

An Examination of Neighborhood Retail and Small Businesses in Post-9/11 Lower Manhattan

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TABLE OF CONTENTS

1 INTRODUCTION..... 2

1.1 ABSTRACT..... 2

1.2 INTRODUCTION 2

1.3 BACKGROUND..... 4

1.4 LITERATURE REVIEW..... 9

2 RESEARCH METHODS & DATA 12

2.1 INTRODUCTION & RESEARCH QUESTIONS..... 12

2.2 DATA: ZONING & LAND USE..... 12

2.3 DATA: CONSTRUCTION..... 16

2.4 RESEARCH METHODS: FIELD SURVEYING..... 19

3 RESEARCH FINDINGS 21

3.1 SURVEY FINDINGS: PHYSICAL SURVEY..... 21

3.2 SURVEY FINDINGS: BUSINESS OWNERS..... 22

3.3 INTERVIEW FINDINGS..... 24

3.4 FINDINGS SUMMARY 28

4 RECOMMENDATIONS 30

4.1 ZONGING & LAND USE..... 31

4.2 ALTERNATIVES TO FINANCIAL ASSISTANCE 31

4.3 PRESERVING THE LMCCC 32

5 CONCLUSIONS 34

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1. INTRODUCTION

1.1 ABSTRACT

Abstract: This thesis explores the current state of small businesses in Lower Manhattan in a post 9/11 climate. Though little is known about the affects of disaster on small businesses (defined in this study as an independent, for-profit organization of 20 employees or less in the retail or service industries and at the street level), it has been proven that small firms suffer greater losses and suffer longer than large firms, and recent reports on the economic state of Lower Manhattan have been disproportionately skewed to represent only large firms. Lower Manhattan has experienced a recent population surge, and small businesses are a vital piece of the local economy and community identity. Using data drawn from a physical survey of the study area as well as interviews with community members, small business owners, and policymakers from agencies such as the Lower Manhattan Development Corporation and Downtown Alliance, I have drafted recommendations for the preservation and attraction of small businesses in Lower Manhattan.

Keywords: Lower Manhattan, Small Business, 9/11, Economic Recovery

1.2 INTRODUCTION

Following the terrorist attacks on New York City on September 11, 2001, there was widespread anxiety and uncertainty concerning the economy of Lower Manhattan, which was completely devastated by the event. The ten-year anniversary of 9/11 has been marked by significant media attention regarding the return of large-scale corporations, financial institutions, and creative/digital industries to Lower Manhattan since 2001, but little or no attention has been paid to small businesses and neighborhood retail. According to a Report for Congress published in 2002, 18,000 business establishments in Lower Manhattan were destroyed or displaced due to the attack, many of which were small businesses (Makinen, 2002). The New York City Partnership and Chamber of Commerce reported that 707 small businesses were lost in the World Trade Center alone. Furthermore, within 45 days after 9/11, 3,400 small firms immediately surrounding ground zero that were not destroyed but inaccessible experienced losses totaling \$795 million (Seessel, 2003). This is a sizable and vital piece of Lower Manhattan's economy that has been neglected in recent academic literature as well as in media reports. The popular claim that Lower Manhattan's economy is "back and better than ever" is biased towards large-scale and high-end businesses, and does not factor in the state of small, independent businesses.

This inattention to small businesses in a post-disaster climate is not unique to New York City. In fact, "the processes and outcomes associated with the recovery of private businesses have almost never been addressed in the disaster recovery literature" (Dahlhamer & Tierney, 2003). Though there is limited information on the effects of disasters on small businesses, several key points are understood. The first is that small businesses, as compared to large firms, are especially vulnerable in the case of a disaster due to the fact that they have less capital and

resources. The second is that small businesses forced to close because of a disaster face immediate cash-flow problems, take longer to re-open than large firms, and have serious impacts on the revenue-generating power of local governments. This is because local jurisdictions are dependent upon property and sales taxes. Prolonged disruptions in small business activity have subsequent consequences and are often detrimental to local economic development initiatives and public works (Makinen, 2002).

This study will investigate the economic climate in post-9/11 Lower Manhattan as it pertains to street-level small businesses and neighborhood retail. The Small Business Association defines a small business as one that, “is independently owned and operated, is organized for profit, and is not dominant in its field” (Small Business Association). The number of employees a firm has is also a defining factor that determines whether or not it is a small business. For this study, a firm with 20 or less employees will be considered a small business. Specifically, I have examined retail and service small businesses at the street-level, categorized by the appropriate NAICS codes (listed in the following ‘Research Methods’ section). Therefore, the term “small business” as used in this study refers to independent, for-profit firms that are not dominant in their field, have 20 or fewer employees, and are retail or service establishments at the street level.

I believe this study is an important contribution to the existing literature for several reasons. First, as previously mentioned, the condition of small businesses in Lower Manhattan has been underrepresented in recent literature; what exists is disproportionately skewed to represent large, global industries or luxury retailers. In my research of post-disaster economic recovery, I have found that small businesses typically remain stable for the short period of recovery assistance immediately after a disaster, but then decline further in the future at which point aid is scarce or unavailable, and political and media attention is almost nonexistent. Therefore, it is important to continue to assess the progress of small businesses in Lower Manhattan, even ten years after 9/11. The findings of this study also contribute to the limited literature on small business post-disaster recovery.

Second, Lower Manhattan is experiencing monumental demographic changes. This has presented a continuous challenge for small businesses in Community District 1 who are experiencing an evolving customer base. Before 9/11, small businesses catered to a mostly working clientele; the 70,000 employees who came into the district daily and utilized businesses during the hours of a standard workday. The events of 9/11 completely disrupted this constant ebb and flow of customers. An incentive put in place to transform office buildings into residential space has caused a massive increase of population. The small businesses in Community District 1 that have managed to survive in the wake of 9/11 have experienced the additional challenge of trying to adjust to demographic and customer base changes. The customer base of Lower Manhattan will continue to shift as progress continues at the World Trade Center site and large companies begin to open their doors and resume business downtown.

Because of these conditions and unique circumstances, I have explored the state of street-level small businesses and neighborhood retail in Lower Manhattan, as well as the adequacy of the policies/programs in place to support them. Through this investigation, I hope to shed light on the condition of small businesses in Lower Manhattan ten years after 9/11, as well as determine whether or not appropriate measures have been taken to ensure the success of small business and local retail, or if the “rebirth” of Lower Manhattan is simply in celebration of the platinum industries returning to the area.

1.3 BACKGROUND

Before September 11, 2001, Lower Manhattan was the bustling financial center of New York City. Being the fourth largest business district in the United States, it contained a bustling and lucrative economy. This economy was largely defined by the presence of financial firms tied to Wall Street who were housed in the World Trade Center. In addition to global corporations and financial firms, the area was also home to many city agencies, and was visited by millions of tourists annually. Though there was a modest residential population, Lower Manhattan was mostly populated by the high-earning corporate employees of global corporations and financial firms, the employees of city agencies, and tourists. In this environment, Lower Manhattan developed a unique and vibrant small business economy primarily catering to corporate employees and tourists.

Because of the terrorist attack on the World Trade Center on September 11, 2001, almost 3,000 lives were lost. 14 million square feet of commercial office space in Lower Manhattan was damaged or destroyed, sixty-five thousand jobs were lost or relocated, and 18,000 businesses were destroyed or displaced (Downtown Alliance, 2010 & Makinen, 2002). The New York City Partnership estimated that the city suffered a total of \$83 billion in damage, and the urban fabric of the community was completely destroyed. At the 10th anniversary of the event, media sources reported that the area had recovered and continued to improve. The business improvement district Downtown Alliance even reported that “Lower Manhattan is thriving as never before” in their 2011 report. These claims are largely due to the leases being signed by massive companies such as Conde Nast and Oppenheimer Funds during the construction of the World Trade Center towers, as well as luxury retailers like Hermes and Tiffanys & Co.

A New York Times article from September 11, 2011 reported on development that has taken place in Lower Manhattan during the past decade. The article states that if a city were made out of the new and redeveloped buildings in Lower Manhattan, it would be “an upscale haven”. The article credits this growth and development to subsidized tax breaks for developers. Conde Nast Publications recently signed a 1 million square foot lease for One World Trade Center. This has become symbolic of the “successful rebirth and diversification of Lower Manhattan’s economy”. However, according to the New York Times article, the Conde Nast deal cost taxpayers \$47.5 million in rent rebates and “millions more in sales tax and commercial rent tax exemptions”. Similarly, Goldman Sachs’s new tower across West Street from the WTC site accepted \$1.65 billion in tax-free Liberty Bonds, and when the company threatened to withdraw from the deal following negotiation complications, the state increased its incentive package to include \$115 million in cash grants and tax breaks. This action has been described as “the most egregious example of corporate welfare in city history”. These gratuitous tax breaks and incentives are present in Community District 1’s small firm economy; none of these reports discuss the state of the small businesses who are struggling because of rising rents, ongoing construction, competition from large retailers, and debt from loans taken out after 9/11.

In an article titled ‘Permanently Failing Organizations? Small Business Recovery After September 11, 2001’, author Leigh Graham reports on small business owners she interviewed and tracked between 2001 and 2005. The article describes the perseverance and resilience of small business owners directly after 9/11 who decided to stay and attempt to rebuild their businesses. This is representative of commitment to the community identity of Lower Manhattan and solidarity among residents. Small business owners, however, were also anchored to Lower Manhattan because of the fact that most financial aid options were conditional upon the fact that

the businesses remained in the area. Since 2001, there have been many criticisms of the aid available to small businesses after 9/11. Head of recovery organization “From the Ground Up”, former WTC tenant and client of recovery group Lower Manhattan Initiative has said, “after the ones who lost their lives or were injured, the small businesses of ground zero were the most affected group... what we got in comparison to what we lost was nothing” (Collins, 2002). Many have argued that “small businesses-especially those directly affected by the attack on the World Trade Center, have received little or no financial aid” (Makinen, 2002). In an article titled ‘Letter From Ground Zero: Down But Not Yet Out’ published in 2002, author Sarah Bartlett outlines complaints about financial assistance for small businesses after 9/11. The following is a list of common complaints:

- Inadequate federal financial assistance to address damages.
- Those who were most in need of grants and loans received the least.
- Bitterness among small business owners towards the government has increased due to agency delays, especially since the longer owners waited for assistance, the more likely it became that they would need to close permanently.
- Small businesses owners were frustrated not only with the amount of money they received, but also with the “Orwellian” logic of deciding how the money would be distributed.
- Intense scrutiny and “continual questioning of their motives” by those processing claims and distributing grants and loans.

The following complaints were specifically related to the Small Business Administration:

- The requirement for collateral (usually a house) was not appropriate for business owners in New York City where most people do not own homes. Those that did own homes faced the decision of whether or not to risk them.
- Frustration regarding the SBA requirement that any money received by a business from insurance companies or as a grant be turned over to the agency immediately.
- “The SBA isn’t geared up, in terms of their legislative mandate or their way of life to support this kind of disaster.” – Carl Weisbrod, former president of Downtown Alliance

Overview of Post-9/11 Business Recovery Programs

After the attacks on 9/11, financial assistance geared towards businesses for economic recovery came in several forms. The following is a summary of the main small businesses financial assistance programs that became available shortly after the attacks:

United States Small Business Administration

One of the roles of the U.S. Small Business Administration (SBA) is to provide assistance to small businesses in the case of a disaster; they were one of the primary agencies dispensing aid to small businesses in Lower Manhattan after 9/11. The SBA is authorized to make post-disaster loans in three categories: business physical disaster repair or replacement of property loans, economic injury disaster loans to provide small businesses and nonprofit

organizations with working capital to cover operating expenses, and disaster assistance loans to be used for repairs or replacement of homeowners' or renters' personal and real property (Seessel, 2003). Congress gave the SBA \$175 million as part of an initial \$40 billion emergency supplemental bill, and loan officers were stationed in various locations south of Canal Street to begin processing assistance loans.

