business Centers and SCORE), the Department of Defense and other federal agencies and local military installations. SBA also partners with the Institute for Veterans and Military Families at Syracuse University on program curriculum development, course materials and instruction.

Beyond Boots to Business, SBA's network of partners offers continued training and technical assistance to more than 100,000 veterans every year in all areas of business ownership with an emphasis on access to capital and federal contracting opportunities.

Boots to Business is a worldwide program. The standardized curriculum enhanced by the tailored approach and expertise of the instructors from SBA's partner network ensures that every transitioning Service member has access to training and the resources they need in their local communities to start and operate small businesses, achieve post-service career success, and strengthen the Nation's economy.

LEARN MORE AT [WWW.SBA.GOV/BOOTSTOBUSINESS](http://WWW.SBA.GOV/BOOTSTOBUSINESS)

AND FOLLOW US AT [WWW.FACEBOOK.COM/BOOTS2BUSINESS](http://WWW.FACEBOOK.COM/BOOTS2BUSINESS)

## 766 Million

in lending supported by SBA  
in 2014 to over 2,300  
veteran-owned small businesses.

## 100,000+

Veterans and service-disabled  
small business owners counseled  
or trained by SBA in 2014.

## 20,000+

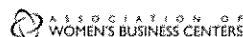
Service members and spouses  
participating in  
Boots to Business  
since 2013 launch.

# \$1 TRILLION

Veteran-owned  
small businesses  
generate over \$1 trillion  
in sales.



The Operation Boots to Business: From Service to Startup entrepreneurship education program is provided through the coordinated efforts of the SBA and the following valued partners.







January 09, 2015

**Comments regarding "SBS" Report entitled: "A Roadmap for Supporting Veteran Owned Businesses" 12/02/2014:**

*Just a few observations regarding the report recently released by NYC Small Business Services:*

Data collection, analysis and validity is questionable:

Sampling data is remarkably small in order to base any kind of credible estimate. P. 37 of PDF File "Survey Respondent Details" If there are 235,000 veterans in all five boroughs...is this survey valid at all?

(Bullet #3): *"At the time of analysis, the survey had been taken by 189 veterans and 137 veteran business owners (out of 515 total respondents that completed the survey)" ...*

The Levin Institute mentioned on Page 13 mentioned as part of the 2014 Cohort identified by NYC Business Solutions as a partner in targeting veteran entrepreneur needs has been disbanded following an evaluation of programming.

If one were to assume every survey and estimate were exactly correct, one has to at least ponder why any veteran business owner would want to pursue a business in NYC. Virtually every veteran has spent time travelling the country, if not the world. Veterans are educated and if predisposed to entrepreneurship, they are savvy about start-up costs and operating costs in business. With no incentive at all to do business in NY City other than lifestyle, family or arguably; a very fertile marketplace, NY City will struggle to attract or retain veteran talent and knowledge as indicated in the SBS study. Since cost of living is dramatically increased elsewhere, I.E.: Texas, Florida, North Carolina, etc.... why would a veteran choose NY City to headquarter his/her business in NY.

The costs of adding a NY City set-aside for Veteran owned businesses was never explored. What would be the cost? What might the potential return be? While "PWC" provided a rather eloquent report, the analysis should have addressed this type of cost benefit analysis. One recommendation of the report mentioned "leveraging SBDCs hosted by CUNY and the private institutions Pace, and Columbia, and PTACs. The roles of SBDCs and PTAC could be expanded or adjusted to perform necessary compliance audits necessary for NY City Certification process. The end of the first paragraph on Page 9 again states a conclusion that "...creation of goals program and related preferences by the City would require a strict certification process as opposed to self-identification, and would require the type of process veterans expressed concerns about in a survey of veteran business conducted as part of the PWC analysis"... *Again this Survey of 137 business owners?!*

Several regions around the country have made this move toward empowering their veteran entrepreneurs. Florida in 2008 created a set-aside opportunity in Bill 687 which has seen a rise in the number of Veteran Owned businesses across the State by as much as 30%. Grand Rapids Michigan made a similar move in 2005 in an effort to meet at first a 3% set aside goal and ultimately a 5% goal AND a 10% price preference. In Michigan there is a movement to manage

costs of certification by using third- party certification. *NVBDC.org* (National Veteran Business Development Council) is one such organization that may become a venue in administering a Veteran Small Business Certification program for many Sates and, Cities.

