



LOWER MANHATTAN DEVELOPMENT CORPORATION

in partnership with

EMPIRE STATE DEVELOPMENT

and

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

**Partial Action Plan
for
New York Firms Suffering Disproportionate Loss of Workforce**

Overview

The Lower Manhattan Development Corporation (LMDC) has prepared the following Partial Action Plan with regards to the \$783 million federal appropriation administered by the United States Department of Housing and Urban Development (HUD) for damaged properties and businesses (including the restoration of utility infrastructure) as well as economic revitalization related to the terrorist attacks at the World Trade Center. LMDC received a separate \$2 billion federal appropriation through HUD for the World Trade Center disaster recovery and rebuilding efforts. This plan details the proposed expenditure of \$33,000,000.00 of the \$783 million to fund the following items:

1. Business Recovery from Disproportionate Loss of Workforce totaling up to \$33,000,000.00.
2. Program administration activities totaling up to \$0.00.

To date, HUD has approved two Partial Action Plans for the \$2 billion federal appropriation allocating approximately \$656 million to LMDC. On June 7, 2002, HUD approved the Partial Action Plan calling for the expenditure of approximately \$306 million for the Residential Grant Program, the Employment Training Assistance Program, the Interim Memorial Program, and Administration and Planning. This Partial Action Plan was amended on September 25, 2002. On November 22, 2002, HUD approved the Partial Action Plan for Business Recovery and Economic Revitalization calling for the expenditure of an additional \$350 million for the WTC Business Recovery Grant Program, the Small Firm Attraction and Retention Grant Program, and the Job Creation and Retention Program. On May 7, 2003, LMDC submitted Partial Action Plan 3 to HUD, calling for the expenditure of approximately \$24 million from the \$2 billion federal

appropriation for Cultural and Community Development. Versions of these Plans with public comments and responses thereto are available on the LMDC web site: www.RenewNYC.com. LMDC is issuing a separate Partial Action Plan on May 28, 2003 for public comment for approximately \$150 million from the \$2 billion federal allocation for Short-Term Capital Projects, Long-Term Planning, and Supplemental Funds for Business Recovery. Future partial action plans will detail the projected expenditure of the remainder of funds available from the \$2 billion appropriation and will be subject to a public comment period with later submission to HUD.

The Lower Manhattan Development Corporation (LMDC) has prepared the following Partial Action Plan with respect to the \$783 million federal appropriation to the United States Department of Housing and Urban Development (HUD). This Partial Action Plan allocates \$33 million of the \$783 million appropriation to provide recovery assistance to Lower Manhattan firms that suffered a disproportionate loss of their workforce as a result of the September 11th attacks and that retain or re-establish operations in New York City. The balance of \$750 million is addressed in a separate action plan.

This plan details LMDC's proposed expenditure of \$33 million to fund a program to assist businesses in Lower Manhattan that suffered disproportionate loss of life as a result of the attacks on September 11, 2001. The program will be administered by Empire State Development (ESD), New York State's economic development agency in cooperation with the New York City Economic Development Corporation (EDC).

Partial Action Plan Activities	Allocation from \$783 million
Business Recovery from Disproportionate Loss of Workforce Program	\$33,000,000.00
Program Administration	\$0.00
Total	\$33,000,000.00

Any change greater than 5% in the funding committed to a certain activity, the addition or deletion of any activity, or change in the designated beneficiaries of an activity constitutes a substantial amendment and such amendment will be available for public review and approval by HUD.

National Objective

The Lower Manhattan Development Corporation is a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development created in December 2001 to oversee the rebuilding and revitalization of Lower Manhattan. The activities contained in this Partial Action Plan have been designed to meet community and development needs resulting from the September 11th World Trade Center disaster. These activities have particular urgency because LMDC has determined that existing conditions pose a serious and immediate threat to the health or welfare of the City of New York and the individual residents of the City and other financial resources are not available to meet such needs.

Public Comment to the Partial Action Plan

This Partial Action Plan allocates funds to Business Recovery from Disproportionate Loss of Workforce.

This Partial Action Plan is open to public comment. HUD requires that the public comment period extend for fifteen calendar days from the date of publication of this plan. Public comment must be made in writing and may be delivered to LMDC either by posted mail or by electronic mail, addressed as follows:

By post to: Public Comment on LMDC Partial Action Plan - \$33 Million
Lower Manhattan Development Corporation
1 Liberty Plaza, 20th Floor
New York, NY 10006

Electronically at LMDC's web site www.renewnyc.com under Funding Initiatives - Partial Action Plans – Comments.