The Small Businesses Administration's post-9/11 recovery loans reached businesses within a wide geographic area; assistance was available not only to businesses located in Lower Manhattan, but also to those in any of New York City's five boroughs as well as in suburban counties of New York, New Jersey, Connecticut, Pennsylvania and Massachusetts as long as they sustained physical or economic damage due to the attacks (Seessel, 2003). The loans offered by the SBA were low interest (3.375-8%) for terms up to 30 years, and were for larger amounts than those offered by the Empire State Development Corporation. However, all of the loans offered by the SBA were required to be secured by collateral often in the form of property or homes. This posed a huge problem to potential borrowers since significant business and real property was destroyed during the attacks, New Yorkers tend to rent rather than own their homes, and because of the large risk involved in offering significant collateral in an economic environment of looming uncertainty. Furthermore, SBA loans were not available to undocumented immigrants (the Empire State Development Corporation and community development financial institutions were generally more lenient regarding this stipulation). The SBA stopped processing applications on January 31, 2003, the official expiration date of the disaster period. Businesses who did not qualify for SBA loans could apply for individual assistance programs offered by the Federal Emergency Management Agency (FEMA), or for the programs available through the Empire State Development Corporation/Lower Manhattan Development Corporation and other community development financial institutions or philanthropic agencies.

Empire State Development Corporation/Lower Manhattan Development Corporation

Approximately \$700 million in federal aid primarily for business loss compensation grants came from the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) program, originally formed in 1974 with the goal of alleviating urban blight and revitalizing low-income neighborhoods. This money was turned over to the Empire State Development Corporation (ESDC) and the Lower Manhattan Development Corporation (LMDC) who ran a handful of financial assistance programs following 9/11 for both small and large businesses (Makinen, 2002). The LMDC and the ESDC ended up being responsible for over \$2 billion in post-disaster aid funds. The three main programs were:

- Business Recovery Grants: The largest funded by CDBG money, this program offered cash grants to businesses and nonprofit organizations located south of 14th Street with 500 or fewer employees. The closer a business was to Ground Zero, the more aid they were eligible for.
- Small Firm Attraction and Retention Grants: This program was for small businesses with fewer than 200 employees and was not offered to nonprofits. Grants were awarded to eligible businesses that signed a new lease or renewed a lease ensuring that they remained located in Lower Manhattan for at least five years.

- Business Recovery Loan Program: This low-interest recovery loan program was designed to help small businesses and non-profits who were not eligible for SBA loans. This program had a wider scope than the other two programs; it was available to any non-profit or businesses with fewer than 500 employees that was located south of 14th Street on 9/11. However, establishments outside of that boundary were still eligible as long as they could prove that businesses south of 14th Street accounted for at least 10% of their revenue. It was developed after the first two programs and was intended for revitalization rather than compensation for losses or relocation incentives. The ESDC developed this program using CDBG funds and the responsibility was passed on to non-profit community development financial institutions (CDFIs) who disbursed the funds as low-interest loans (Seessel, 2003). Leigh Graham of the previously mentioned article “Permanently Failing Organizations” worked at one of these foundations, the Lower Manhattan Initiative (LMI). LMI raised more than \$40 million in public and private funds (\$19 million of which came from ESDC community development block grant funds) to provide low-cost loans, grants and free technical assistance to small businesses in Lower Manhattan. LMI specifically targeted businesses unlikely to qualify for SBA loans because of poor credit history and/or economic performance as well as demonstrated resistance to governmental assistance (Graham, 2007).

Other Post-9/11 Business Recovery Programs

The major SBA and ESDC/LMDC assistance programs were supplemented by community development financial institutions and philanthropic agencies who attempted to make grants and low-interest loans to businesses that were unable to obtain aid from any other sources. The Ford Foundation, the New York Times Company Foundation and the September 11th Fund were just some of the foundations that provided additional aid.

Post “Disaster Period” Lower Manhattan

By 2005, many business owners originally interviewed by Leigh Graham in 2001 reported that they regretted their decisions to stay because of the extreme hardship, struggle, and debt they now face. Graham reported owners’ feelings of victimization, anger, and helplessness over having “too many hoops to jump through for aid”. Small business owners also expressed frustration over the fact that media attention had subsided and that the fight for small business aid had fizzled out. Small businesses are known for not being politically active and many Lower Manhattan small businesses still recovering from disaster are too time and resource constrained to rally themselves.

The end of the disaster period marked the end of the initial period of assistance for small businesses in Lower Manhattan. The aid programs described above that existed during the “disaster period” primarily focused on loss compensation and stabilization efforts. The assistance programs available after the disaster period focused on the Lower Manhattan revitalization effort. The Lower Manhattan Development Corporation’s Small Firm Assistance Program was one of these programs and is a major focus of my study. This grant program started in 2007 with the goal of providing financial assistance to small businesses at the street-level that were being

negatively impacted by construction in the area. The program provides grants to businesses affected by publically funded construction (businesses affected by private construction projects only are not eligible for aid) and will continue until December 31, 2015 or until all funds have been disbursed. A business must fall on an “Eligible Street” in order to be eligible for a grant. The LMDC defines an “Eligible Street” as:

“The one-block segment of any street within which all or a portion of such street or sidewalk has been closed or partially closed for at least fifteen days within any thirty consecutive day period due to a publicly-funded construction project. In recognition of the impact Eligible Street closures have on surrounding streets, the term “Eligible Street” shall be deemed to include (i) the additional one-block segments of the streets that form the border around the city block(s) fronting the Eligible Street on which the closure exists and (ii) an additional one-block segment of street adjacent to either of the Eligible Street on which the closure exists.”

The program was expanded twice; once in 2009 and again in 2010. The first expansion involved two major changes. Originally, only businesses located on a block with a street or sidewalk closure was eligible; the first major change in 2009 was to expand eligibility to businesses located within a 1 square block radius of a street or sidewalk closure. The second major alteration in 2009 increased the amount businesses could receive from \$2.50 per square foot to \$5.00 per square foot (LMDC, 2009). The second expansion involved four expansions. The first was an addition of \$1 million to the program, making the total funding \$6 million. The second extended the program to 2015 when it had originally been scheduled to end in 2010. The third change was an increase of total grant allowance from \$25,000 to \$35,000 for small businesses affected by public construction for more than 13 months, and the fourth change was an expansion of the program to include businesses on second floors and above rather than only street-level small businesses (LMDC, 2010).

Another one of these post-disaster period revitalization assistance programs is the Fulton-Nassau Crossroads program which is funded by the Lower Manhattan Development Corporation through CDBG funds. Roughly 80 buildings and over 150 storefronts are eligible. Services include free engineering, design and construction management services, and up to \$275,000 is available for the average building for construction assistance (NYC EDC, 2012). This program is funded by post-9/11 recovery money through CDBG funds and is geared towards revitalization rather than reconstruction and recovery.

Small businesses must be preserved and attracted to support the residential population, which has doubled in the past 10 years. According to the U.S. Census, the 2000 residential population in Community District 1 (Lower Manhattan) was 44,420 with an average household size of 1.85. A population study conducted by Community Board 1’s Planning Fellow Heather Anderson in 2011 sheds light on the recent population change within Community District 1. This study followed a methodology developed by 2008 Community Planning Fellow Basha Estroff which uses average household size multiplied by number of residential units to estimate current population. The 2011 study estimates Community District 1’s current population to be approximately 61,051. Most of this growth occurred in the Financial District (which accounted for 73.4% of population growth), with an increase of 19,539 residents. Battery Park City and Tribeca added just over 3,000 residents each, and less than 1% of total population growth occurred in Seaport/Civic Center. This study projects that CD1’s population by 2013 will be 63,561.

According to Downtown Alliance's 2011 'State of Lower Manhattan' report, more couples and households rather than singles and roommates make up the current residential population, and 40% of childless households reported that they plan to have children within the next three years. These people have chosen Lower Manhattan as the neighborhood they want to put roots down in and start families. Iconic urban planners, such as Jane Jacobs, have spoken to the importance of small business and neighborhood retail on community welfare. Conversations with community members have revealed the connection between Lower Manhattan's small business economy with neighborhood identity and community vibrancy. I hope to shed light on the current state of small and independent retailers in Community District 1 as well as make recommendations on how to preserve and attract these small firms.

1.4 LITERATURE REVIEW

How are businesses impacted by disaster?

Chapter 16 of the Handbook of Disaster Research outlines the affects of disaster on businesses. According to this handbook, though having been published in 2007, research on the affects of disaster on businesses has not been conducted until very recently. This is because past researchers have focused on community and regional economies rather than individual firms. However, researching individual firms and businesses sheds light on how larger economies behave after a disaster. According to the author of this chapter, "when businesses are affected by disasters, that disruption produces not only direct business losses, but also indirect losses and economic ripple effects" (Tierney, 2007). Lost tax revenues caused by the disruption of businesses after a disaster and the subsequent weakening of the local economy is an example of the ways in which individual firms affect larger economies.

Social Vulnerability

Vulnerability is defined as the potential for loss. Social vulnerability, then, refers to the "susceptibility of social groups or society at large to potential losses (structural and nonstructural) from hazard events and disasters" (Cutter, 1996). Some factors that affect social vulnerability are: proximity to the source of a threat, probability/frequency of threat, magnitude, duration, and spatial impact. The idea of social vulnerability, proposed by Susan Cutter in 1996, is essentially the notion that there are a number of different factors and circumstances that affect a person's level of vulnerability to disaster, and that the collective affect of disaster on individuals affects larger social patterns.

Business Vulnerability

Paralleling the theory of social vulnerability, business vulnerability pertains to the circumstances of businesses that affect the vulnerability of a business in the case of a disaster. Kathleen J. Tierney, based on the idea of social vulnerability, developed the idea of "business vulnerability". According to Tierney, the level of vulnerability experienced by businesses "stems from a variety of interrelated factors that include physical location, the conditions under which businesses operate, and business and community characteristics" (Tierney, 2007). One of these factors is place.

Vulnerability of place, as it pertains to businesses, is defined as the level of hazard associated with the place in which business is conducted. Many urban places and “megacities” around the globe and in The United States have high potentials for hazard and may be susceptible to both natural disasters and terrorist attacks. For example, hurricane Katrina caused the closure of tens of thousands of businesses, the shutdown of one of the country’s primary ports, and disruption to the petrochemical industry in Alabama, Mississippi, and Louisiana. Though many urban areas may have high potential for hazard, “business owners are typically more concerned about finding the best locations for generating business revenues than about the disaster vulnerability of those locations or of the buildings they occupy” (Tierney, 2007). In addition to potential hazard of location, many businesses, especially retail and service businesses are located within urban areas and are housed in buildings within older downtown commercial areas. Many of these structures do not meet recent building codes and have particularly high vulnerability to disaster. A 1997 study on the Northridge Earthquake in Los Angeles, California revealed that 24% of the businesses in the sample were located in buildings “most likely to collapse or sustain serious structural damage in an earthquake”, and that small businesses in the finance and service, real estate and insurance sectors were most likely to be housed in these types of buildings (Tierney & Dahlhamer, 1997).

According to Tierney, business decisions also affect disaster vulnerability. The market forces that drive them to locate in particular areas (access to raw materials, labor, business synergy through co-location, etc.) may also put them at most risk. Some firms have tried to reduce these risks by geographically spreading out facilities or re-enforcing structures to withstand possible risks. However, businesses that rent as opposed to own are particularly at risk because they have less control over precautions they can take to reduce damage to their facilities in the event of a disaster. And, if a disaster occurs, they are dependent on the landlords as far as damage repair. Other research has shown that leases typically do not adequately address “the circumstances in which both tenants and landlords may find themselves in the event of a disaster” (Alesch, Holly, Mittler, & Naggy, 2001).

How are small businesses impacted by disaster?