Following the recommendations offered by the authors of the study amounts to “business as usual”. *“If we always do what we always did...we will always get what we always got!”*

The fact that this study was conducted is a positive step. *My recommendations for alternative action- steps:*

Working Title: **“NYC Vets”**- “Taking Care of Business”! (Take off on the “NY Mets”, “NY Jets” and the Brooklyn Nets”)

Create a handpicked commission from SBS,SBDC, MOCS, PTAC, etc, and determine a certification process, (a hybrid program that would recognize federal, state and VA process), that would be acceptable for NY City Certification needs.

Create a separate set-aside for Veteran owned businesses (not part of the MWBE process) for up to 100 veteran business owners. Once the goal of 100 has been attained, these entities will be tracked for a period of one year and metrics gathered. If any VOB’s drop out they will be replaced with wait-listed VOB’s.

Each VOB approved in the City certification process will be mentored no less than monthly in order to assess the process, compliance and milestones achieved.

Robert J. Piechota  
Director- Brooklyn SBDC  
NY City College of Technology



To: The Veterans' Committee of the New York City Council, The Committee for Small Business  
From: Military Families Speak Out New York Metro Chapter  
Date: January 21, 2015  
Re: Supporting Veteran Owned Business & Encouraging Veterans' Entrepreneurship

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Military Families Speak Out Metro Chapter, a chapter of the charity, Military Families Speak Out, originally formed as a non profit in 2002 by families of soldiers who served since 9/11 opposed to the wars in Iraq and Afghanistan, that says: Bring the Troops Home Now and Take Care of Them When They Get Here, extends thanks to the Veterans Committee of the City Council and the Committee for Small Business for holding this hearing today on veteran owned business, and encouraging veterans' entrepreneurship. We are very lucky that one reality of New York City is its ethnic diversity, exponentially increasing the possibilities of small businesses, such as restaurants and cultural non profits to reflect our racial diversity. This objective fact should help our veteran community a great deal. Small businesses account for a large percentage of the national economy, and the veterans from recent conflicts, like veterans before them will undoubtedly have many successful businesses in New York City that help our economy and provide jobs. Many qualities of small business people, such as discipline, hard work, perseverance, independence, ingenuity and teamwork, are qualities developed in the armed services. People who joined the service to become part of a larger ideal and who were willing to sacrifice their lives for a greater cause can keep the big picture in mind necessary for a successful entrepreneur, who must weather many storms and overcome many difficulties to finally emerge successful as part of the greater framework that holds up New York. We should provide mentors, coaching and seminars to track and help veterans overcome obstacles.

If recent veterans successfully make the transition from the military to civilian life, take advantage of the GI Bill and become employed and have housing, they can bring billions to New York City, as well as their moral authority, strength and magnanimous character. Thousands of veterans will do this. We should have the utmost confidence and provide the utmost support of our knowledgeable infrastructure in New York City. A great number of our veterans will spend part of their time helping their fellow veterans overcome PTSD and other conditions from being in the service, and we should hire them in the city and state social service-human services jobs because it will reduce PTSD and keep the veteran population stable. Entrepreneurship, for example having a vending license to sell needed goods, is a good job for a veteran because it allows them the flexibility to keep medical appointments and take time off when necessary or hire a subcontractor or worker to help and instead of having a boss constantly watching them and telling them what to do, they can call up their own splendid resources to solve whatever problems emerge. Helping veterans to establish small businesses will pay off big time and it already has. Thousands of veteran-owned and operated small businesses around this country have already been successful, and many employ fellow veterans. We suggest that our efforts be tracked to measure the success rate in New York as we should lead the way.

