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THE NEW YORK TIMES, THURSDAY, OCTOBER 18, 2001

# A Downturn Settles In Downtown

## Shoppers Are Indulging, But Not Near Attack Site

By LESLIE KAUFMAN and TERRY PRISTIN

By the time Jose Hernandez arrived at his job at Broome Street Flowers and Interiors in SoHo on Sept. 11, he had already seen the fiery slashes in the World Trade Center and knew a catastrophe was in the making. Still, he followed his routine, prepping newly bought willow and berry branches for display.

The branches were never sold, of course. Within an hour, the towers had collapsed and Manhattan was being sealed off below 14th Street. By the time the authorities let Mr. Hernandez back into the store three days later, the berries had shed all over the floor. He was able to save his delicate yucca palms, but those have not sold since, either. A month later, Mr. Hernandez estimates his business is still off some 80 percent.

In a shopping district a short subway ride — and yet a universe — away, players seemed to be acting out of a different script. A woman walked into Anne Fontaine, a boutique on Madison Avenue and 67th Street where blouses sell for $168 on average, bought six, and asked to have them ironed and delivered.

The terrorist attack on the World Trade Center sent economic shock waves rippling up all of New York's renowned shopping avenues, but display windows did not rattle equally. Consider the disparate impact on SoHo and Madison Avenue, perhaps New York's most famous byways of unapologetic consumption.

Both districts have emporiums filled with delectables as different as spike-heeled boots and antique Japanese crockery. But SoHo — with its greater proximity to ground zero, greater reliance on tourists and a set of stores that cater not to the deeply entrenched superwealthy but rather their more financially vulnerable, newly minted cousins — has been in much more pain.

Even these days as the October light illuminates the fire escapes on the converted industrial lofts, the urban-perfect streetscapes are empty. At the flea market at Wooster and Spring Streets, half of the stalls have closed.

"It is very, very slow," said Avital Alfasi, who sells fleece hats and bohemian velvet scarves. "It is so sad. Normally on the weekends it would be packed with people from New Jersey and Long Island sitting outside and drinking coffee. Now there is nobody. You don't even see shopping bags anymore."

Far uptown, the boutique operators on Madison Avenue say the fallout from the terrorist attack has been far less stark.

True, the kind of sang-froid demonstrated by the Anne Fontaine customer was unusual. For several days after the terrorist attack, business along the avenue dropped off significantly, and several stores say they are still hurting. On a recent Friday afternoon, the Valentino store on 65th Street was devoid of customers, and at Mario Caldi, a nearby men's clothing store where Italian suits are priced from $950 to $2,500, Asad Haider, a salesman, said that nothing had sold the entire day.

Still, the storekeepers say, the total effect of the trade center disaster has been more like a slap on the cheek than a body blow. Madison Avenue is such an island unto itself that, amazingly, a few store managers even said that sales had been up in the aftermath of Sept. 11.

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Wide flat-screen televisions with the latest in so-called plasma technology priced at $8,000 to $16,000 are continuing to sell at Red Rose Music on 74th Street, said Mark Herman, an audio-visual designer.

At Zitomer's, an upscale pharmacy on 76th Street, toy sales have increased 10 percent over this time last year. And for reasons that Karl Wong, the toy department manager, cannot explain, many parents started doing their Christmas toy shopping in September.

"We're doing really well," echoed Gloria Karlitz, the manager of a Searle clothing store on 84th Street, where customers have been snapping up $400 winter coats. "Maybe people feel safer on 84th Street than further downtown."

Geography certainly explains, in part, why SoHo is suffering. The silhouettes of the giant trade center towers once loomed above Canal Street. So, their collapse radically changed both the physical and psychic space of the area.

Like the nearby neighborhoods of TriBeCa and Battery Park City, SoHo has been partly depopulated. Those who have stayed put in their homes and businesses still have not wiped away all the ashy fallout from the wreckage and are reconstructing their lives in a way that uptown neighbors have not had to do.

Norman Kornbleuth, owner of the Broadway Panhandler, a popular cookware store on Broome Street, said that most of his regular customers lived beneath 23rd and were too traumatized by events to go shopping. "People are just staying closer to home," he said. His sales are down about 25 percent since Sept. 11.

**Local customers, and rich ones at that, help make the difference.**

Proximity to the devastation zone is only part of the equation, however. Madison Avenue is somewhat sheltered from economic downturns by the special nature of its customer base: rich, local and, well, very rich. Local is critical right now as out-of-towners from Princeton to Tokyo are shunning the city. No place is better equipped than Madison Avenue, with its army of immaculately coifed sales associates, to lure customers back on a one-by-one basis.

"Many salespeople have been working with clients for many years, dressing them and giving them advice," said Matthew Bauer, the president of the Madison Avenue Business Improvement District, which represents 650 businesses from 61st to 85th Streets. "Because of these long-term relationships, our stores will be able to weather the storm," he said.

While Madison Avenue boutiques have built business by coddling clients, SoHo, with a less dense population base — locals tend to live in huge loft spaces in low-slung buildings — relies heavily on the bused-in hordes. On a recent afternoon, Dom, a furniture store specializing in moderately priced items like inflatable chairs and mirrored globes, was empty.

"Without the tourists," said the store manager, Luigi Borrata, "it is totally slow."

Then there is the matter of wealth. SoHo has only recently become a truly luxe shopping district with stores like Chanel and Louis Vuitton. It attracts its share of the monied, but in general the stores strategically aim to appeal to a broader clientele than those up on Madison Avenue, which are quite intentionally practical only to those in the stratospheric income levels. Such an ultrarich clientele is naturally more immune to the stock market swings and recession fears that have followed the trade center attack.

For example, if Jeanne Coogan was worried about her long-term economic prospects last week, she wasn't showing it as she strolled Madison Avenue. Ms. Coogan said she heeded the mayor's call to save the city by shopping. Since the 11th, she has bought about 40 percent more than she usually does in a comparable period, she estimated, including treating herself to such luxuries as a jeweled handbag.

"I'm living every day like it could be my last," she said.

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