Small businesses do not experience disasters the same way that larger firms do. With less resources and capital, small firms have more to lose from disaster. A report titled “Organizations at Risk: What Happens When Small Business and Not-for-Profits Encounter Natural Disasters” published in 2001 relays these small firm experiences and how disasters “cause small organizations to fail or suffer agonizingly long recoveries” (Alesch, Holly, Mittler, & Naggy, 2001). Up until recently, the understanding of small business losses after a disaster was measured by insured losses reported by insurance firms. These reports fail to accurately portray the full losses experienced by small firms. The loss of small business affects more than just the local economy. According to the Small Business Administration Office of Advocacy, small businesses are the source of innovation and change within the economy. They are also point-of-entry into the workforce for many, and they “consistently provide more than one-half of the total employment in the United States” and are “responsible for creating an even greater percentage of new jobs” (Office of Economic Research of the Small Business Administration, 2001). It is also understood among urban planners and sociologists (such as Jane Jacobs) , that the health of the small business economy is closely linked to community identity, cohesiveness, culture.

Several main findings were presented by Alesch, Holly, Mittler, & Naggy regarding the affect of disaster on small businesses. The first is that “traditional precautions do not help businesses survive”. The authors explain that traditional disaster precautions aim to preserve life and property, but this does not help protect businesses. The next finding is that “most businesses do not fail immediately after the event”. Citing the Northridge study conducted by Tierney and Dahlhammer, they explain that “owners continued to struggle at recovery, until, one by one, they exhausted their resources, their energy, and their options and the business succumbed”. Only the weakest firms fail after a disaster, and other firms may fail after a longer period of struggle to recover. Small Business Administration loans, according to the authors, are not adequate. Similarly, Alesch, Holly, Mittler, & Naggy find that most losses do not occur during and right after the event. The initial physical damage or loss of life is often shadowed by longer-term “business interruption, lost income to employers and employees, and lost assets in the form of business equity”.

The next finding was that “most owners had few ideas about how they ought to try to recover”. Again, citing the Northridge study, they explain how small businesses went back to work right after the earthquake, adopting a “back-to-business” mentality common after a disaster. After a period of time, small firms discover that things have been permanently altered. Many of those who failed to recognize this ultimately failed. Those who recognized that conditions would never be like they were pre-disaster changed their business models, products, and processes and managed to survive. Others who also “figured it out” still failed because of “punishing lease provisions, by a shortage of capital, or by apprehension about change”.

The last main finding was that “there are strong indications that the variables that set apart those that survive from those that do not can be isolated”. There were four factors identified, based on the Northridge study, that strongly affected a firm’s ability to survive after disaster. These factors are as follows:

1. Other things being equal, businesses whose customers were not affected adversely by the earthquake had a much better chance of survival than those whose customers had significant losses
2. Businesses with more than one location were more likely to survive than those with a single location
3. Businesses that relied on customers’ discretionary income for their sales were more likely to fail than those who provided more essential goods and services
4. Businesses whose owners were able to adjust to changes in consumer demand were much more likely to survive than those whose owners simply pursued their pre-earthquake activities in the same way.

2. RESEARCH METHODS & DATA

2.1 INTRODUCTION & RESEARCH QUESTIONS

The purpose of this study is to collect data on the current state and struggles of small businesses in Lower Manhattan in order answer four main research questions:

1. What is the current state of the street-level small firm retail and service economy in Lower Manhattan?
2. Are the findings consistent with existing post-disaster recovery theories?
3. Is existing aid adequate?
4. What can be done to preserve and attract small businesses in Lower Manhattan?

Collection of data through secondary sources has helped to create a contextual profile of the current economic state of Lower Manhattan. This data includes information from the Lower Manhattan Development Corporation (who routinely collect and publish their own demographic and economic statistical data), as well as the U.S. Census, ReferenceUSA, and other select agencies. Preliminary research on land use and zoning as well as current construction projects was done using public data available through the New York City Department of City Planning and the Lower Manhattan Construction Command Center.

After preliminary research through secondary sources, primary data was conducted in the form of surveys and interviews with small business owners as well as individuals from the Lower Manhattan Development Corporation, Downtown Alliance, and the NYC Economic Development Corporation. The data gathered through primary and secondary sources was used to answer the research questions outline above.

2.2 DATA: ZONING & LAND USE

Preliminary research on existing zoning and land use as well as existing construction was conducted. The purpose of this preliminary research was to establish a physical context prior to entering the field for surveying and to set the stage for the formulation of recommendations involving zoning and land use and construction.

Land Use and Zoning

A majority of the study area is zoned as C5-5. According to the New York City Zoning Handbook, C5 is a central commercial district with continuous retail frontage intended for offices and retail establishments (New York City Department of City Planning). C5-5 allows for 15 commercial FAR and 10 residential FAR. Approximately three blocks of the study area, north of John Street and east of Nassau Street, have a C6-4 zoning designation. C6 districts allow a variety of high-bulk commercial uses. Some of these uses include corporate headquarters, large hotels, department stores and entertainment facilities in high-rise buildings. Like C5-5 districts,

C6-4 districts call for a commercial FAR of 10 and a residential FAR of 10. In both of these districts, floor area may be increased up to 20% in exchange for a public plaza.



Figure 1: Lower Manhattan Zoning Map (NYC DCP, 2012)

A majority of the buildings within the study area are a combination of commercial and office space, though there are several properties that are mixed residential and commercial as well as several multi-family residential buildings and three properties marked as public facilities and institutions. The study area is largely characterized by very tall, high density buildings with street-level commercial uses.

Lower Manhattan Special Purpose District

The entire study area also falls within the Lower Manhattan Special Purpose District. Effective August 1998, this district was established in order to “enhance the vitality of Lower Manhattan, home of the city’s oldest central business district and a growing residential community” (New York City Department of City Planning). The special purpose regulations allow commercial buildings to be converted into residential buildings and encourage a “dynamic mix of uses in the area while protecting its distinctive skyline and old street patterns” through height and setback regulations and limitations on the dimensions of tall buildings. Essentially, this district was developed in order to simplify the complicated regulations that previously existed, allow for growth in a way that facilitated a mixed-use community, and relax strict use controls that restricted establishments required for a 24-hour community (primarily retail and service establishments).

Map 1
Special Lower Manhattan District

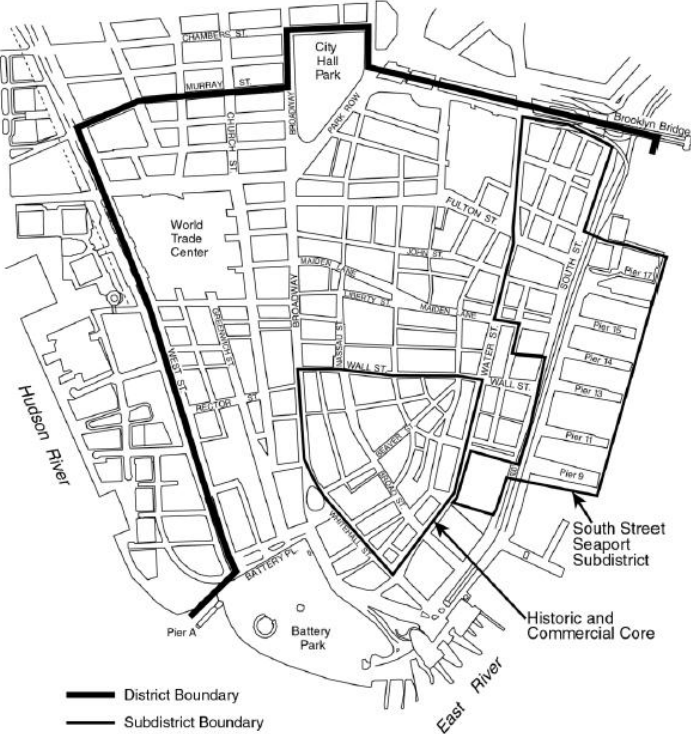


Figure 2: Lower Manhattan Special Purpose District (NYC DCP, 2011)

The special district regulations also aim to enhance pedestrian experience through unique regulations: new buildings or building expansions of a certain size are required to provide pedestrian circulation space; subway station improvements are required for new developments or expansions on lots with fronts containing a subway entrance; and through a series of regulations developed to maintain retail continuity. First of all, buildings with fronts of at least 50 feet of width on wide streets are required to contain specific retail use groups at the ground level. Furthermore, there are several streets within the Lower Manhattan Special Purpose District that have been designated as “retail streets”.

Map 4
Designated Retail Streets

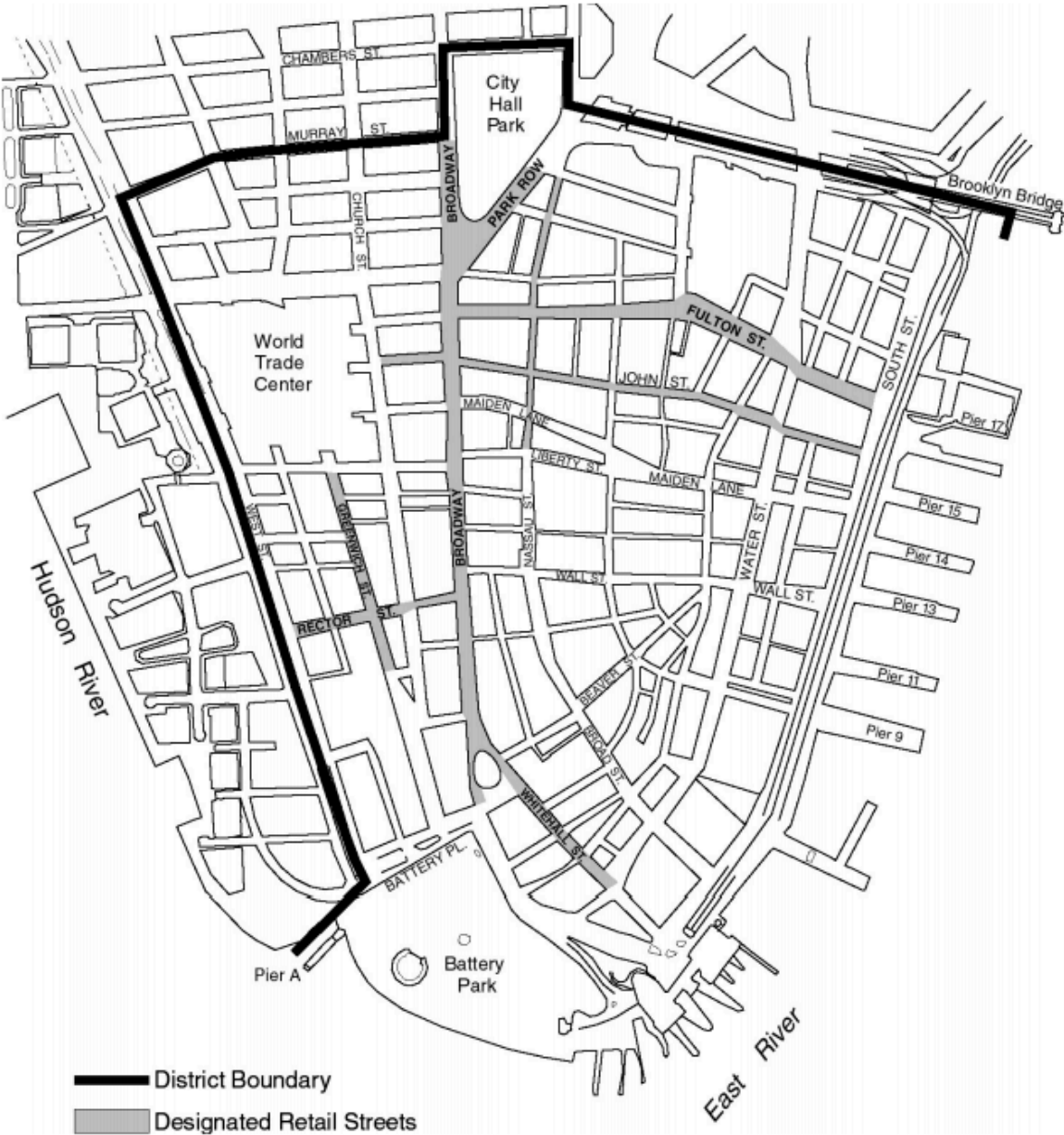


Figure 3: Lower Manhattan Special Purpose District: Retail Streets (NYC DCP, 2011)

The ground-level building fronts along these retail streets are also strictly regulated as far as type of retail uses are allowed. All of these regulations have been developed in order to ensure “retail vitality”, a community component necessary for a 24-hour, mixed-use community. The zoning text also calls for strict transparency guidelines along these retail streets, ensuring a connection between pedestrians and the street-level retail economy.