Wednesday, January 21<sup>st</sup>, 2015

**Written testimony respectfully submitted to NYC Committee on Veterans, jointly with Small Business by Avi Leshes, Director of Neighborhood Business Services; and Staff Liaison for Veterans Business Council at the Brooklyn Chamber of Commerce.**

Hon. Eric A. Ulrich, Chair, NYC Committee on Veterans

Hon. Robert E. Cornegy, Jr., Chair, NYC Committee on Small Business

Good Afternoon Chairs Ulrich and Cornegy; other members of the NYC Committees on Veterans and Small Business; and guests.

My name is Avi Leshes and I serve as the Director of Neighborhood Business Services; and Staff Liaison for Veterans Business Council at the Brooklyn Chamber of Commerce (BCC). I am delivering testimony on behalf of Carlo A. Scissura, Esq., President and CEO of the BCC.

BCC is a membership-based business assistance organization, which represents the interests of over 2,000 member businesses, as well as other businesses across the borough of Brooklyn. The Brooklyn Alliance is the not-for-profit economic development organization of the Chamber, which works to address the needs of businesses through direct business assistance programs.

We applaud both committees for convening today's hearing to address supporting Veteran-owned businesses and promoting veteran entrepreneurship.

In 2014, BCC started much needed discussion on veteran needs with the launch of the Brooklyn Chamber Veterans Council. The goal of the council is to create a business and job searching support system that can help make sure veterans get the services they need to grow economically. The core group of participants include representatives from the office of the Brooklyn Borough President; veteran groups Operation Wellness Warrior, David Lynch Foundation, Hope for the Warriors, Team Hevo; as well as Brooklyn Bridge Rotary Club and Small Business Services.

More specifically, the council has been focusing on building a platform where veterans can go to for assistance pertaining to starting, expanding a business, job placement and career development; working with elected officials to pass legislation that will create procurement opportunities with the city for veteran owned businesses; offering free legal assistance and business advice; and making referrals to mental health specialists and programs.

Veteran entrepreneurship provides an opportunity for New Yorkers to contribute directly to the economic development of their communities, by increasing revenue and hiring both civilians and other Veterans. The Chamber is very supportive of the creation of a separate veteran procurement program, one that would identify veteran owned businesses willing and able to perform agency contracts, and ensuring that at least 3% of the total value of annual city procurements are set aside for veterans. Effectively communicating these opportunities to this group would give veteran-owned a much needed boost.

The Chamber would like to applaud SBS and MOVA for its efforts in creating the recently published study on veterans. The Chamber believes this will help provide a boost to the local veteran population, while providing them with the entrepreneurial tools necessary to start and grow their business in NYC.



The Chamber strongly supports the implementation of a set aside pilot program for the city, so that SBS and MOVA can track and follow these vendors and see what results they yield. This way, if things are not working, SBS and MOVA can make the necessary changes. It is highly important that veterans who are chosen for the possible pilot program are not subjugated to another layer of bureaucracy by creating a MWBE/V certificate, or a separate certification process on its own. Instead the city should recognize the certification put into place by the state for its veteran set-aside program, so that veterans who may not qualify on a city level may still be able to do so on a state level.

Additionally, the report does not detail how SBS or MOVA would like to tackle the issues of outreach and self-identification. Veterans after 9/11 do not identify themselves as vets, and therefore programs like Priority 1 under Workforce 1 will not be effective. We need to focus more on reaching out to veterans and inform them of all the various incentives and programs that are out there for them. The information that should be provided to them needs to be in a clear and condensed format so as not to overload them with information.

Lastly, we should create some type of incentive for veteran spouses/domestic partners, since many of them are the sole breadwinner and supporter of the family. The study does not mention providing any relief or assistance to these silent heroes who shoulder the responsibility of being a caregiver, provider and parent. It is therefore recommended that we extend the state's tax credit of \$4,000 for an employer who hires a spouse/domestic partner of a disabled veteran, and \$3,000 for the spouses/domestic partners of non-disabled veterans.

