New York's Senators Outline Plan to Assist Lower Manhattan

By RAYMOND HERNANDEZ

WASHINGTON, Oct. 25 — New York's senators, Charles E. Schumer and Hillary Rodham Clinton, today released the broad outlines of their plan to spur the redevelopment of Lower Manhattan in the wake of last month's terrorist attacks.

Mr. Schumer and Mrs. Clinton said the plan was based, in part, on ideas offered by city and state officials as well as business leaders in New York. They said they were still hammering out details but hoped to submit a final package to Congress soon.

They said they had not determined the overall cost of the plan. But they estimated that it would provide $2 billion to $5 billion in incentives.

"Everyone says that downtown is going to need a shot in the arm; otherwise it's not going to recover," Mr. Schumer said.

The plan calls for giving a $3,000 tax credit per employee to any business that agrees to return to Lower Manhattan or set up shop there for the first time. The credit would be offered for up to five years.

The plan also seeks to provide tax-exempt financing to help developers undertake reconstruction of buildings destroyed by the World Trade Center attack. The senators said the plan would allow developers to secure bonds from a government agency that has yet to be identified.

The buyer of the bonds would not be required to pay city, state or federal taxes, a move that would, in turn, result in lower interest rates for the developers.

The plan would also offer tax credits for up to two years to anyone who maintains a primary residence south of Canal Street. The size of the tax credit, as well as who would qualify for it, has not been determined, according to the senators' aides.

Earlier this week, the Giuliani administration outlined the two main forms of assistance it is seeking from the federal government to help encourage the redevelopment of Lower Manhattan. The plan represents a small portion of the $54 billion that Gov. George E. Pataki has requested.

Under the city's proposal, businesses that agree to remain or set up shop in Lower Manhattan would receive a $5,000 cash bonus per employee, and developers would have access to tax-free bonds to help replace buildings that were destroyed. The city estimates the cost of reconstruction at $8 billion to $15 billion.

Mr. Schumer said he and Mrs. Clinton had received general commitments of support from the Senate majority leader, Tom Daschle, and Senator Max Baucus, the chairman of the Finance Committee.

Mr. Schumer also said he and Mrs. Clinton had received general words of support from the White House, but no specific commitments.