2.3 DATA: CONSTRUCTION

Construction is a continuous problem for residents of Community District 1. In September 2011, Community Board 1's World Trade Center Redevelopment Committee published a resolution regarding the continual impact of construction and its effect on small businesses within the district (World Trade Center Redevelopment Committee). The resolution begins with the following statement:

“Although ten years have passed since the terrorist attacks on September 11, 2001, according to the Lower Manhattan Construction Command Center (LMCCC), there will continue to be over 50 unfinished public and private construction projects in CD#1 with an aggregate cost over \$25 [million], and 84 that have been completed.”

At that time, there were 8 active World Trade Center Sites, 6 active street improvement projects, 4 active transportation projects, 9 specific parks projects currently in progress, 17 specific residential projects currently in progress, 7 specific hotel projects currently in progress, and 3 other active projects. After listing the current and completed construction projects and stating that “small businesses are the engine of job creation and employ many people”, the resolution calls for the Lower Manhattan Development Corporation to disperse small business grants in a timely manner in coordination with the Lower Manhattan Construction Command Center (LMCCC) and proposes that the money available to small businesses through the LMDC small firm assistance program be increased to reflect the impacts of current construction. The resolution is concluded with the following text:

“The LMCCC needs to be fully functioning and funded by their funding partners (PNNYNJ, FTA, MTA & NYSDOT) so that the adverse effects of construction can be minimized during the next several years of peak construction, which will require over 16,000 construction vehicles per month on streets where the underlying infrastructure is being done (only 49 of the 110 miles have been completed) in the fourth largest business district in the country and a booming residential population.”

This 2011 resolution is incredibly significant because of the fact that the Community Board recognizes the importance of its small business economy (specifically its function as an engine of job creation and employment), articulates the grave impacts construction has had on their community thus far, has the foresight to understand that the negative effects of construction are going to increase during the peak of activity and acknowledges the particular strain will put the district's small businesses.

A multitude of the construction projects are currently active within my study area. The map below shows the study area outlined in white. The red lines indicate street closures, orange lines indicate moderate street impacts, and green lines indicate minimal street impacts. Grey boxes outlined in blue are other currently active construction projects (Lower Manhattan Construction Command Center).



Figure 4: LMCCC Active Construction Map

There are 19 currently active construction projects in my study area that affect the streetscape in varying ways. The projects represented in the map are outlined in the following table:

NAME	LOCATION	START DATE	COMPLETION DATE	TYPE
Beekman Tower	Beekman	10/2/2006	9/19/2012	New Residential
113 Nassau	Nassau between Ann and Beekman	10/11/2011	4/30/2013	New residential with retail and commercial component
MTA Fulton Transit Center Building	Fulton between Dutch and William	1/4/2010	3/29/2013	Mass Transit
Fulton Street Transit Center				Mass Transit
Dey Street Structural Box and Headhouse				Mass Transit
180 Broadway	Broadway between John and Maiden	7/5/2011	12/31/2012	New Commercial (New Pace Dorms)
67 Liberty Street	67 Liberty	10/3/2011	5/31/2013	New Residential
Water Main Project				
Fulton Street Reconstruction Project Phase 2	Nassau between Spruce and Beekman	7/2/2011	6/30/2012	
Fulton Street Reconstruction Project Phase 3	Nassau between John and Fulton	1/1/2012	8/31/2012	Mass Transit
49 Ann Street	49 Ann	12/1/2011	11/30/2013	Conversion from Diner to New Hotel
MTA Fulton Street Transit Center Building	Fulton between Broadway and Nassau	2/2/2009	5/30/2014	Mass Transit
24 John Street	John between Nassau and Broadway	6/15/2010	10/1/2012	New Commercial (Hotel)
Fulton Street Transit Center: Corbin Building Restoration	Fulton	6/7/2010	12/31/2012	Mass Transit
MTA Fulton Street Transit Center: Dey St. Structural Box and Headhouse	Broadway between Fulton and Dey	9/15/2010	7/31/2012	Mass Transit
	Fulton between Broadway and Church			
WTC 4	Church between Cortlandt to Liberty	5/19/2008	8/30/2013	
WTC 3	Church between Dey and Cortlandt	5/19/2008	7/31/2015	
PATH Transit Hall	Church between Dey and Fulton	12/2/2009	11/10/2014	
WTC 2	Church between Vesey and Fulton	5/1/2009	11/28/2014	

Many of these active projects are slated for completion in the near future, but the majority of them have already been delayed and there is uncertainty regarding the current expected dates of completion. Many of the above projects are publicly funded (except for the residential, dormitory and hotel developments listed above), making the businesses within one block of the site in every direction eligible for the LMDC Small Firm Assistance Program. Even after two revisions expanding the scope of the program, Community Board 1 and small business owners have voiced grievances about the program, such as the fact small businesses affected by private construction projects are not eligible for aid. Another common complaint is that aid is stopped after the immediate completion of a construction project, but the need for aid exists even after a site is completed.

After having conducted sufficient background research regarding the zoning, land use and current construction projects within my study area, I began surveying the businesses within it.

2.4 RESEARCH METHODS: FIELD SURVEYING

Phase One:

The first stage of primary data collection involved a physical survey of the designated study area as well as preliminary surveys distributed to business owners within the study area.

Study Area:

My study area is based on the boundaries of the LMDC Small Firm Assistance Program. The program's eligible streets have only ever existed in list-form issued by the LMDC. After having obtained a list of the program's eligible streets from 2007 to present day from the program's website, I mapped both the past eligible streets (Appendix A) and the current eligible streets (Appendix B). Street eligibility is determined by current and ongoing construction projects and street closures that affect the businesses located there. The current eligible streets have been affected by the following projects:

- NYSE Security Zone
- MTA Fulton St. Transit Center
- DDC Watermain Project
- MTA Connector Tunnel
- FSTC
- Construction/Security Closures
- DDC Reconstruction

Physical Survey:

A physical survey of street-level retail was conducted. All street-level retail and service establishments were catalogued and vacancies documented and categorized by NAICS codes. After completing the physical survey, locations were crosschecked with the ReferenceUSA database in order to get supplemental information such as sales volume, square footage, cost of rent and number of employees. This allowed me to gain perspective on the study area in a spatial, physical sense, understanding which establishments are where and see the presence of construction projects for myself.

The following categories and NAICS codes were used to categorize the retail and service firms in my study area:

- Motor Vehicle and Parts Dealers- 441
- Furniture and Home Furnishings Stores- 442
- Electronics and Appliance Stores- 443
- Building Material, Garden Equip Stores- 444
- Food and Beverage Stores- 445

- Health and Personal Care Stores- 446
- Gasoline Stations- 447
- Clothing and Clothing Accessories Store- 448
- Sporting Goods, Hobby, Book, Music Stores- 451
- General Merchandise Stores- 452
- Miscellaneous Store Retailers- 453
- Non-Store Retailers- 454
- Foodservice and Drinking Places- 722
- General merchandise, Apparel, Furniture and Other (GAFO)- 452
 - Represents sales at stores that sell merchandise normally sold in department stores

Phase Two:

Interviews:

In conjunction with the physical survey, preliminary surveys were used to interview all of the businesses within the study area (Appendix D). After completing this first phase of primary data collection, longer interviews with members of LMDC, EDC, and Downtown Alliance (Appendix E) as well as with small business owners (Appendix F) were conducted. Similar interviews with relevant Community Board 1 committee members were also conducted in order to represent the community perspective (Appendix G). These interviews helped to supplement the preliminary physical and business owner surveys in order to create a balanced picture of the current state of small business in Lower Manhattan from several different perspectives.

These longer interviews were with the following individuals:

Interview Contacts		
Name	Organization	Position
John DeLibero	LMDC	Project Manager - Communications
Nicole LaRusso	Downtown Alliance	Vice President
Ro Sheffe	Community Board 1	Community Leader/Activist

Upon completing data collection, all of the data was synthesized. Using information gathered from small business owners, policymakers at LMDC, EDC, Downtown Alliance and community board members, recommendations were developed in order to address the prominent issues identified during research.

3. RESEARCH FINDINGS

This section outlines what was discovered during my investigation. After preliminary background research and development of research method, prior to field surveying, I conducted an intensive investigation of my study area’s physical environment. I researched the New York City Department of City Planning’s zoning text and maps in order to gain a comprehensive understanding of the existing land use and zoning regulations, which are crucial in understanding the built environment and in the contemplation of potential zoning recommendations.

Next, I conducted research on the current state of construction in Community District 1 and my study area specifically. Using documents produced by Community Board 1 as well as information provided by the Lower Manhattan Construction Command Center, I compiled a profile of the current construction projects within my study area. Since the business owner survey contains questions about how local street level businesses have been affected by the local construction, a strong base knowledge of the area’s construction is a necessary prerequisite to understanding how it affects the local street-level economy. The following section, “Study Area Zoning & Land Use”, provides the background and context

3.1 SURVEY FINDINGS: PHYSICAL SURVEY

171 street-level businesses were visited during fieldwork for surveying. 3-digit NAICS codes were assigned to each business for classification. The following chart shows the breakdown of establishment types according to NAICS code:

NAICS Code	Code Description	Number of Establishment Type
311	Food Manufacturing	3
443	Electronic & Appliance	1
445	Food & Bev. Store	10
446	Health & Personal Care	10
448	Clothing & Accessories	36
451	Sporting Goods	4
452	General Merchandise	4
453	Misc. Retail	8
517	Telecommunications	6
541	Professional Technical Services	2
722	Foodservice and Drinking Places	63
811	Repair & Maintenance	4
812	Personal Services	15

The majority of establishments fell within the food services category. There were also a considerable amount of clothing stores, food and beverage establishments, health and personal care stores, and personal services establishments (such as beauty and nail salons).

The following table shows the breakdown of how many private and chain establishments were surveyed on each street within the study area:

Street Name	Private	Chain
Ann Street	5	0
Broadway	6	16
Cedar Street	0	1
Church Street	0	1
Cortlandt Street	4	3
Dey Street	1	0
Fulton Street	16	9
John Street	21	1
Liberty Place	1	0
Liberty Street	2	3
Maiden Lane	13	4
Nassau Street	41	3
Park Row	2	1
Pine Street	0	1
Wall Street	2	3
William Street	8	3

3.2 SURVEY FINDINGS: BUSINESS OWNERS

Out of the 171 establishments visited, 68 (39%) responded to the survey. Of the 68 respondents, only 10 (15%) were chain (publicly owned) stores. Most chain stores visited declined being interviewed, explaining that they are not authorized to give out any information and suggested that I contact their corporate headquarters to gather information on their particular store.

A majority of the respondents were unaware of the Lower Manhattan Development Corporation's Small Firm Assistance Program or were not sure if their establishment had participated or not. 13% of respondents said they did not know or were not sure if they were participating in the program. 5% of respondents said they know about the program but are not participating. 12% of businesses reported that they do not know about the program and are not participating. 9% said they knew about the program and were participating.