We owe a great debt of gratitude to our Veterans, who have risked their lives to protect the freedom of the American people. We as a community should work to provide a strong foundation for them to re-enter their communities and adequate job creation is one of the key steps to making this a reality. We will not only be 'paying it forward', but also encouraging economic development and giving Veterans an opportunity to continue to make valuable contributions within our workforce.

Thanks again to the NYC Committees on Veteran Affairs and Small Business for facilitating today's hearing.





Brooklyn Small Business Development Center  
New York City College of Technology



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01/21/2015

*"Oversight-Supporting Veteran-Owned Business and Promoting Veteran Entrepreneurship"*

My name is Robert Piechota. I am the Director of the Brooklyn Small Business Development Center, (SBDC). New York City has eight SBDCs dedicated to the small business owners of New York City. Each SBDC is prepared to advise and support the entire spectrum of small business owners (from "start-ups" to mature businesses seeking "exit strategies").

Veteran clients are a priority for all SBDC centers. Significant training and sharing of "best practices" amongst SBDC personnel occurs no less than yearly, with NY City centers coordinating more frequently. The Brooklyn SBDC has taken the lead with many Veteran entrepreneur issues and practices such as the recent "Operation Transition Freedom", ("OTF") conducted at Fort Hamilton in October of 2014, (Over 200 veterans and military family members with forty employers in attendance). In just the past two years the Brooklyn SBDC has conducted over twelve Veteran-specific entrepreneur courses throughout three of the Boroughs. While the Brooklyn SBDC may be "on point" with service to veteran entrepreneurs, the entire family of SBDCs are able and enthusiastic to assist these special clients.

NY City SBDCs are continually reaching out to the Veteran communities. SBDC personnel provide educational services to transitioning veterans and their family members as part of the "Transition Assistance Program", ("TAP"), at both Fort Hamilton, and at West Point. SBDC advisors are also called upon, no less than quarterly, to provide assistance at "Yellow Ribbon" events. These events are specifically designed to educate Reserve Unit personnel on "active-duty" that are "standing down" within 30-90 days. SBDC advisors also serve as faculty as part of the "Boots to Business" program, the two day entrepreneurial track offered to separating military personnel and their family members. The soon to be released ""Re-Boot" program will be selectively rolled-out by the Small Business Administration, ("SBA"). The locations for the Re-Boot launch have not been released. "Re-Boot" is designed to provide portions of the "Boots to Business" curriculum to any veteran and their family members regardless of when they separated from the military. We are trying to insure that NY City is one of the locations selected for "Re-Boot".

With all that has been done, more can be accomplished with greater impact in supporting Veteran entrepreneurship in NYC. To name a few:

*Outreach-* Attract veteran and military family members and increase small business opportunities/readiness.

*Certification* of VOBs and SDVOBs –NY State opportunities just increased....we can create a “Certification Lab” for Veterans and military family members.

*Closely mentoring veterans* that become certified as VOBs, and SDVOBs, (the process only starts with “Certification!”)

*Coordinate/Cooperate* with other service providers and stakeholders in this space- MOVA, PTAC, Veterans Business Outreach Centers, (“VBOC”), SBS, the Brooklyn Chamber, etc.

*Advocate!* – “Grass Roots” campaigns and stakeholder awareness when needed

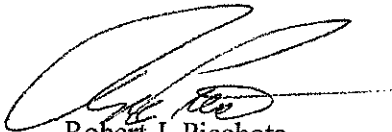
*Metrics-* “Are we doing the right things, the right way, for the right people?”

There are some very positive trends in the NY City “Vetrepreneur” space. The new MOVA Commissioner, Dr. Loree Sutton brings her own style of business savvy and intensity to the Veteran causes and has shown a deep understanding, of opportunities for growth in this area. The new Commissioner of SBS- Ms. Maria Torres-Springer has shown a willingness to listen to recommendations for options concerning Veteran preference in the NY City procurement space. The new Command team at Fort Hamilton led by Colonel Joseph Davidson and Command Sergeant Major Kevin Fauntleroy have been engaged in unprecedented networking as they are re-launching the concept of “Soldier for Life” for all services in the NY City area. Capturing vital talent and energizing the workforce and small business leadership in NYC are all central to what our transitioning service people offer with “Soldier for Life”. Lastly, the new composition of key committees of the NY City Council and its leadership points to a new high water mark regarding Veteran entrepreneurship and small business in general that is off the charts.

