

# New York City Cafe Serves Up a Career Lifeline

Dylan Penalo had never worked a day in his life, but a new program at GrandLo Café helped the 19-year-old land a permanent job

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Talk about discouraging. Despite bombarding fast-food outlets with applications, Dylan Penalo couldn't get a job at McDonald's. Or Burger King, Chipotle or Subway. Not even Taco Bell.

Interviews for doorman jobs didn't pan out either. "I had to pay money to buy shoes, slacks and a nice shirt for nothing," he says. "That was pretty hard."

Mr. Penalo, who is 19 years old and dropped out of school four years ago, lives with his grandmother in public housing on Manhattan's Lower East Side. He had never worked a day in his life.

But this spring he heard of an opportunity to train as a barista at GrandLo Café, a new coffee spot in his neighborhood. It sounded promising.

"They take anybody!" says Mr. Penalo.

It's true. The spacious cafe, which opened in March, is run by a nonprofit, Grand Street Settlement. The nine-week program aims to train New York City residents from age 16 to 24 who are neither employed nor in school, and pays them a weekly stipend ranging from \$100 to \$150 to work in the cafe.

And if plans pan out, it will sell enough coffee and pastries to fund both the training program and its own operations.

"We have to be more entrepreneurial in the nonprofit sector," says Robert Cordero, executive director of Grand Street Settlement, the charity operating the cafe. "We can't just sit around and wait for a grant."

GrandLo has one big advantage: free rent. Space for the 2,500 square-foot cafe, which likely would cost at least \$15,000 a month given area rates, was donated by Delancey

Street Associates, the consortium behind the \$1.5 billion Essex Crossing development—the nine-building residential, office and retail complex, under construction, within which the cafe is situated.

Ron Moelis, CEO of consortium partner L+M Development Partners, says the arrangement provides Essex Crossing with a valuable amenity early in the life of the complex, which is opening in stages. “It makes it a more desirable place to be,” he says.

With seating for 55, GrandLo features the concrete floors, framed prints and sleek furnishings of a typical upscale cafe. It serves java from Counter Culture Coffee, a specialty North Carolina roaster whose beans are popular with cafes all over town, and the usual assortment of pastries, salads and panini.

Cafe co-manager Adam Perez, who grew up on the Lower East Side himself, formerly oversaw several Manhattan Starbucks locations.

GrandLo recruits are often starting from scratch, and it’s surprising what they don’t know, Mr. Perez says. Some never have sampled an avocado or cooked an egg, for example. “Some of them didn’t know what milk foam was,” he says.

Trainees learn to make cappuccino and take payments, of course. But there’s more attention paid to skills such as how to smile, greet a customer and not lose your cool if patrons get nasty.

“I learned to never let your feelings get the best of you, or it will wind up worse than it is,” says Mr. Penalo, who developed a penchant for iced lattes after joining as a trainee in May.

While trainees take turns at tasks ranging from sandwich making to bathroom cleaning, Mr. Penalo says his favorite job was manning the register. “You can put a smile on a customer’s face just by making a little joke here and there,” he says.

GrandLo has regulars including Silas Otero, a project manager who works next door. While he wishes the cafe offered more menu options and longer hours—it’s open daily from 7 a.m. to 3 p.m.—he likes the coffee and service. “People are always friendly,” he says.

Six months in, GrandLo sales are averaging about \$300 a day, or just more than \$100,000 a year—far short of the projected \$500,000-a-year break-even point, Mr. Cordero says. But he expects annual revenue to eventually exceed \$1 million, a typical take for a successful cafe of GrandLo’s size.

Results for the first group of trainees, who finished last month, are mixed. Of the nine recruits, two never showed up, one moved away and three are still looking for work.

But three have found steady jobs, including Mr. Penalo. He landed a full-time maintenance gig for a cleaning company, earning \$13.36 an hour mopping stairwells, sweeping sidewalks and changing toilet paper rolls.

He has his sights set on becoming a firefighter. For now, he's enjoying his first paycheck.

"Before, I felt down. I didn't want to do anything," he says. "Now, I'd rather work, to keep myself occupied. I'm getting my life right."