Construction

29% of respondents reported to have been negatively affected by the construction around their business. The streets that have been most affected by construction within my study area are Nassau Street, Fulton Street and John Street. When I asked the owner of a jewelry store on Nassau Street about how her business has been affected by construction she responded, "Look at this. It's right before Valentine's Day and no one is in my store. I am sitting here watching T.V. It has been very bad". She explained that there has been a big reduction in foot traffic, and that

the construction projects have been lasting much longer than originally anticipated. Furthermore, she added that she had applied for an LMDC grant and never received one. She also explained her difficulties in following up on the grant. The first time she followed up on her application, the LMDC told her that they had not received her application. She re-submitted her application but still has not received any money.

Energy Kitchen is a health food casual restaurant and take-out establishment on a part of Nassau Street that is completely blocked off due to construction. The owner explained that though their business has been down 10-15% since the beginning of construction, they are not affected as much as other businesses because of the fact that much of their business comes from deliveries.

Zaitzeff is another food establishment that sits on the corner of Nassau Street and John Street. “The construction is a nightmare” the owner said, “nobody wants to walk around because of the construction and, our business depends on foot traffic so it’s a big problem”. However, he noted that since they are on a corner, they are doing better than businesses located in the middle of blocks where the streets are closed. “Rubeun Empanadas in the middle of this block is really struggling”, he said.

Caruso’s Pizza and Pasta is located on Fulton Street in close proximity to the Fulton Transit Center construction. “It’s killing us” a manager told me during a survey, “we have had one year without construction, then 5 years with. It was supposed to be 2, it’s been 5, and they say it’ll be another year and a half”. Frustration with the construction delays was a common theme during the surveying. The owner of Omega Jewelers on Nassau Street told me, “our sales are down 70%. The street was closed for 13 months and you couldn’t see the business. First it was supposed to be four months; it turned into 13”.

Businesses who have been in the area long before the construction projects began seem to be particularly upset by the disruption of business. The Silk Shop is located on Nassau Street and has been there for 31 years. “It has been very bad” the owner said, “sales are down about 30% and the street traffic is down about 50%”. Lilly’s Boutique also located on Nassau Street reported the most severe loss of business with a 95% decline in sales.

Occupy Wall Street

Many businesses within my study area were not close enough to Zuccotti Park to be directly affected by the protests. 33% of respondents said they had not been affected by the protests at all. 4% of businesses responded that they had been negatively affected by the occupation of Zuccotti Park. All of those businesses fell within close proximity to the park. Though only a handful of businesses reported to have been negatively impacted by the protests, those businesses reported that the event had dramatic negative impacts on their establishments.

Trinity Place is located directly across from Zuccotti Park on Cedar Street. “It nearly killed us” the owner explained, “most of our customers are businessmen and they didn’t want to come around during the protests”. She reported that it caused their business to decline 40% and that it had “completely ruined” two other businesses. “If they come back we (the businesses in the area) need to band together and figure out what to do about it”. She concluded by saying that she sympathizes with their cause, but that it was very bad for business.

Pannini & Company is also across from the park on Cedar Street. The owner explained that people did not want to have to go through the crowd or deal with the protestors in order to go to their business so they would just go somewhere else. They did not only suffer a loss of

business. They suffered physical damage to their property as a result of the protestors. Their sink had been torn out of the wall and cracked open which pulled the plumbing out of the wall and caused a flood. Eventually, a \$200 lock had to be put on the bathroom to deter the protestors from using their bathroom.

The protestors weren't the only nuisance that came with the Occupy Wall Street takeover of Zuccotti Park. Downtown Cellar is a small liquor and wine shop located on Liberty Street a block away from Zuccotti Park. According to the owner, the police presence was a much bigger problem than the protestors. "We only had one minor incident with a protestor, but the police presence was the problem" he said, describing that the police van stationed outside of their shop caused visual obstruction of their establishment. Furthermore, the police gathered and stood under the scaffolding on their building when it rained. "No one wanted to come into our store and buy alcohol with all of the policemen standing outside and blocking the way", the owner said.

3.3 INTERVIEW FINDINGS

Ro Sheffe: Community Board 1

Prior to conducting fieldwork within my study area, I met with Edward Sheffe, a member of Community Board 1 who is well versed in the matters of small businesses within the district. Sheffe is chairman of Community Board 1's Financial District Committee and is also involved in the Board's Small Business Task Force. He is also owner of a firm specializing in business and marketing communications. We met in December to discuss the preliminary stages of my study. The purpose of this interview was to gain an understanding of the state of Lower Manhattan's street-level retail from the perspective of the community, and the information he provided helped me decide which streets to include in my study area and which questions I should ask during my fieldwork. Sheffe has been living in the Financial District since 1993 and has a comprehensive understanding of how the street-level retail has evolved over time in the district. He occasionally informally canvasses the area, speaking to business owners about how they are doing. Most recently, Sheffe hit the streets to find out how the Occupy Wall Street protests have affected businesses in the area. Our discussions helped me to understand what the small-business street-level economy within my study area was like prior to 9/11, how the attacks impacted those businesses, and how they are currently doing.

During discussion of my study area, Sheffe approved the boundaries, which at the time were bound by Ann Street to the North, Wall Street to the South, William to the East and Church to the West, and suggested extending Nassau Street two blocks North to Spruce Street because of the high degree of construction activity in that area. Sheffe explained that out of Community Board 1's four neighborhoods (Financial District, Seaport/Civic Center, Battery Park City and Tribeca), the Financial District contained the most small businesses at the street-level, and that the businesses in that area were currently suffering the most.

Sheffe described what the small business street-level economy was like prior to 9/11, noting that my study area contained a vibrant retail core that thrived in the climate prior to 9/11. That economy, however, was devastated by the terrorist attacks of 9/11. According to Sheffe, chain link fences were erected immediately following 9/11 as part of the clean-up. Many small businesses around the World Trade Center sat behind those chain link fences and suffered severe disruption and reduction of foot traffic; most of them went out of businesses.

Sheffe believes the street-level small business economy continues to suffer, and that many business owners have been using their personal finances to stay afloat, often foregoing tax payments in exchange for being able to pay their rents, their employees, and for their inventory. This predicament reminded me of the small business post-disaster recovery literature I had read which outlined how small businesses often suffer the most years after a disaster when aid and attention no longer exists. Sheffe agreed that this phenomenon was taking place in Lower Manhattan, referring to it as “late onset financial distress”. He explained that many small businesses in the district have tax debt and/or violations and are afraid of inspections, warning that this makes many business owners skeptical of strangers asking questions about their establishments. This would become an obstacle during my fieldwork and surveying.

In Sheffe’s opinion, there have been three big issues that have had a significant negative impact on small businesses in Community District 1 since 9/11. The first factor is the street closures and construction projects that came following 9/11 as a result of the financial aid that flooded into Lower Manhattan for recovery after the attacks. Many of these projects are still in progress in Community District 1, and delayed or stalled construction projects have become somewhat of a permanent fixture in the area. Sheffe explained the affects these projects and street closures have had on businesses because of the visual obstruction and reduction of foot traffic.

The decade progressed and business owners continued the process of getting back on their feet while dealing with the overwhelming effects of street closures and construction projects. Unfortunately, in 2008 the financial crisis struck and the resulting recession is the second issue impacting Lower Manhattan’s small businesses as noted by Sheffe. Small businesses that were already struggling are now experiencing the added pressure and obstacles that come along with existing in a recession when banks are weary of giving out loans and there is limited money for assistance programs.

The third obstacle facing small business owners today, according to Sheffe, is Occupy Wall Street. Though Zuccotti Park was evicted of the protesters in the months following our original interview, Sheffe explained how the protests were having an overwhelming damaging impact on the businesses around the park. During his informal canvassing of the area during the time that Zuccotti Park was occupied by the protestors, Sheffe learned that many businesses had suffered a decline in sales, disruption of business, physical damage to their establishments and even harassment from the occupiers. A common complaint was that protestors were using public bathroom facilities in small business establishments, and in the process leaving graffiti behind, running up utilities bills, creating large costly messes and even occasionally tearing sinks off of walls from attempting to bathe in them. Sheffe reported that many small business owners were frustrated about the uncompensated damage being done by occupiers and many were also fearful of the consequences that might come from the disruption of business and decline in revenue.

Sheffe noted other obstacles facing small businesses in Lower Manhattan, one of which being that small businesses are on their own, so to speak. Though on paper, there are a handful of potential resources available to help them, they are ineffective or underutilized. Small Business Services, run by the Economic Development Corporation exists to counsel and assist small businesses in New York City, but Sheffe argued that they are not proactive enough and they do not reach many small businesses in Lower Manhattan. The Lower Manhattan business improvement district, Downtown Alliance, caters mostly to large businesses rather than small.

Many suggestions for improvement came from my initial meeting with Sheffe. He explained that Lower Manhattan’s small businesses need not only financial assistance but

counseling regarding debt and taxes, general business and management counseling, and navigating existing programs such as the LMDC's Small Firm Assistance Program. We discussed the fact that the LMDC still has unspent funds, and the possibility of these funds going to the aid of small businesses. Not necessarily for an extension of the Small Firm Assistance Program which has already been extended once, but perhaps for the creation of a small business Chamber of Commerce. In discussion of the Downtown Alliance, Sheffe spoke about the fact that small businesses do not have any such organizations of their own, and that they would benefit from forum in which to band together, discuss their problems and advocate for aid. However, since many small businesses would not have the funds to do so, Sheffe raised the possibility of the LMDC funding a small business Chamber of Commerce.

Finally, Sheffe verbally listed a series of possible solutions to the current situation including tax breaks, relaxing regulations, sales tax amnesty, and rent subsidies. He also mentioned zoning as a possible solution, noting that the financial district is already a special purpose district and it would be "easy" to amend the zoning text.

John DeLibero: Lower Manhattan Development Corporation

I met with John DeLibero of the Lower Manhattan Development Corporation after I had completed my fieldwork. DeLibero works as a spokesperson for the LMDC, and we met to discuss the agency's perspective on the Small Firm Assistance Program. I described what I discovered in the field talking to small business owners and managers, that many of them felt frustration towards the program and towards the LMDC. DeLibero's response was that small businesses are known to keep poor financial records and can have questionable business practices. Because of this, he said, small businesses are hesitant to get involved in the program as they do not want anyone to investigate their finances for fear of getting penalized, and that this translates into a misdirected frustration towards the LMDC. Furthermore, he explained that because the program uses federally granted money, its guidelines are very strict. That is, businesses must have "squeaky clean" financial records in order to be eligible to receive the grant money.

"I think that this is a really great program" he said, "it's not perfect, of course, but I think it's really good." In 2009, the Lower Manhattan Development Corporation expanded the Small Firm Assistance Program in two major ways: expanding eligibility to businesses within one block of the street closure or construction project (rather than only those businesses on the block itself), and the amount each business could receive per square foot increased from \$2.50 to \$5.00. The program was expanded again in 2010, adding \$1 million to the program, extending the program 5 years to 2015, increasing grant allowance from \$25,000 to \$35,000 for businesses on streets affected by construction for at least 13 months, and including businesses on second floors and above rather than only street level establishments. DeLibero stated that he did not think the program would be expanded again. "I believe in the notion of shared sacrifice. That means to solve a problem, everybody needs to give something up. We're giving out all of this aid, what are the businesses giving up?"

In regards to the future of Lower Manhattan's small business economy after the completion of the World Trade Center complex and after the completion of major construction projects, DeLibero believes that more and more chain stores will move into the area, continuing to push out smaller, independent business owners. I mentioned that I had read predictions that Lower Manhattan would begin to look more and more like mid-town Manhattan after to

completion of the World Trade Center complex. “Oh, absolutely” he said, “it’s going to be like ‘Midtown lite’”.

Many young couples and families have moved into Lower Manhattan, and survey results of a study conducted by the Downtown Alliance have shown that many of them plan on settling down in the area (Downtown Alliance). It has been long-established how important small businesses economies are to community identity and vitality. DeLibero responded by saying, “If you’re a young couple with a baby, are you going to go shopping in the small mom-and-pops, or are you going to go to Cracker Barrel in one of the new World Trade Center buildings where it’s easy to get your stroller in and out?”

