

NEW YORK STATE ACTION PLAN AMENDMENT

Empire State Development

in cooperation with

New York City Economic Development Corporation

World Trade Center Disaster

Amended Plan for New York Business Recovery and Economic Revitalization

May 17, 2012

Action Plan History

Congress appropriated an initial \$700 million to New York State for economic recovery and revitalization, administered by Empire State Development (ESD). ESD, in cooperation with the New York City Economic Development Corp. (EDC) published a draft Action Plan for the \$700 million on December 26, 2001, for public comment. The Action Plan was modified to reflect comment and published in final version on January 30, 2002. The Plan was accepted by the federal Dept. of Housing and Urban Development (HUD).

The Action Plan was formally amended through a public comment process, to modify some terms of the Small Firm Attraction & Retention Grant (SFARG) program and to reallocate \$25 million from Infrastructure Rebuilding to augment the SFARG budget. The Amended Action Plan was published on June 7, 2002, and accepted by HUD in July 2002.

The \$700 Million Amended Action Plan was further augmented by a supplemental allocation of \$350 Million from the Lower Manhattan Development Corp. (LMDC) \$2 Billion Community Development Block Grant (CDBG) disaster recovery award. The supplemental \$350 Million was allocated to three business recovery programs, established in the \$700 Million Action Plan: the Business Recovery Grant program, the Small Firm Attraction & Retention Grant program, and the Job Creation & Retention program. HUD accepted the LMDC \$350 million Partial Action Plan in October 2002.

The Action Plan was amended on October 20, 2004 to offer assistance to eligible businesses that request assistance through the Job Creation and Retention Program until December 31st, 2005.

On December 21, 2007, the Action Plan was amended to enable eligible businesses to request assistance through the World Trade Center Job Creation and Retention Program (JCRP) through December 31, 2009.

On May 18, 2009, the Action Plan was amended to expand eligibility of JCRP to firms committing to create 75 full-time jobs, allow requests for World Trade Center Job Creation and Retention Program (JCRP) offers through December 31st, 2011 and to require grantees to make a minimum job commitment of 10 years.

On June 17, 2011, the Action Plan was amended to enable eligible businesses to request World Trade Center Job Creation and Retention Program (JCRP) assistance through December 31, 2013.

Action Plan Amendment Implemented Here

There continues to be a need for assistance to encourage firms to relocate to Lower Manhattan. While World Trade Center Job Creation and Retention Program (JCRP) funds are still available, the need to incentivize businesses to consider relocating to the buildings being developed at the World Trade Center or nearby has increased due to the depletion of benefits available from a critical \$115 million New York State funded program (the World Trade Center Rent Reduction Program). That program helped to attract the first five tenants to Seven World Trade Center and was instrumental in securing the first two private sector tenants at One World Trade Center.

In the meantime the completed Bridge Loan Program (BLP) has a remaining fund balance of \$4,511,500. Under the BLP, New York City and New York State funded a 20% loan loss reserve at private banks and community lenders to accelerate access to firms that were seeking Small Business Administration (SBA) loans. Ten lenders made 998 loans totaling \$33.2 million under this program. BLP loan activity was completed in January 2003. A portion of the amount provided to the lenders was to be reimbursed to New York State with HUD BLP funds. However, no reimbursements were made under this program. This Amendment formally closes out the Bridge Loan Program as the program has met its needs and it is no longer active.

Given the above need for increased JCRP funding, this Amendment transfers the remaining BLP fund balance (\$4,511,500) to JCRP as detailed in the below table.

Program	Budget	Net Expenditures	Balance	Amendment	Revised Allocation
JCRP	\$170,000,000	\$162,954,306	\$ 7,045,694	\$ 4,511,500	\$ 11,557,194
BLP	\$ 4,511,500		\$ 4,511,500	(\$4,511,500)	\$ -
	\$174,511,500	\$162,954,306	\$11,557,194	\$ -	\$ 11,557,194

This amendment is essential to Lower Manhattan’s continued recovery in light of the significant amount of new office space being developed Downtown and the lingering effects of the recent economic crisis.

Amendment Administration

On May 10, 2012, HUD advised that the above Amendment is non-substantial. Therefore, this Amendment does not require HUD’s approval nor a public comment period.