With more coordination, and sharing of resources between key stakeholders in all five boroughs NY City can take the lead not only as one of the leaders in veteran population but in the promotion of veteran entrepreneurship opportunities and performance. This goal is not just good for our Veterans and their families, it is great for NY City Small Business.

***“Have a vision, be demanding!”***

*General Colin Powell-Former Secretary of State*



Robert J. Piechota

Director- Brooklyn Small Business Development Center  
NY City College of Technology

**Wednesday, January 21<sup>st</sup>, 2015**

**Written Testimony respectfully submitted to the NYC Committee on Veterans by CPT Scott M Davidson .RET USA**

**Hon. Eric A. Ulrich, Chair, NYC Committee on Veterans**

**Hon. Robert E. Cornegy, Jr., Chair, NYC Committee on Small Business**

Good Afternoon Chairs Ulrich and Cornegy; other members of the NYC Committees on Veterans and Small Business; and guests.

My name is CPT Scott M Davidson .RET USA and I serve as the President and CEO of Vets GSA and Vets MS which are Service Disabled Veteran Owned Small Businesses. I also serve on the American Legion's National Veteran Small Business Task Force in Washington DC. I am a medically retired Army Captain who served 2 tours in Iraq and was medically retired from a combat related injury sustained in Iraq.

My focus today is on the material fact that the current NYC procurement and contracting programs do not incentivize veterans to establish a business presence in NYC and actually serve as a deterrent for Veterans to seek to start a business in NYC. The city procurement programs that are in place focus only on Woman and Minority Businesses (M/WBE). Veterans and Service Disabled Veterans cannot compete for any small business contracts in the city because unless they are a women or a minority or they will not qualify for the M/WBE program which would afford them the opportunity to compete for smaller contracts that are in line with a small business's capabilities which of course is the cornerstone of the set aside programs such as the M/WBE etc.

The very basis of socio economic set aside programs at the Federal State and City levels are to allow and encourage disadvantaged business every opportunity to grow and become successful by performing at work that is in line with the company's business size and resources or incentivize large businesses to provide the smaller business with the opportunities as well. By not affording these same opportunities to Veteran Owned Businesses (VOSB)s it essentially prevents them from logically starting a business in NYC.

**Veteran Status:** The designation of a VOSB or Service Disabled Veteran Owned Small Business (SDVOSB) are the only socioeconomic designations that are actually earned at the state and Federal level as compared to MWBE etc. where it is provided by virtue of birth. To not allow veterans the same contracting rights to compete for city contracts after they have potentially risked life and limb in the defense of this great county doesn't seem logical or practical. I am not sure what is the meaning of message sent to a rather large, educated and determined veteran population that they are not equal to compete for contracts at the city level in the largest city in the US and the 5<sup>th</sup> largest Veteran population state in the US when Chicago, Austin, San Antonio etc. all have robust Veteran Business programs.

**Review of key observations indicated in the survey:**

The numbers in the survey seem a bit skewed and do not represent the true power of a small business segment that owns and operates over 10% of all of the business across the United States. The focus to build a veteran business base in NYC would be geared towards State and Federal work simply because there is no way for the Veterans to compete at the city level for city contracts.

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16K Veterans are business owners in the NYC (from the survey itself page 3).

In comparison to those numbers SBS's own certified database there are only 4024 M/WBE, EBE and LBE listed. If this number is correct then there are 4 times the amount of Veteran Business Owners then listed M/WBE's. The source of this data is from SBS's website for the online business directory for M/WBE business for NYC <http://mtprawwsbswtp1-1.nyc.gov/Search.aspx> .