Dana Martens: New York City Business Solutions

New York City Business Solutions offers a series of free services offered by the Department of Small Business Services designed to help small business start, operate and expand in New York City (New York City Business Solutions). Small businesses are defined by New York City Business Solutions as an establishment employing 125 people or less. I met with Dana Martens of the Lower Manhattan office to find out what her experience has been working with the street level retailers and service firms in Community District 1.

While NYC Business Solutions offers a wide range of services including business courses, legal assistance, financing assistance, incentives, navigating government, recruitment, training, selling to government and certification, these services reach a limited amount of businesses. Martens explained, “At the end of the day, we don’t have a marketing budget so the way people hear about us is through cold calling, referrals from other agencies, people hearing about a class or through a friend that did it, or canvassing, going into places that look like they’re opening up and offering help.” Most of the businesses utilizing the services of New York City Business Solutions reach out to the agency for assistance, rather than through marketing and outreach by New York City Small Business Services who runs the program. Furthermore, in Lower Manhattan, the New York City Business Solutions program primarily helps start-up businesses rather than assisting existing businesses.

According to Martens, mom-and-pop type establishments are not opening in Lower Manhattan; the establishments that have opened recently are franchises or chain stores such as Pret-a-Manger and Red Mango. “A lot of the businesses around here that open up now aren’t mom-and-pops, they’re mostly chains. There are a few exceptions. On Nassau there are a few places like Kortako, Energy Kitchen and Baquette. Sometimes we catch them and sometimes we don’t”. Again, their limitations in terms marketing and outreach limits their scope. Canvassing skews their reach to stores that are preparing to open rather than stores that are already operating, where a need for help may not be visible.

The occupation of Zuccotti Park by the Occupy Wall Street protestors between September and November of 2011 had a negative impact on the businesses served by New York City Business Solutions. Martens described their agency’s relationship with client Milk Street Café, a 23,000 square foot Kosher market and eatery. “It was the biggest fail ever,” said Martens. Milk Street Café was originally founded in 1981 in Boston. They opened a New York City store in June 2011 at 40 Wall Street. “We helped them do everything. We helped them find the place, get located, get everybody hired,” Martens said. When the Occupy Wall Street protests began in September 2011, police barricades were erected directly in front of their establishment causing

foot traffic to plummet to 10% and eventually putting them out of business. In October, 21 employees were let go and hours of operation were reduced. The Milk Street Café closed its doors in Mid-December, resulting in the layoffs of 70 additional employees. By the time the store closed in December the barricades had been up for 12 weeks, even after protesters were evicted from Zuccotti Park. When a Daily News reporter asked the owner, Marc Epstein, if he would ever open a restaurant in New York again, Epstein responded, “Never” (New York Daily News).

3.4 FINDINGS SUMMARY

Of the 171 street-level businesses surveyed within my study area, 29% were chain stores and 71% were privately owned; the majority of both chain stores and private stores had 20 or less employees, making them small businesses by the definition used in this study. Most businesses within the study area were in the food services or clothing and accessories categories. 39% of the 171 businesses visited responded to the survey. 15% of respondents were chain stores and 85% were private stores. A small percentage of respondents (9%) reported that they had heard of and were participating in the LMDC small firm assistance program, but 29% of respondents reported being negatively impacted by construction.

Several main points can be drawn from the physical component of the surveying conducted. First of all, the information gathered from the LMCCC shows that currently, Broadway is only moderately affected by construction whereas John Street, Fulton Street, Maiden Lane and Nassau Streets are severely impacted. Interestingly, my surveying yielded the findings that most chain stores in the area are concentrated along Broadway, the larger Avenue, and most privately owned small businesses are on Fulton Street, John Street, Maiden Lane and Nassau street. Therefore, most chain stores in my study area fall on Broadway which is moderately affected by construction and the private businesses are on streets such as John Street and Nassau Street which have been most severely affected. This is very problematic considering the fact that preliminary academic research has shown that small, privately owned businesses suffer most from the effects of construction because of the fact that they generally have less access to capital and resources.

This fact was illustrated by the comments collected by business owners and managers who reported business declines as much as 95%. Respondents expressed frustration with construction and delays. These sentiments were expressed by Community Board 1 in their 2011 World Trade Center Redevelopment Committee resolution regarding the district’s ongoing construction projects and their negative affects on small businesses, also echoed by Community Board member Ro Sheffe during our interview.

The issue of the negative impacts of construction was one of the most prominent topics amongst all of the research conducted. According to the Lower Manhattan Construction Command Center (LMCCC), there are currently 19 active construction projects resulting in two block-long street closures, nine block-long street segments suffering moderate impact, and five street segments experiencing minimal impact. All of these construction projects are occurring in the northern half of my study area (north of Maiden Lane). The businesses that fall within the southern half of my study area, while not experiencing as much trouble due to construction, have experienced more problems because of Occupy Wall Street.

Unlike the issue of construction which has been affecting businesses in Lower Manhattan since 9/11, Occupy Wall Street is a recent problem whose effects on businesses are unpredictable but nonetheless severe. Though only 4% of businesses reported that they had been negatively impacted by Occupy Wall Street, those businesses reported severe negative impacts such as property damage and significant reductions in revenue during the occupation of Zuccotti Park. Protestors were not the only source of grievances reported by businesses affected by Occupy Wall Street; police presence and barricades also resulted in negative consequences for businesses.

4. RECOMMENDATIONS

Possible recommendations were developed based on information gathered from the interview with Ro Sheffe from Community Board 1. Sheffe had outlined several possible solutions for preserving and attracting small businesses in Lower Manhattan, and as existing aid programs come to a close, it is likely that small business advocates such as Sheffe at the Community Board will act on the possible solutions they already have in mind. Because of this, I used the information gathered throughout the course of my study to assess the feasibility of existing possible solutions so that the Community Board and small business advocates can focus on a strategy that is most likely to be effective.

4.1 ZONING & LAND USE

One of the strategies Sheffe and I discussed during our interview focuses on zoning and land use solutions. As previously mentioned, Lower Manhattan is a Special Purpose District. This factor makes a zoning and land use solution particularly attractive because of the fact that changes in the zoning used to protect small businesses would require only a zoning text change to the Special Purpose District which would be relatively easy since the change would not need to go through the New York City Uniform Land Use Review Process (ULURP). Though this is an attractive option, it is important to consider the ramifications and implications of such a strategy. Currently, there is an Upper West Side (UWS) zoning proposal going through the ULURP process. Since the UWS zoning proposal is a current case that contains changes aimed at preserving street-level small businesses in Community Board 7, I used it as a case study, comparing it to the situation in Lower Manhattan and using it to determine whether or not it is an option that should be pursued in Lower Manhattan.

The current Upper West Side Zoning Proposal contains map amendments establishing “Special Upper West Side Enhanced Commercial Districts” restricting storefront sizes to control the influx of banks on the street-level and the warehousing of space in order to promote a variety of small stores (NYC DCP, 2012). At this point in the ULURP process, the zoning change has been approved unanimously by Community Board 7 and the Borough President but has yet to be approved by the Department of City Planning and the City Council. The proposal has been generally supported by the public and elected officials, but strong opponents include the Real Estate Board of New York as well as the Columbus Avenue Business Improvement District.

On April 12 2012, the New York City Planning Commission held a four-hour long public hearing for the proposal. Gale Brewer, City Council member and Upper West Side representative who has been a leading supporter of the proposal stated, “This proposed zoning is both simple and flexible”, arguing her belief that the change “will ensure the look and feel of the Upper West Side for the future” (Lee, 2012). However, Michael Slattery of the Real Estate Board of New York had opposing views and said, “There’s really no need for this proposal” since streetscapes “transform in response to the market” (Lee, 2012). Another stakeholder avidly against the proposed change is the Columbus Avenue Business Improvement District. Representatives of the organization submitted a letter of testimony against the rezoning to the commissioners containing the following statements: “Quite

simply, these new restrictions will harm our business because they will seriously impair our abilities to negotiate with landlords and inhibit our attempts to expand and grow,” as well as “by putting this rezoning in place, you will hurt the small businesses that this regulation is intended to protect, and in the case of Columbus Avenue, it is already protected by the fact that it is entirely within the Historic District and subject to those rules” (Lee, 2012).

Given these responses to the Upper West Side zoning proposal, I believe that a zoning and land use solution in response to the struggling small businesses in Lower Manhattan would be unwise at this time. Lower Manhattan is one of the densest areas in New York City, and the average retail rents are on an upward trend. According to the Downtown Alliance’s 2011 State of Lower Manhattan report, retail rents increased 171% between 2004 and 2007 after a post-9/11 decline. They dropped 17% between 2007 and 2008 due to economic conditions. Today, the retail rent averages at \$184 per square foot along the Broadway corridor, which is a 36% increase from the previous year and 23% increase from the fall of 2010. Furthermore, the Downtown Alliance reports that Lower Manhattan’s annual buying power weighs in at \$4.6 billion, an outstandingly high figure. With retail rents that are already high and on the rise in a highly competitive area, it is likely that a proposed zoning change would garner heavy opposition from the Real Estate Board of New York, the Downtown Alliance, and other entities who might contest a zoning change that would restrict the growth of the market in the name of the preservation of small businesses.

4.2 ALTERNATIVES TO FINANCIAL ASSISTANCE

During my interview with Sheffe, he argued the importance of comprehensive aid to Lower Manhattan’s small businesses rather than assistance that is solely financial. Given the current economic climate that has resulting in cutbacks and slashed budgets as well as the fact that ten years of financial assistance programs has not been sufficient to save Lower Manhattan’s small businesses, alternative programs that focus on comprehensive business counseling for small businesses should be pursued rather than additional financial aid programs. This comprehensive counseling should focus on the areas that small businesses struggle with such as the navigation of existing programs, debt and tax counseling, technical assistance and adjustment to a changing economic and demographic climate.

As mentioned earlier in this report, New York City Business Solutions already has an office in Lower Manhattan and does work assisting small businesses in the area. Though they offer services to existing businesses, a majority of their assistance goes to start-up companies. This is because they have minimal funding for outreach so their assistance goes primarily to firms visibly in need of aid. New York City Business Solutions should redevelop their program to involve more outreach and counseling. It is a long-established fact that small businesses are resistant to such outreach and technical assistance. NYC Business Solutions should work on outreach and establishing a trusting relationship with the small firm economy so owners and managers can feel comfortable with services tax and debt counseling and technical assistance. Because many small businesses struggle with debt and

taxes, it should be emphasized that small businesses will not be reported for tax or debt delinquency.

Another possibility is to begin a merchants association for small businesses using funding from the Avenue NYC program which provides funding for non-profit economic development organizations. Such organizations can be local development corporations, merchants associations and business improvement districts. Since the Downtown Alliance, the organization managing Lower Manhattan's business improvement district caters to larger high-revenue clients, a new merchants association for small businesses can serve as a forum for small business owners to share information and resources and be a conduit for advocacy. Larger businesses in the area such as Century 21 who have strong community relations departments and a good relationship with the community and Community Board 1 can act as powerful anchor tenants who can bring legitimacy to such a merchants association.

4.3 PRESERVING THE LOWER MANHATTAN CONSTRUCTION COMMAND CENTER

The Lower Manhattan Construction Command Center (LMCCC) was formed in 2004 to coordinate public and private construction projects downtown. Some of the agencies tasks include: mitigating the negative affects of construction, keeping the public informed, managing complaints, streamlining design and construction schedules, coordinating construction logistics, and ensuring construction projects follow all Department of Environmental Protection regulations (Lower Manhattan Construction Command Center, 2012). The work done by the LMCCC is crucial in mitigating the negative effects of construction affecting not only small businesses, but also residents, employees, tourists and visitors in Lower Manhattan.

