LT. GOVERNOR PATERSON UNVEILS NEW MWBE BOND ASSISTANCE PROGRAM

(9/5/07 New York, NY) Lieutenant Governor David A. Paterson has announced a new initiative that will help minority and women-owned businesses access bonding and training to expand their participation in construction projects throughout the state.

Paterson made the announcement during the Lower Manhattan Construction Command Center's first conference for minority and women-owned businesses, where he was joined by Robert Harvey, Acting Executive Director of the LMCCC. The free conference, held at the Borough of Manhattan Community College, brought together prime contractors, construction management firms and City and State agency representatives involved in the rebuilding effort in Lower Manhattan.

Lt. Governor Paterson announces new State initiative at LMCCC Conference that will increase the ability of MWBE firms to compete by providing comprehensive training and increased access to bonds

Paterson declared, "Our goal is to provide these businesses with the tools they need to access bonding. There are a number of construction projects both planned and underway that will strengthen Lower Manhattan as the financial capital of the globe and we want minority and women-owned businesses to be heavily involved at every turn."

LMCCC Acting Director Harvey praised the event saying, "This conference is a great opportunity for minority and women-owned businesses to network with leaders in the construction field and gain valuable insight into opportunities in the rebuilding of the WTC site and 60 other construction projects the
LMCCC is coordinating in Lower Manhattan. We want to ensure that minority and women-owned firms play a role in the boom taking place below Canal Street."

"We not only want to create opportunities in Lower Manhattan," offered Paterson, "we want to create opportunities throughout the state. This unprecedented collaboration between government, private industry, and the non-profit sector will help us achieve our goals."

The Memorandum of Understanding between the New York State Division of Minority and Women's Business Development, the Surety and Fidelity Association of America and the Jamaica Business Resource Center will establish a pilot bonding program for 30 New York Certified Minority and Women-Owned Businesses throughout the State. In addition to the 30 firms that will receive special technical assistance through the pilot program, the New York State Division of Minority and Women Owned Business Development will actively recruit additional firms to access bonding assistance through the SBA Bond Guarantee program.

MWBE Executive Director Michael Jones-Bey describes details of the Memorandum of Understanding Between New York State and the Surety and Fidelity Association of America

Jamaica Business Resource Center President and CEO, Timothy Marshall, explained the pilot-program by saying, "Each firm will receive training from industry executives. In addition, the Jamaica Business Resource Center has committed to provide in-depth technical assistance in the areas of management and operational systems, finance and accounting systems, business plan development, profit and loss analysis, loan packaging, and packaging of bonding applications. Pilot firms will also be referred to a group of attorneys and CPA firms to address legal and accounting technical issues."

Marshall went on to say, "At the end of the program, the surety industry executives will recommend appropriate bonding levels and work with surety companies to identify the most appropriate fit for the placement of each pilot firm. The SBA Bond Guarantee program will be used for all bonds up to $2 million. The State of New York will work with the Surety & Fidelity Association of America member companies and the National Association of Surety Bond Producers on the issuance of all bonds over $2 million."
Michael Jones-Bey, Executive Director for the State Minority and Women's Business Development program told the attendees, "Today's announcement represents an important milestone for our new MWBE initiative. The problem of how to increase access to bonding is an issue that has stunted the growth of MWBE firms for decades. Furthermore, this is not the first time our State has attempted to develop a bond assistance program. Over 20 years ago New York started the 'JDA' bond assistance program and it failed. Poor implementation and oversight doomed the program."

"However," Jones-Bey continued, "we have learned lessons from those past experiences and are now working with the Nation's most seasoned experts to design a program that will increase our firm's ability to compete. We also have identified a Federal bond guarantee program that has been largely inactive in New York State. We will partner with the Feds to market this resource so that we can also provide access to bonding to firms that do not participate in our pilot program."

Lynn M. Schubert, President, Surety & Fidelity Association of America (SFAA) said, "SFAA has long been committed to assisting small and emerging contractors become bondable. We look forward to great success with our Model Contractor Development Program (MCDP) in New York."