



Legislation Text

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Res. No. 582

Resolution urgently calling upon the United States Department of Housing and Urban Development, the Empire State Development Corporation, the Governor of the State of New York, the New York City Economic Development Corporation 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 World Trade Center Business Recovery Grant Program and the Small Firm Attraction and Retention Grant Program by expanding the boundaries of the "Restricted Zone", as that term is used in the Grant Programs, to include the area between Broadway and Nassau Street, and the area to the west of Broad Street extending south to Battery Park.

By Council Members Recchia, Gerson, Fidler, Jackson, Jennings, Liu, Lopez, McMahon, Nelson, Weprin, DeBlasio and Lanza; also Council Member Seabrook

Whereas, Small businesses located in the "Restricted Zone" are eligible to receive the maximum amounts awarded under the World Trade Center Business Recovery Grant Program ("BRG Program") and the Small Firm Attraction and Retention Grant Program ("SFARG") collectively, the "Grant Programs", as compensation for the economic losses resulting from access restrictions imposed by the Office of Emergency Management ("OEM") in the months following the September 11, 2001 disaster, \$300,000 under the WTC Business Recovery Grant Program and \$5,000 per employee (up to 200 employees) under the Small Firm Attraction and Retention Grant Program; and Whereas, Under the guidelines for these programs, the "Restricted Zone", which is bounded on the east by Broadway, is defined by reference to the area designated by the OEM as the "Restricted Zone" in which pedestrian and vehicular traffic was restricted during the period September 19, 2001 through September 26, 2001 (the "Restricted Period"); and

Whereas, According to the weekly advisory issued by the OEM on September 19, 2001, the boundaries of the OEM's Restricted Zone were drawn to identify the location of fencing that was to be erected to secure the area surrounding the World Trade Center site, not to define the area that had suffered the greatest economic losses as a result of access restrictions imposed by OEM and the City of New York during the Restricted Period; and

Whereas, The ability to "retain program flexibility" is one of the three "guiding principles" ESDC incorporated in the World Trade Center Action Plan in order to provide assistance in the most timely and effective manner possible and to achieve the stated economic revitalization and job creation/retention goals of the Grant Programs; and

Whereas, In administering the Grant Programs, ESDC has determined grant awards based solely on a technical application of the boundaries of the OEM-defined Restricted Zone and without regard to the actual economic impact resulting from access restrictions which remained in place well beyond the Restricted Period in the area between Broadway and Nassau Street and the area to the west of Broad Street extending south to Battery Park (the "High Impact Area"); and

Whereas, As a result of ESDC's rigid adherence to arbitrary and artificial boundaries for the Restricted Zone, small business applicants that are located in the High Impact Area are eligible to receive a maximum award of only \$150,000 under the BRG Program and \$3,500 per employee under the SFARG Program, even though the access restrictions imposed on these businesses were no different from those imposed on businesses located just a few hundred feet away in the Restricted Zone; and

Whereas, In response to hundreds of complaints that the use of the OEM-defined boundaries to establish eligibility for the highest grant awards available under the LMDC Residential Grant Program was unfair, the Lower Manhattan Development Corporation ("LMDC"), the subsidiary established by ESDC to assist in administering HUD disaster funding, revised its guidelines by expanding the boundaries of Zone 1, the highest paying zone under the Residential Grant Program, to include the High Impact Area; and

Whereas, ESDC has refused to realign the boundaries of the Restricted Zone to include the High Impact Area to redress more fairly the economic impact on small businesses resulting from the access restrictions which the City imposed on the High Impact Area during and well after the Restricted Period; and

Whereas, As a result of the differences in the boundaries set by ESDC and its subsidiary, a cooperative corporation which is located on Nassau Street, for example, qualifies for only half of the grant award amounts established for the highest paying "restricted" zone, whereas the residents who live there are eligible for maximum grants under the Residential Grant Program; now, therefore, be it

Resolved, that the Council of the City of New York urgently calls upon the United States Department of Housing and Urban Development, the Empire State Development Corporation, the Governor of the State of New York, the New York City Economic Development Corporation 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 WTC Business Recovery Grant Program and the Small Firm Attraction and Retention Grant Program by expanding the boundaries of the "Restricted Zone", as that term is used in the Grant Programs, to include the area between Broadway and Nassau Street, and the area to the west of Broad Street extending south to Battery Park.

FN

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