The deadline for receipt of public comment is June 12, 2003. Comments delivered by fax or telephone cannot be considered.

I. Business Recovery from Disproportionate Loss of Workforce Program

Program Objectives

The primary objective of this program is to assist Lower Manhattan firms that lost a disproportionate share of their workforce due to the attacks of September 11, 2001. While such firms may have qualified for other forms of economic recovery and revitalization assistance offered under other HUD funded Action Plan programs, this program recognizes that such disproportionate loss impacts a firm's ability to survive and recover beyond the other forms of assistance previously offered. It is the primary objective of this program to ensure the stabilization and recovery of such disproportionately impacted firms.¹

The secondary objective of this program is to assist in the economic revitalization of New York City, by ensuring that these disproportionately impacted firms retain or relocate operations and employment in New York City.

Program Eligibility

Firms eligible for assistance under this program must meet the following criteria:

- 1) As of September 11, 2001, the business had operations in the Restricted Zone (as defined below as the eligible area) and, through its own operations or the operations of its affiliates, has continued business operations or resumed business operations within New York City.
- 2) As a result of the September 11, 2001 attacks, the business suffered a loss of life equal to at least six permanent employees AND at least 20% of its permanent workforce OR at least 50 permanent employees located in New York City.
- 3) At the time of contract for award from this program the business, through its own operations or the operations of its affiliates, must have maintained or returned a New York City workforce equal to at least 50% of its New York City workforce on September 10, 2001, after the loss of life suffered in the attacks has been deducted.
- 4) The business must operate as a for-profit entity or a not-for-profit organization established under Sections 501(c), 501(e), 501(f), 501(k), 501(n), or 521(a) of the Federal Tax Code.

Eligible Area

Firms eligible for assistance under this program must have operated from business premises, located within the Restricted Zone on and before September 11, 2001, as designated by the New York City Office of Emergency Management for the period September 19, 2001 to September 26, 2001. The Restricted Zone is bounded by the following streets:

- 1) Chambers Street from the Hudson River to Broadway
- 2) Broadway from Chambers Street to Rector Street
- 3) Rector Street from Broadway to the Hudson River

¹ The federal appropriation provided \$33,000,000 "to assist those firms located in New York City at the time of the terrorist attacks which suffered a disproportionate loss of its workforce and who intend to re-establish their operations in New York City."

Program Award Criteria

Eligibility under this program does not imply entitlement to a specified grant. ESD/EDC will divide the entire \$33 million in assistance among the eligible firms by weighing, in combination, the following factors:

1. Magnitude of Employee Loss: the total number of employees lost as a result of the September 11, 2001 attacks.
2. Proportionality of Employee Loss: the percentage of the firm's New York City workforce lost as a result of the September 11, 2001 attacks.

Each eligible company will be assigned an overall weighting factor based on the number of employees lost multiplied by the percentage of the firm's New York City workforce lost. The portion of the program funds available for each company will equal each company's overall weighting factor as a percentage of the sum of all of the eligible companies' weighting factors.

Application

Eligible firms must file a completed application for program assistance to include the following:

- 1) Application cover form, completed and signed
- 2) Documentation of the firm's location within the Restricted Zone on and before September 10, 2001.
- 3) Documentation of employment including:
 - i) total New York City workforce as of September 10, 2001
 - ii) employees that lost their lives as a result of the September 11, 2001 attacks
 - iii) current New York City workforce

Application Submission and Deadline

The deadline for application to this program will be established as 45 days from the date on which HUD grants final approval of this Partial Action Plan.

Eligible firms wishing to receive application materials should contact:

WTC Special Appropriation for Disproportionate Loss Grant Program
c/o Strategic Business Division
Empire State Development Corporation
633 Third Avenue
New York, NY 10017
Telephone: 212/803.3128

Grant Recapture

If the grantee fails to maintain at least 50% of the New York City employment level agreed to at the time of contract for award for a period of three years, ESD will request repayment of the award.

The total estimated cost for Business Recovery from Disproportionate Loss of Workforce is up to \$33,000,000.00.