#### **The Database Review:**

Upon reviewing the SBS M/WBE certified database the data showed that there were M/WBE businesses registered from other states outside of NYC and the Tristate Area. The question then focuses on why allow foreign entities that do not benefit immediate NYC area constituents participate in a program reserved for locally based entities? If foreign entities are allowed to compete for M/WBE contracts in the city of NYC then we looked at the pool of SDVOSB's that are also from those states to show a comparison of what the size of the VOSB or SDVOSB pool to draw from represents:

#### **MWBE Breakdown from SBS's database:**

A total of 4024 MWBE's

- 3676 From NYC
- 290 From NJ
- 15 from Connecticut
- 5 From Massachusetts
- 1 From Illinois
- 2 From Georgia
- 3 From Florida
- 1 From Delaware
- 4 From California
- 1 From Ohio
- 1 From Pennsylvania
- 1 From Rhode Island
- 1 From Virginia

**Below are a list of the eligible SDVOSBs from the System of Award Management (SAM.gov). These are all eligible and certified SDVOSBs that can do business with the Federal Government as of Jan 12<sup>th</sup> 2015:**

- 908 SDVOSBs From New York
- 638 SDVOSBs From New Jersey
- 257 SDVOSBs From Connecticut
- 1557 SDVOSBs From California
- 52 SDVOSBs From Delaware

- 772 SDVOSBs From Georgia
- 232 SDVOSBs From Illinois
- 169 SDVOSBs From Massachusetts
- 295 SDVOSBs from Ohio
- 333 SDVOSBs from Pennsylvania
- 2220 SDVOBS From Virginia

There are a total of 1908 eligible Tri-State Area SDVOSBS with Active SAM Records.

If you take into account all of the states (foreign entities) that have MWBEs registered to perform work in NYC you can compare it to an eligible pool of 7433 SDVOSBs.

The difference here from the survey is that the SDVOSB and VOSB numbers above are for certified businesses currently providing services to the Federal and State Governments today and offer the same services that are procured by the city on a daily basis.

#### **Conflicting Numbers:**

The SBS survey states that the veteran population in NYC is very small. This is stated on page 3 of the survey findings in the executive summary. In the same sentence the survey states there are 16k Veteran Business Owners in the NYC. If these numbers are accurate than the pool of eligible veteran businesses that exist is 4 times the amount of registered M/WBE businesses. Also, the number is taken out of context considered the population size and sample of NYC as 233k Veterans reside in the 5 boroughs which is a significant number considering 1 out 5 Veterans start businesses and VOSB's represent 10 percent of all Small Businesses in the United States . By comparison Chicago has a very robust VOSB and SDVOSB contracting program at the city level for several years.

<https://www2.illinois.gov/cms/business/sell2/pages/veteranownedbusinesses.aspx>

**Data Dates:** The Survey states that it is using data from a 2010 census. We pulled real time records from Late 2014-Present day from open sources instead of 5 year old data.

#### **SDVOSB City and State Comparisons:**

New York is the Fifth largest Veteran State in the United States (Source Department of Veterans Affairs Veteran Project 9/2014 [http://www.va.gov/vetdata/Veteran\\_Population.asp](http://www.va.gov/vetdata/Veteran_Population.asp) yet NYC has no Veteran Contracting Programs.

State	Veteran Population
California	1,851,470
Florida	1,583,697
Texas	1,680,418
Pennsylvania	939,069
New York	892,221



Other cities have veteran programs for city contracts that are similar in size to NYC and some smaller. There are many to list but here are 3: Chicago, San Antonio, and Denver are example smaller cities that have Service Disabled Veteran Preferences for City work.

<http://www.nashville.gov/Finance/Procurement/Minority-and-Women-Business-Assistance/SBE-and-SDV/Service-Disabled-Veteran-Owned-Businesses.aspx>

<http://www.sanantonio.gov/purchasing/procurement.aspx>

Veteran Population as of 9/2014: 233,478 (Source Department of Veterans Affairs Veteran Project 9/2014 [http://www.va.gov/vetdata/Veteran\\_Population.asp](http://www.va.gov/vetdata/Veteran_Population.asp)

Survey: 235,000 (From 2010)

Borough	Veterans
Bronx, NY	34,687
Queens, NY	55,899
Kings, NY	50,999
Nassau, NY	54,828
New York, NY	37,065
Total	233,478

#### **New Story Same Results:**

Interaction with each city agency has all had the same results. We have been consistently told by the Department of Sanitation, Department of Corrections, Department of Homeless Services, and Department of Citywide Procurement that these agencies would love to work with Veteran Businesses but simply cannot because of the M/WBE rules. We were told specifically if we were a woman or minority then they can help us get on the MWBE list. Several Agencies encouraged to find a woman or minority to take the majority of the company so we can certify as an MWBE.

