



Legislation Text

File #: Res 0627-2002, **Version:** *

Res. No. 627

Resolution calling upon the Federal Department of Housing and Urban Development, the Empire State Development Corporation, the Governor of the State of New York and the Mayor of the City of New York to modify the World Trade Center Disaster Action Plan for Businesses and the guidelines for the Small Firm Attraction and Retention Grant Program so that any business with fewer than 20 employees, including a business functioning in a "live/work environment", that was operating from business premises located south of Canal Street, and those operating south of Delancey Street and east of Lafayette Street, as of September 11, 2001, can immediately qualify for a \$3,500 or \$5,000 grant under the Small Firm Attraction and Retention Grant Program, for as many as 10 employees, by "reaffirming" their current lease commitment for a period of five years from September 11, 2001; in the event that such businesses move out of lower Manhattan prior to this five-year period, they will be subject to a "clawback" provision requiring them to return all Small Firm Attraction and Retention Grant Program grant money that they receive.

By Council Members Gerson, Recchia, Jackson, Liu, Lopez, Nelson, Perkins, Reyna, Sanders, Sears, Weprin, Quinn and Brewer

Whereas, The World Trade Center Disaster Action Plan for Businesses (the "Action Plan") and the guidelines for the Small Firm Attraction and Retention Grant Program (the "SFAR Program") each provide that the primary goal of the SFAR Program is the retention and attraction of small businesses and the retention of employment in lower Manhattan; and

Whereas, Under the existing Guidelines, a business cannot qualify for a grant unless it can show that (1) the lease in effect as of September 11, 2001, expires by its terms on or before December 31, 2004; and (2) the business has signed a new lease, or an agreement to extend the existing lease, for an additional five-year period; and

Whereas, Under the existing Guidelines, businesses which made a long-term commitment before September 11, 2001, to remain in lower Manhattan by executing a lease with a term which expires after December 31, 2004, are not eligible for a SFAR Program grant; and

Whereas, Under the existing Guidelines, small businesses which are operated from the same premises in which the owner lives are not eligible for a grant under the SFAR Program; and

Whereas, According to a recent report issued by Empire State Development Corporation ("ESDC") as of September 27, 2002, only 322 of the more than 11,000 small businesses located south of Canal Street have been able to satisfy the lease eligibility criteria under the SFAR Program and many businesses south of Delancey Street, and east of Lafayette Street have suffered losses similar to those south of Canal Street; and

Whereas, There has been considerable public complaint about the SFAR Program because the lease criteria tend to exclude, rather than include, many of the small businesses adversely impacted by the September 11, 2001 disaster; now, therefore, be it

Resolved, That the Council of the City of New York strongly urges the Federal Department of Housing and Urban Development, the Empire State Development Corporation, the Governor of the State of New York and the Mayor of the City of New York to modify the World Trade Center Disaster Action Plan for Businesses and the Guidelines for the Small Firm Attraction and Retention Grant Program, so that any business with fewer than 20 employees, including a business functioning in a "live/work environment, that was operating from business premises located south of Canal Street, and those operating south of Delancey Street and east of Lafayette Street, as of September 11, 2001, can immediately qualify for a \$3,500 or \$5,000 grant under the SFAR Program, for as many as 10 employees, by "reaffirming" their current lease commitment for a period of five years from September 11, 2001; in the event that such businesses move out of lower Manhattan prior to this five-year period, they will be subject to a "clawback" provision requiring them to return all SFAR grant money that they receive.

BR
Gerson-Res A
12/13/02

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