The funding for the Lower Manhattan Construction Command Center is currently facing consolidation, layoffs and budget reductions during Downtown's peak construction period between now and the first quarter of 2013 (Reynolds, 2012). The downsizing of the LMCCC has brought on strong opposition from residents, Community Board 1, and local elected officials who voiced concerns at a press conference held on April 9, 2012. City Council member Margaret Chin announced that the layoffs are unacceptable, arguing that the LMCCC is not only crucial in mitigating noise and other construction-related nuisances, but that it has also saved the City hundreds of millions of dollars by managing and expediting construction (Reynolds, 2012). In response to the continuous budgetary cuts, Julie Menin of Community Board 1 stated, "It seems that every year we go through this song and dance about whether or not it's going to be funded. We really should not have to do that," adding, "if it's not funded, then residents and businesses will be left to their own devices, having to literally call those agencies to try to get answers and lodge complaints" (Reynolds, 2012). Assembly Speaker Sheldon Silver who was also present at the press conference added, "It is essential that as the rebuilding continues, quality of life concerns are addressed in a coordinated, comprehensive manner and that members of our community continue to have a meaningful voice in the process" (Reynolds, 2012).

With such an outspoken objection to the downsizing of the LMCCC, it is clear that the agencies work is incredibly effective and crucial in the mitigation of the multitude of construction projects in Lower Manhattan, especially considering the fact that the peal of

construction is now until 2013. The community and small business advocates should continue fighting for the adequate funding for the LMCCC. The results of my surveying show that negative externalities stemming from Lower Manhattan construction projects are one of the biggest obstacles facing small businesses. If this is true even while the LMCCC is functioning, continuing to downsize the agency which would inevitably reduce its effectiveness would have severe impacts on small businesses in Lower Manhattan as well as the community in general.

5. CONCLUSION

The conclusion of this study will revisit the four research questions posed at the beginning of this report. Those four questions were:

1. What is the current state of the street-level small firm retail and service economy in Lower Manhattan?
2. Are the findings consistent with existing post-disaster recovery theories?
3. Is existing aid adequate?
4. What can be done to preserve and attract small businesses in Lower Manhattan?

I will answer the questions individually based on information gathered throughout the course of this study.

What is the current state of the street-level small firm retail and service economy in Lower Manhattan?

My research has shown small street-level businesses in Lower Manhattan continue to struggle ten years after the initial attacks of 9/11. According to the findings from my survey, construction is the biggest issue for small street-level businesses in my study area; many owners and managers expressed frustration regarding construction and construction delays, noting severe reductions in revenue and foot traffic. Because they have less access to capital and resources than larger firms drawing more revenue, they have also been impacted more by situational circumstances such as the recession and Occupy Wall Street. These sentiments have also been echoed by Community Board 1 and small business advocates. Other than construction, ever-increasing rents and high taxes were the biggest complaints reported by small business owners and managers.

Are the findings consistent with existing post-disaster recovery theories?

A literature review of post-disaster research yielded reports indicating that small businesses continue to suffer on a long-term basis after a disaster. They remain stable for the short period of time after a disaster when aid and media attention is abundant, but experience significant hardship after a longer period of time when aid and media attention has diminished. I found this to be consistent with my study's findings. I was unable to find recent specific information on Lower Manhattan's small business economy. The most recent report was an article titled "Permanently Failing Organizations" by Leigh Graham. Graham reported that during the "disaster period" when there was an abundance of aid from the Lower Manhattan Development Corporation/Empire State Development Corporation, the U.S. Small Business Administration and philanthropic organizations, business owners were optimistic and steadfast in their commitment to remaining in Lower Manhattan and had a strong urge to stay put and rebuild. However, when she revisited the same businesses in 2005, she found that a majority of the businesses were struggling and had regretted their decisions to stay put, often expressing

feeling trapped because of the debt left over from post-disaster loans. My research fills in the gap between 2005 and 2011, and my findings are consistent with post-disaster recovery research theories reporting that small businesses suffer the most in the long-term after a disaster.

Is existing aid adequate?

No, existing aid is not adequate. The Lower Manhattan Development Corporation continues to disseminate grants for small businesses affected by disaster; the New York City Economic Development Corporation runs the Fulton Nassau Crossroads program aimed at revitalizing the small-business street-level economy and New York City Business Solutions offers many services to start-up and existing businesses, but these programs are not enough to preserve and attract small businesses to Lower Manhattan. Surveys with small businesses and interviews with Community Board members have pointed to the fact that additional aid is necessary and the existing programs are not sufficient.

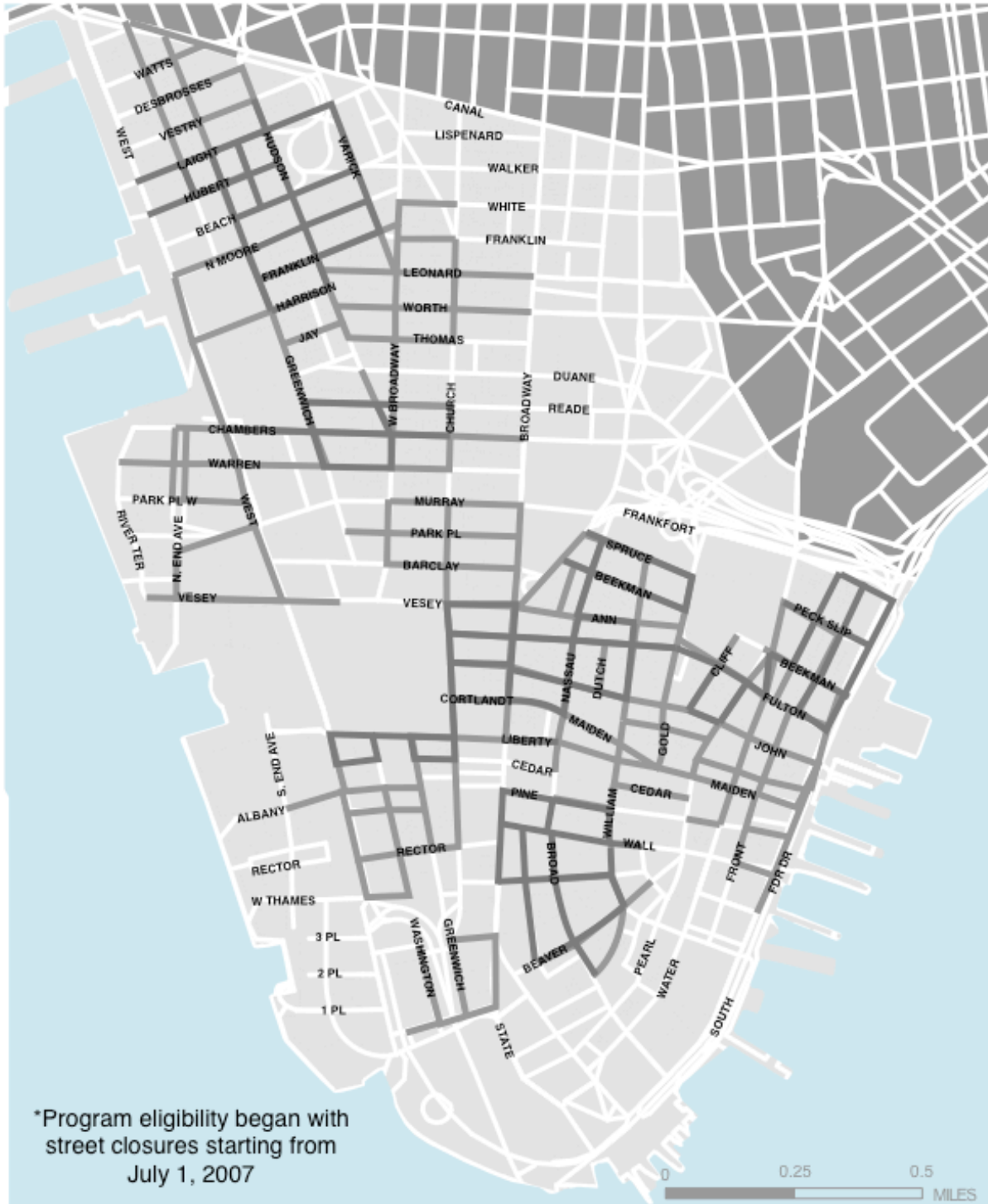
What can be done to preserve and attract small businesses in Lower Manhattan?

As described in the recommendations portion of this report, there are three main possibilities for the preservation and attraction of small businesses in Lower Manhattan. The first option is a zoning and land use solution, using zoning to protect and attract small businesses in Lower Manhattan. Such a rezoning is an attractive option because of the fact that Lower Manhattan's core retail sector falls within a Special Purpose District, requiring only a map amendment rather than the creation of a Special Purpose District. However, similar rezoning currently under review such as the Upper West Side Zoning Proposal have sparked contention among local stakeholders and this option requires more discussion within the downtown community.

The strategy that should be pursued by small business owners and advocates should be alternatives to financial assistance funding and the preservation of the Lower Manhattan Construction Command Center. Existing agencies such New York City Business Solutions, who already have an office downtown, should revise their programs to include more outreach and comprehensive counseling to small businesses. Furthermore, small business owners and advocates should consider the creation of a small business merchant's association as an alternative to the existing BID, the Downtown Alliance, where their concerns can be specifically addressed. Finally, it is of the utmost importance that the Lower Manhattan Construction Command Center be preserved. The peak period of construction in Lower Manhattan is scheduled to be between now and 2013. The LMCCC has been very effective in overseeing both public and private construction projects and mitigating their affects. Since ongoing construction is one of the largest issues for small businesses in Lower Manhattan, it is critical that the LMCCC continues to be effective in alleviating the harmful symptoms of construction for small businesses and their patrons.