**EBE issue:** In contacting SBS we were told we should apply under the EBE program. The issue with the EBE program is that the veteran status has no bearing as the EBE program is based upon the social and economic disadvantage that is established by the individual. As states by SBS just being a veteran doesn't guarantee acceptance into the EBE program and it is subjective. With only less than 20 EBE's registered in the SBS database it also seems that program is not very successful. The programs rules and regulations closely mirror the Federal Government's 8A program which focuses on Social and Economic Disadvantage individuals and being a Veteran does not qualify you under this program as the program regulations designate certain minority groups that qualify as socially disadvantage. Once you prove social disadvantage you will have to prove economic disadvantage. Again these items have no clear relevance to be a Veteran.

Veterans have no incentive to come to NYC and compete for city business because they simply can't compete for the businesses. There is no set aside program for Veterans and the large businesses are not required to provide them any subcontracting opportunities because Veteran businesses aren't

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recognized as M/WBE business so the large business would not receive and credit for subcontracting with the Veteran business towards annual goals. Unless the large business has a civic responsibility there is no incentive for a large business to work with Veteran Businesses in NYC and provide them with critical sub-contracting opportunities to help the businesses gain valuable experience and grow.

#### **The Program:**

The purpose of the Service-Disabled Veteran-Owned Small Business Concern Procurement Program is to provide procuring agencies with the authority to set acquisitions aside for exclusive competition among service-disabled veteran-owned small business concerns, as well as the authority to make sole source awards to service-disabled veteran-owned small business concerns if certain conditions are met. (See Code of Federal Regulations (CFR) 13 C.F.R. § 125.8-125.10). This is the federal definition of the program and by voting against it clearly shows that Veteran's aren't considered the same class as M/WBEs.

#### **No Veteran Resources:**

Veteran's preference in government contracting is the only earned status among the socio economic statuses that allow small businesses contracting preferences to assist in the development and growth of those businesses. All other socio economic statuses are awarded by virtue of birth (Woman Owned, Minority Owned, 8A etc.) With the current policies in place with NYC's procurement laws it essentially deems Veterans to be second class citizens because they cannot compete for small business set asides that are available for socioeconomic classes that have simply earned the status rights through birth. Not everyone can earn the right of being called an Honorable Discharged Veteran.

Training is an easy resource to produce but it would have to be focused on State and Federal Opportunities since it would be counterproductive to teach about a city level program that they cannot compete for opportunities.

#### **Lack of Interface with Veteran Service Organizations:**

For decades the treatment of returning war veterans from Government Agencies have been less the desirable. Whether it is evidenced in the scandals at the VA there will be a sense of distrust for most outreach. Veterans know that we have to take care of our own and that's where SBS is failing at its core with even starting to figure this program out. SBS has no solid relationship with any National Veteran Service Organization (VSO)'s. VSO's like the American Legion which have the largest veteran constituency in the United States are the organization that Veterans turn to for guidance and trust. I have built programs to train veteran entrepreneurs for the Legion and we have had wonderful success and continue to offer robust training programs. My organization does this with multiple VSO's across the United States and these organizations are the key to building trust between NYC and the Veteran population for business buy in. Organizations such as the National Veteran Small Business Coalition represent large Veteran Businesses and want to engage and leverage their strategic power into NYC for Veterans and we are ready to do so to provide the outreach and support if the city chooses not to. The solutions have been proven over the years as we have trained 1000's of VOSB and SDVOSBs on building a successfully GOV CON business on the Federal and State Level and these programs can easily be implemented with the city limits in a small amount of time. The issue we have is we have been trying to reach out to SBS to set a meeting for over 4 months now and have not received a single positive

response. These classes include training government personnel on all levels of government procurement strategy and outreach with Veteran Businesses.

