



The City of New York

Manhattan Community Board 1

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**The Council of the City of New York
Committees on Lower Manhattan Redevelopment and Small Business
Oversight Hearing on
Small Businesses in Lower Manhattan**

Testimony by Julie Menin, Chairperson

Manhattan Community Board One

**Wednesday, September 15, 2011 at 10 a.m.
14th Floor Hearing Room, 250 Broadway, New York, NY**

Good afternoon, Chairperson Chin and Members of the Committee. I am Julie Menin, Chairperson of Community Board One, and accompanying me is Catherine McVay Hughes, our Vice Chairperson. I want to thank you for convening this public oversight hearing on small businesses in Lower Manhattan.

Our small businesses have endured much in the last ten years. The terrorist attacks that occurred in 2001 took the lives of nearly 3,000 people who worked in our community. In addition, approximately 60,000 jobs disappeared when the World Trade Center was destroyed, and it is estimated that tens of thousands of other jobs were lost in the surrounding area in the following weeks and months. The attacks cost our small businesses a substantial part of their valued, long-term customer base. The recession that occurred following 2001 and then the financial crisis which has lasted for several years, have made it extremely difficult for some of our businesses to recover and thrive as they did before 9/11.

The extraordinary amount of construction underway in our district has made it even more difficult for our businesses. Over 84 significant construction projects have been completed and 50 are ongoing in Lower Manhattan. We enumerated these in a resolution we passed at our World Trade Center Redevelopment committee meeting on September 12, 2011. The vehicular and pedestrian restrictions associated with these projects have often made it difficult for customers and clients to enter and exit businesses, and for them to receive needed deliveries.

For these reasons, the health and well-being of our local businesses have been a key concern for CB1 in recent years. On April 28, 2009, we unanimously adopted a resolution calling on the Lower Manhattan Development Corporation (LMDC) to make changes in its Small Firm Assistance Program that would greatly increase the number of businesses that would be eligible for the program. The changes we recommended included increasing the total amount of money in the program and the amount that individual businesses could receive; expanding the eligibility period for construction projects; accepting applications from businesses impacted by construction projects on adjacent streets; expediting payments of grants and reducing the number of reasons businesses could be denied. Unfortunately, we hear from some small businesses that are still waiting for their LMDC grants to be completely processed.

We were very pleased when several months later, on July 13, 2009, the LMDC made some of the key changes we had recommended, doubling the amount of grants and nearly tripling the number of eligible businesses.

The improvements made by the LMDC at the urging of CB1 and our local representatives have brought needed help for our businesses, but more must be done. For this reason, the resolution adopted unanimously earlier this week by our World Trade Center Redevelopment committee called for the grants to be distributed by LMDC in coordination with the Lower Manhattan Construction Command Center (LMCCC). The LMCCC is fully familiar with the details of construction projects throughout Lower Manhattan, and its participation would help ensure that the grants are distributed where they are most needed to eligible businesses. The LMCCC must be fully functioning and funded throughout the peak construction period that will occur in the coming years, so that it can fulfill this important role.

We are also concerned about the possibility that the funds for the Small Firm Assistance Program might run out while needs remain. We were told earlier this week by representatives of the LMDC that \$1.8 million remains of the \$6 million allocated to this program. We therefore called in the resolution passed at our recent meeting for additional funds to be allocated from LMDC's \$600 million in remaining funds.

We also need to find other ways to assist local businesses through challenging times. When the September 11th Memorial Museum opens in September 2012, we urge the Memorial Foundation to have materials in the tourist information area for visitors that lists local stores, restaurants, museums and other attractions of interest to visitors. We should be exploring ways now to ensure that the 5 to 7 million visitors a year to the Memorial stay in the community and spend their economic dollars in Lower Manhattan.

Thank you for the opportunity to speak today. We want to make sure that we do everything we can to make sure that our small businesses thrive and that the infrastructure of the future is being created. We believe that a great future awaits us in Lower Manhattan after the World Trade Center and our infrastructure are rebuilt. We want to ensure that our small businesses are still here to thrive and serve our rebuilt community.