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Aid Program Set Up to Help Small Stores

By JOSEPH P. FRIED

Samuel's Hats, two blocks from the World Trade Center, was among the many small shops dealt a severe blow by the center's destruction. The store, at 74 Nassau Street, was closed for two weeks after the terrorist attack Sept. 11. While the damage at Samuel's was small compared with other losses, it was large for this business: up to \$25,000 in merchandise was ruined.

There was no phone service for the first two weeks that the shop was reopened, making it impossible to take credit cards and aggravating the losses from reduced customer traffic, said the owner, Samuel Castro. And even with phones, business is still off by about 30 percent, he said.

So it is not surprising that Mr. Castro expected to be among the first to apply today for a new program that will provide more than \$6 million in grants, loans and wage subsidies to small retailers south of Canal Street that were financially hurt by the trade center attack, and that find that other aid programs do not meet their needs.

The program will be managed by Seedco, a Manhattan community development organization that will work with various community groups. It will distribute grants up to \$30,000, make loans up to \$100,000 at interest rates of 1 to 3 percent, and provide wage subsidies to help retailers retain workers making less than \$12 an hour.

The \$6 million is to come from Seedco itself (\$2.5 million), the Ford Foundation (\$1 million), The New York Times 9/11 Neediest Fund (\$500,000) and more expected grants, said Carl Weisbrod, president of the Alliance for Downtown New York, the business improvement district for most of the area south of Chambers Street. His group will help carry out the program, along with civic groups in TriBeCa, Chinatown and the Lower East Side. The State Labor Department will provide an unspecified amount for the wage subsidies, he said.

The new program is "the first significant opportunity to provide actual sizable grants, in addition to loans, to retailers who have been directly affected by the World Trade Center attack," Mr. Weisbrod said. He said there had been some programs providing small grants to retailers, well below the \$30,000 maximum under the new program.

In addition, he said, the loans will be available more quickly and on more favorable terms than loans available from the Federal Small Business Administration.

William J. Grinker, Seedco's president, said that to receive aid, a business has to show "that it's a viable business that can get back on its feet with those resources." His group said those interested in applying should call Seedco at (212) 473-0255. Mr. Castro, the hat merchant, said he planned to ask up to \$25,000 in a grant or a loan.

Alliance for Downtown NY/Seedco Hotline: 212-835-2771