**Solutions and Way Ahead:**

Under the current contracting rules it is a no win scenario for NYC Veteran Businesses as without any contracting preference Veteran Businesses cannot simply compete at any level in NYC for city contracts.

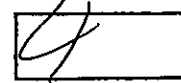
The report recommends education programs etc. Again this will not assist businesses as they cannot compete on a city level. On a Federal level it may help but again what is the point of locating a government contracting business within the five boroughs when they can perform Federal work from anywhere inside the continental United States and not in the highest price demographic city in the US? There is a large enough pool of highly qualified, educated and motivated veterans to perform a wide range of services for the city of New York. I think that is the sticking point because it will immediately challenge M/WBE's. The pool of Veterans will continue to grow as the wars are coming to end and we have a record number of Veterans transitioning into the civilian world.

My organization has the resources and the network with the largest VSO's in the US to bring resources to NYC veterans who want to open businesses and work with government in a short period of time and we have leveraged these types of programs before. I have planned two large events in the NYC area with the support of Thompson Hine and other organizations to bring together some of the top small business government contract subject matter experts to teach classes and provide networking opportunities for VOSBs and SDVOSBs for late Feb and early March. For this issue we want to move at the speed of business which is what the Veterans deserve who fought for this country. I hope we can work together to make NYC a better place for Veterans.

Thank you for your time and I appreciate the opportunity to speak.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 21/ Jan 2015

(PLEASE PRINT)

Name: Scott Davidson

Address: 22615 Wilderness Acres Leesburg VA 20175

I represent: Veterans

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Nathaniel Fields

Address: 75 Broad St

I represent: Urban Resource Institute

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Boots Whitlock

Address: 790 11th ave apt 8.D NY NY 10019

I represent: myself

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

9

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Londel Davis

Address: 2289 5th Ave

I represent: American Fire Control

Address: 2386 7th Ave NY NY 10030

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

3

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☒ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Avi Lesher

Address: \_\_\_\_\_

I represent: BROOKLYN CHAMBER OF COMMERCE

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

2

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 1.21.15

(PLEASE PRINT)

Name: Brian Goldstein

Address: 31 Acorn Ave Rensselaer NY 12144

I represent: NY Small Business Development Center

Address: 22 Corp Woods Albany NY 12246

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

2

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)  
Name: Uncle M. Goulet

Address: 320 W 76th St NY 10023

I represent: Veteran Advisory Board

Address: 346 Broadway

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

3

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☒ in favor ☐ in opposition

Date: 1/21/15

(PLEASE PRINT)  
Name: Lionelle Hamanaka

Address: 66 W 94 St NYC

I represent: Military Families Speak Out

Address: Metro Chapter

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

1

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 21 Jan 2015

(PLEASE PRINT)  
Name: Maria Torres-Springer

Address: 110 William Street, 7th Floor

I represent: NYC Dept. of Small Business Services

Address: 110 William Street, 7th Floor



**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

1

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

Name:

*Catherine R. LaPorte*  
(PLEASE PRINT)

Address:

*346 Broadway*

I represent:

*Commission Coree Sutton*

Address:

*Commissioner of MOVA*

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

2

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

*SUPPORT*  
*For Veteran entrepreneurship*  
☐ in favor ☐ in opposition

Date: *1/21/2015*

Name:

*Robert Piechocki*  
(PLEASE PRINT)

Address:

*25 Chapel St - NY City College of Tech*

I represent:

*Small Business Development Center - (SBDC)*

Address:

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

1

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: 1/21/15

(PLEASE PRINT)

Name: Lisette Camilo

Address: ~~140~~ 253 Broadway

I represent: MDCS

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

2

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

☐ in favor ☐ in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Patrick Mackrell

Address: 50 Beaver Street NY NY

I represent: NYBDC

Address: ABC at Albany NY

Please complete this card and return to the Sergeant-at-Arms