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*Revering*  
Good afternoon.

My name is Maria Rosado; and, I am the president of MHR Management, a real estate management company based in Williamsburg, Brooklyn. I am here to speak on behalf of the proposed merger of Citicorp and Travelers Group.

My testimony is based on my experience with Citibank's Community Development and their commitment to the neighborhoods where we manage low and moderate-income properties. Through the ~~NEP~~ Program, we were able to borrow \$10 Million Dollars from Citibank to renovate 12 buildings in Bedford-Stuyvesant. We have already completed seven buildings; and are preparing to initiate phase two of this restoration work.

Although this venture is modest, it is one of many projects that are necessary to revitalize the well being of an important community. Many families, for the first time, see the reality of investment in the metamorphosis of their apartments, their homes, and their neighborhood. It is tangible evidence of the commitment already made; and suggests a grander, more stable future for communities already following this dynamic duo.

Everyone benefits from an enlightened acquaintance. Investment, loans, insurance, and financial re-education will follow a natural progression from those already persuaded. And, just as surely, as a new home engenders real hope, conservation, and commitment, an educated partner will see the need for savings, insurance and re-investment in and beyond their self -interests.

This merger, I believe, will put all of the needed tools for financial stability within reach of communities previously under-nourished in this area. It is only right that we have an opportunity to learn from the Biggest and the Best.

Thank you

# The **NONPROFIT CONNECTION**

Management Assistance To Nonprofit Organizations

## **TESTIMONY TO THE FEDERAL RESERVE BANK OF NEW YORK RE CITIBANK'S COMMUNITY DEVELOPMENT ACTIVITIES**

Donna Panton, Executive Director  
June 25, 1998

The Nonprofit Connection provides management assistance to nonprofit, community-based organizations throughout New York City. For the past 21 years, we have worked with these nonprofits to improve their administration and operations in order to enhance the effectiveness of their services.

Citibank has supported our work since 1977 with grants totalling \$125,000.

Since our clients are the human service, arts and community development organizations that build and strengthen the communities and neighborhoods of New York City, the goal of my statement today is to present three partnership initiatives that The Nonprofit Connection has undertaken with Citibank's support, and to urge that these kinds of programs be strengthened, should the merger be approved.

First : Citibank has helped The Nonprofit Connection expand the services we provide in the boroughs of Queens and Staten Island -- boroughs that historically have been underserved by foundations and corporate funders. Citibank funded us to provide workshops and technical assistance, and gave grants to the organizations themselves to pay for technical assistance services to improve fundraising, board development, financial management, strategic planning, program design and other areas of operation.

Second: In 1993 and 1995, Citibank funded two series of planning workshops for senior managers of community-based organizations that receive support from by the bank. These workshops helped groups -- many of whom had never formally planned their programs and operations -- to understand the process and to apply strategies that would increase their effectiveness and strengthen their position vis-a-vis the funding community.

Third: Since 1996, The Nonprofit Connection has received funding to conduct the Citibank Community Development Institute, a five-month course aimed at helping community development corporations (CDC's) strengthening their sustainability -- in other words, helping them develop their internal capacity and plan economic

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development projects. As you know, CDC's play a critical role in community revitalization and in the creation of opportunity for businesses and low-income residents.

Specifically, the Institute helped these CDC's to:

- Review the needs of their constituents
- Strengthen staffing and administrative procedures
- Refocus programs
- Utilize market analysis and create marketing plans to maximize the potential success of new initiatives
- Prepare and submit economic development projects for financing

Twenty-five CDC's have participated in three separate Institutes conducted for organizations from Brooklyn, from Queens and Staten Island, and from the Bronx and Upper Manhattan -- which is currently underway. As a direct result of this participation, eight CDC's have raised over \$1.5 million from private and public sources to support new administrative and program initiatives. We are discussing with Citibank the possibility of extending the program to Westchester County in the fall.

Specific economic development projects developed or refined through the Institute include:

- Merchant organizing
- Commercial and retail strip development
- Advice and incubator services for small businesses
- Increased access to credit and capital for local businesses and home buyers
- The development of for-profit ventures including: a funeral parlor, a book store, a residential weatherization business, thrift shops, home health care services, and food service delivery

In addition, the CDC's were able to develop or strengthen relationships with Citibank:

- Four of the Brooklyn groups were awarded first-round grants in Citibank's Partners In Progress program, which provides substantial funding for economic development projects
- A number of other groups developed new relationships with community relations officers that helped them to access Citibank funding for the first time

Benefits also accrued to Citibank itself:

- Staff from the Foundation and the community development and loan departments served as speakers and advisors
- Branch managers, loan officers, and mortgage analysts had an opportunity to meet with people involved in community building and learn about the work of the

The Nonprofit Connection  
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CDC's when they attended sessions where Institute participants presented their projects

Participants in the Citibank Community Development Institute:

Brooklyn  
January-May 1997

ACCION New York  
Astella Development Corporation  
Central Brooklyn Partnership  
Cypress Hills Local Development Corporation  
East Williamsburg Valley Industrial Development Corporation  
Erasmus Neighborhood Federation  
The Fifth Avenue Committee  
Flatbush Development Corporation  
Midwood Development Corporation  
Neighbors Helping Neighbors  
Pratt Area Community Council  
South Brooklyn Local Development Corporation

Queens and Staten Island  
September 1997-January 1998

Jackson Heights Development Corporation  
Jamaica Business Resource Center  
Northfield Local Development Corporation  
Rockaway Development & Revitalization Corporation  
West Brighton Local Development Corporation

The Bronx and Upper Manhattan  
March-July 1998

Audubon Partnership  
The Bronx Council for Economic Development  
Citizens Advice Bureau  
Harlem Congregations for Community Improvement, Inc.  
Mid-Bronx Senior Citizens Council  
The Point Community Development Corporation  
Women's Housing and Economic Development Corporation

In closing, let me say that Citibank has had considerable impact on community development initiatives in New York City -- through its support of CDC's; community development financial institutions; arts, educational and human service organizations; and technical assistance organizations like The Nonprofit Connection.

We hope that the new corporate entity -- if it is realized -- will expand this commitment to community building, particularly here in New York.

**TESTIMONY  
OF  
PETER J. KIERNAN, ESQUIRE**

**Chairman, Brooklyn Sports Foundation**

**Before:**

**Division of Consumer and Community Affairs,  
Board of Governors, Federal Reserve System.**

**Regarding:**

**Citicorp and Travelers Group**

**June 25, 1998**

Good evening. I am Peter J. Kiernan, Chairman of the Brooklyn Sports Foundation. I am grateful for this opportunity to testify regarding the proposed merger of Citicorp and the Travelers Group.

My testimony is about Citicorp and the very positive, significant and generous contributions Citicorp has made in respect of the Brooklyn Sports Foundation.

The Brooklyn Sports Foundation (the "Foundation") is a duly organized Section 501 (c) (3) not-for-profit foundation. Its fundamental purposes are to address and solve the lamentable dearth of amateur sports facilities in Brooklyn. Brooklyn has more than 2.3 million residents. It has a school age population of nearly 500,000. However, its sport facilities are completely inadequate. For example, there are more than 100,000 kids per outdoor track, and about 500,000 kids per indoor track in Brooklyn. That does not leave much room to run.

Organized sports play a key role in nurturing, in socialization, in education, and in building healthy bodies and a healthy society. Learning how to play by the rules; learning how to set goals and how to measure progress against those goals; and learning how to win and how to lose are among life's most important lessons. Society has the obligation and the need to provide the opportunities for such lessons to be taught and experienced. The Foundation, predicated on the behalf that sports can be an antidote to racism and crime, began a sustained effort in 1987 to maximize the opportunity for youths to participate in organized sports. I am pleased to report that final design is underway for Sportsplex, a sports complex to be located in Coney Island featuring an arena seating 12,500. (Currently the largest public assembly space in Brooklyn is 2,500.) The Foundation will develop and operate Sportsplex.

The Foundation enjoys the support and participation of Brooklyn's business, academic, religious, and athletic communities. None of the Foundation's support has exceeded that of Citicorp in

terms of financial contributions, personnel time and talent, and reputational stake.

Sportsplex will be located in Coney Island for a variety of reasons not the least of which is that what once was a wold famous location symbolizing an era of recreation, fun and harmony has become a dreary example of abandonment, decay, and urban segregation. Citicorp recognized that while Brooklyn desperately needs sports facilities, it also needs economic development. Citicorp recognized that Coney Island is not simply a vestige of a foregone economic era, made obsolete by air conditioning and interstate highways. Rather, Coney Island is a choice repository of economic opportunity. Coney Island has land, transportation, human resources and a tradition of entrepreneurship . Citicorp prominently associated itself with a determined effort to demonstrate that public capital funding of a sports complex on public land in Coney Island will generate private economic development on ancillary private land. Citicorp prominently committed itself to the notion that development of an adjunct to New York City's education infrastructure can be good

economics and, conversely, that good economic development can be very wise education policy.

Since 1997 the State and the City of New York have pledged more than \$70,000,000 in cash and land to Sportsplex. Ancillary private commercial development of \$100,000,000 has been announced and an additional \$20,000,000 for a minor league baseball stadium in a revitalized Coney Island has just been approved. More than \$25,000,000 in direct annual tax revenues has been forecast to result. Hundreds of permanent jobs will be created. A major expansion of the subway terminus in Coney Island has begun. All of this is given impetus by Sportsplex and to Coney Island all of this will be to the early 21<sup>st</sup> Century what the Coney Island amusement parks were to the early 20<sup>th</sup> Century.

Citicorp continues to assist this effort broadly. In doing so it gives genuine definition to the phrase "corporate citizen." It gives far more than just money, facilities and talent. It gives the weight of its credibility and its commitment to proactive public policy. And Citicorp never asks for anything in return.

Thank you for your attention.