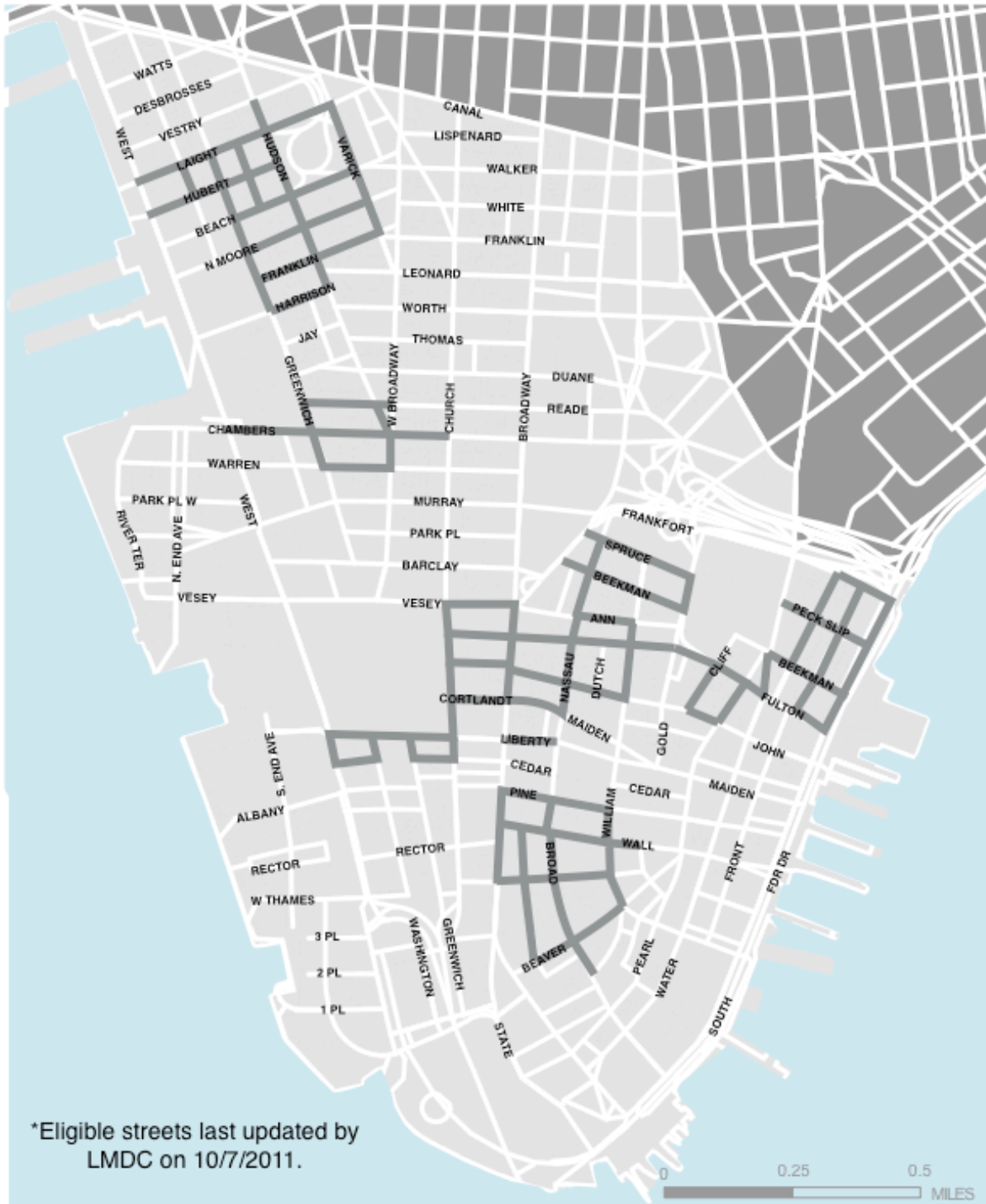
Appendix
Appendix A

LMDC SMALL FIRM ASSISTANCE PROGRAM: PAST ELIGIBLE STREETS*



Appendix B

LMDC SMALL FIRM ASSISTANCE PROGRAM: CURRENT ELIGIBLE STREETS*

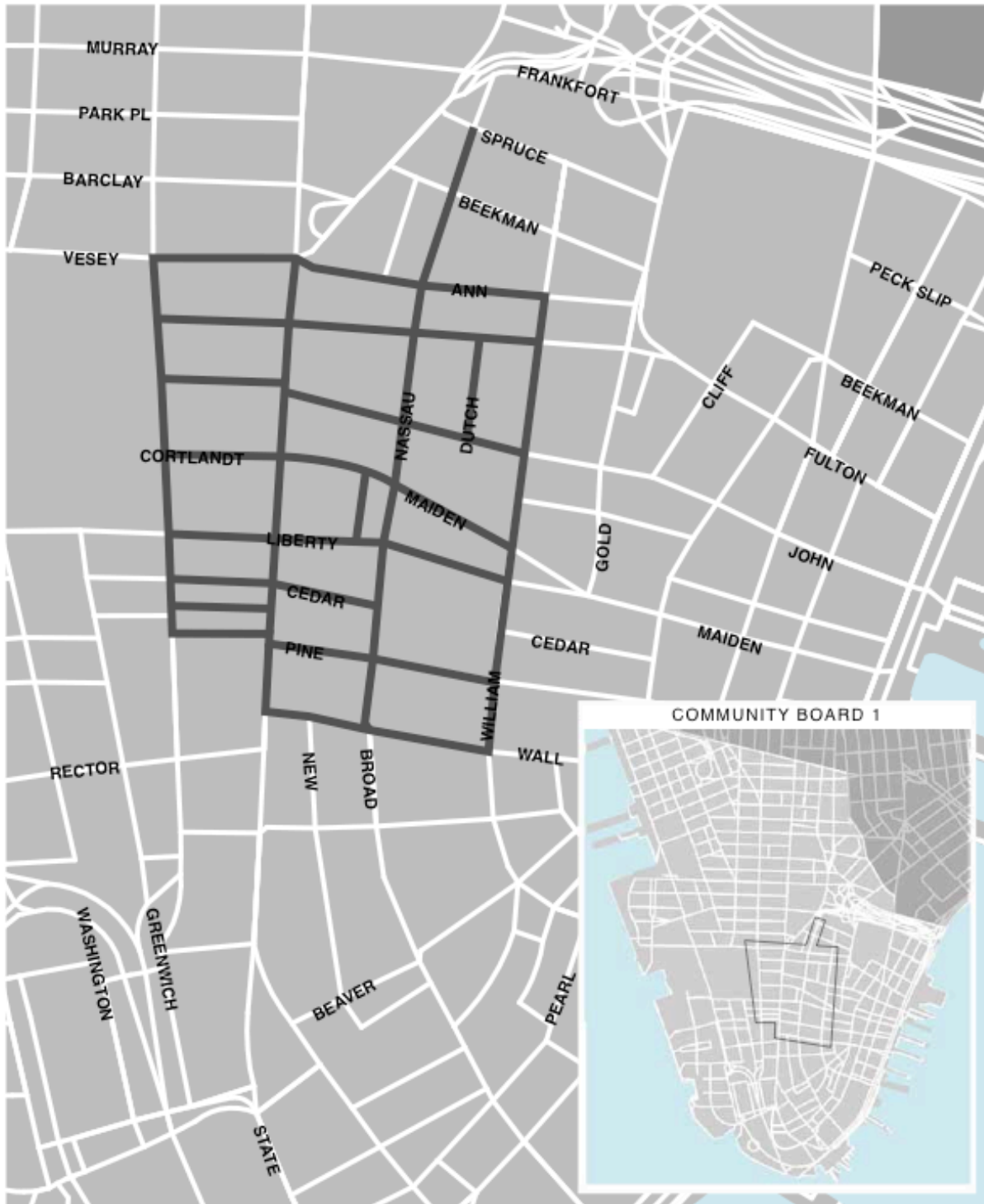


Diana Switaj 2012

Data Sources: NYC Department of City Planning,
Lower Manhattan Development Corporation

Appendix C

SMALL FIRM BUSINESS STUDY: STUDY AREA



Diana Switaj 2012

Data Sources: NYC Department of City Planning,
Lower Manhattan Development Corporation

Appendix D

Small Business Initial Survey:

Physical Survey

Date:

Time:

Address:

Name of Establishment:

Description of Establishment:

What type of store is this?

- Grocery
- Health Food Store
- Bakery
- Clothing
- Electronics
- Housewares
- Furniture
- Garden Supplies
- Book Store
- Pet Supplies
- Bike Shop
- Music Store
- Other

NAICS Code:

Comments:

Small Business Initial Survey

1. What kind of store are you?
 - Chain
 - Independent
 - Other

2. As far as your space, do you:
 - Own
 - Rent
 - Other

3. What is your occupancy?
 - Ground Floor
 - Two Floors

Three Floors

Other

4. How many years have you been here?
5. How many employees do you have?
5. Do you know about the LMDC Small Firm Assistance Program?
(If yes, how you received the grant, and how far are you into the program? (What stage are you in?))
7. How have you been affected by construction of buildings and street closures since 9/11?
8. How have you been affected by Occupy Wall Street?
9. Are you planning on staying?
 - If Yes: What problems have you experienced in this location? What can the City do to assist?
 - No: Why are you leaving? Where are you going? What could the City have done to help?
10. May I come back to talk to you further in the future?

Appendix E

Questions for LMDC/EDC/Downtown Alliance*:

*Questions will be tailored specifically to each agency. The set of questions below pertains specifically to LMDC. The only changes will be in the agency/program titles.

1. What are the different LMDC programs currently active that have the specific goal of providing help to small businesses? Please briefly describe each.
2. Do you feel there has been improvement on the street because of these programs? If no, why? If yes, how?
3. With both the Fulton Nassau Crossroads Program and the LMDC Small Firm Assistance programs sunsetting, are there any small business assistance programs in the works for the future?
4. What do you think the future is for small businesses in Lower Manhattan?

Appendix F

Questions for small business owners:

1. How long have you been in this location?
3. What programs small business assistance programs are you taking advantage of (if any)?
 - 3b. If you are not taking advantage of any, why not?
4. What are the current obstacles or problems you experience at this location?
5. What can the city do to further assist small businesses?
6. What do you think the future is for small businesses in Lower Manhattan?

Appendix G

Questions for Community Board 1 Member Ro Sheffe:

1. Do you think that agencies like Downtown Alliance, LMDC, and EDC in conjunction with the local government have provided sufficient assistance to small business owners?

1b. What have been the successes, and what have been the failures?

2. In your opinion, what are the primary challenges faced by small business owners in Lower Manhattan?

3. As a community activist, what do you like to see done by local government and agencies to help small businesses?

4. What do you think the future is for small businesses in Lower Manhattan?

Appendix H

Consent Form

**COLUMBIA UNIVERSITY
INFORMED CONSENT DOCUMENT**

An Examination of Small Business and Neighborhood Retail in Post-9/11 Lower Manhattan

Investigator: Diana Switaj, Department GSAPP, Urban Planning

Telephone: 203-687-6558

Investigators' statement

We are asking you to be in a research study sponsored by Columbia University. The purpose of this consent form is to give you the information you will need to help you decide whether or not to be in the study. Please read the form carefully. You may ask questions about the purpose of the research, what we would ask you to do, the possible risks and benefits, your rights as a volunteer, and anything else about the research or this form that is not clear. When all your questions have been answered, you can decide if you want to be in the study or not. This process is called 'informed consent.'

PURPOSE

The purpose of this research activity is to collect data on the current state of small businesses in Lower Manhattan and inform recommendations to help preserve and attract small businesses. The purpose of this interview is to collect specific information on the state of small businesses in Lower Manhattan and the policies/programs in place to help them.

BENEFITS

There are no direct or personal benefits to the individual subjects within this study.

PROCEDURES

The procedures for involvement within this study are an interview either in person or over the phone depending on the location. Participants should expect to take half an hour for the interview and an additional fifteen minutes for follow up questions that might arise after the interview. The interview itself will be open-ended questions, providing a framework for a discussion about the topic. Subjects may refuse to answer any questions or item in any questionnaire or interview.

RISKS, STRESS, OR DISCOMFORT

There are no risks associated with participating in this study.

OTHER INFORMATION

The information collected will be confidential. Individuals will not be named but be associated with their position within an organization, which is publically available. If an individual wishes to remain anonymous then their specific title within the organization will not be disclosed. Only I will have access to the information collected within the interview. There will be no inducements received for participating in this study.

PARTICIPATION

Participation in research is entirely voluntary. You may refuse to participate or withdraw from participation at any time without jeopardizing your employment, student status or any other entitlements. The investigator may withdraw you at his/her professional discretion.

ALTERNATIVES TO PARTICIPATION

There are no alternatives other than non-participation available to participants.

PRIVATE INFORMATION

Any information derived from this research project that personally identifies you will not be voluntarily released or disclosed without your separate consent, except as specifically required by law.

CONTACT INFORMATION

If at any time you have questions regarding the research or your participation, you should contact the investigator, Diana, who will answer all questions. Her telephone number is (203) 687-6558 You should also contact the investigator or a member of the research staff if you have any concerns or complaints about the research.

If at any time you have comments regarding the conduct of this research or questions about your rights as a research participant, you should contact the Institutional Review Board (IRB) Administrator at (212) 851-7040.

PARTICIPANT'S STATEMENT

I have read the above purpose of the study, and understand my role in participating in the research. I volunteer to take part in this research. I have had a chance to ask questions. If I have questions later, about the research, I can ask the investigator listed above. I understand that I may refuse to participate or withdraw from participation at any time without jeopardizing my employment, student status or other rights to which I am entitled. The investigator may withdraw me at his/her professional discretion. If I have questions about my rights as a research participant, I can call the Institutional Review Board office at (212) 851-7040. I certify that I am 18 years of age or older and freely give my consent to participate in this study. I will receive a copy of this document for my records.

Subject's signature/consent: _____ Date: _____

Name: _____

INVESTIGATOR'S STATEMENT

I have discussed the proposed research with this participant, and in my opinion, the participant understands the benefits, risks and alternatives (including non-participation) and is capable of freely consenting to participate in the research.

Signature _____ Date: _____

Member of the Research Team

Print Name: _____

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