

HOME

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AUTOMOBILES

NEWS

- International
- National
- Politics
- Business
- Technology
- Science
- Health
- Sports
- New York Region
 - Metro
 - Campaigns
 - The City
 - Columns
- Education
- Weather
- Obituaries
- NYT Front Page
- Corrections

OPINION

- Editorials/Op-Ed
- Readers' Opinions



FEATURES

- Arts
- Books
- Movies
- Travel
- Dining & Wine
- Home & Garden
- Fashion & Style
- New York Today
- Crossword/Games
- Cartoons
- Magazine
- Week in Review
- Photos
- College
- Learning Network

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- Archive
- Classifieds
- Personals
- Theater Tickets
- Premium Products
- NYT Store
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- Jobs at NYTDigital
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At Ground Zero, a New Divide

By EDWARD WYATT

When the Lower Manhattan Development Corporation convened its first public hearing last month about efforts to rebuild the shattered core of the city, what quickly emerged was a growing schism between two groups that live and work within a mile of each other.

Many of those who spoke at the session at Pace University on May 23 expressed anger that hundreds of millions of dollars had been set aside for large corporations and the well-off residents of Battery Park City and TriBeCa, at the expense, they said, of small businesses and the more needy residents of Chinatown and the Lower East Side.

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It was a sentiment that was infrequently discussed during the

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cleanup and recovery at the World Trade Center site, but as the focus has turned to rebuilding, the protests have gained in volume.

About \$500 million has been designated for cash grants to 145 big corporations in Lower Manhattan, nearly as much as for direct aid to thousands of small businesses in the same area. American Express, for example, recently accepted a grant of \$25 million, or \$6,250 for each of the 4,000 jobs it agreed to keep in Lower Manhattan.

Under a similar program, most companies with fewer than 200 employees are eligible for a maximum award of only \$3,500 per worker. Similar disparities are evident in a grant program for residents.

The comments at the hearing, some of them heated, brought to the surface difficult questions about where money goes in the rebuilding process. Is a financial services worker more valuable to the city than the owner of a dumpling shop? Is the owner of a million-dollar loft worthy of more aid than an immigrant who lives and works in a tiny apartment?

Underlying the words of several residents of Chinatown and the Lower East Side at the hearing was anger over the apparent lack of diversity among officials involved in the rebuilding. Of the 13 directors, government advisers and executive staff members of the development corporation onstage, 11 were white men. Two of the three board members who are members of ethnic minorities did not attend.

"We're trying to get across that Lower Manhattan is not only the ground zero area," said Vivian Williams, who spoke at the hearing and is a member of Good Old Lower East Side, a community group. "When this horrific act took place, we were also living in a war zone. So there are a whole lot of issues that have to be addressed. We know we want a memorial, and we respect that, but how about the people who are still living and trying to make it?"

A difficult calculus is at the heart of many of the decisions about the \$21.5 billion in federal rebuilding aid. Grants to residents, for

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example, offer the most aid to those who lived closest to the site. Therefore, families living in Battery Park City and parts of TriBeCa, where the median household income is \$125,000, are eligible for \$14,500 in grants.

In Chinatown, where streets were also blocked and garment factories shut after Sept. 11, household income is only a third of that in TriBeCa. Yet families there are eligible for grants that reach a maximum of \$7,750. The many Chinese families and others in a smaller zone north of Canal Street are eligible for a maximum grant of \$1,750.

City and state officials say it is only natural to give more money to the residents closest to the disaster site. Small businesses are important, they say, but big companies that pay large salaries also benefit the city with payroll and income taxes.

City economic development officials also say that aid programs for small companies are less restrictive than those for large companies and can provide up to three times the benefits per employee when tax breaks and other noncash incentives are counted.

Community advocates also used the hearing as an opportunity to raise many issues that were problems in those neighborhoods long before Sept. 11, including a lack of adequate medical care and a dearth of low-priced housing. Many of the programs they complained about, though, are administered not by the Lower Manhattan Development Corporation but by the Federal Emergency Management Agency and the city and state economic development agencies.

Nevertheless, the residents' comments have caused Louis R. Tomson, the president of the development corporation, and others to take a closer look. After the hearing, Mr. Tomson took a walking tour of Chinatown, talking with small-business owners and visiting a garment factory on Mott Street.

"It was a modest beginning to understanding the issues that were raised at the hearing," Mr. Tomson said. "Our mandate is to focus first on the World Trade Center site and the area immediately around it. But we wouldn't have been given the job of overseeing

the revitalization of Lower Manhattan south of Houston Street if we weren't intended to make Chinatown and the other neighborhoods downtown good communities in which to live and work."

The development corporation is planning to hire Asian Americans for Equality, a nonprofit community group, to help administer its residential grant program in Chinatown and provide other services for the corporation, people involved in the process said.

In addition, Peterson Littenberg Architects, the urban-design firm hired to help the development corporation's staff with planning, is focusing on ways to revive the parts of Lower Manhattan not in the immediate vicinity of ground zero, including Chinatown and the Lower East Side, officials said.

Christopher Kui, the executive director of Asian Americans for Equality, said that roughly 40 garment factories had closed since Sept. 11 and that business at many of the neighborhood's 500 restaurants was still down 20 percent to 30 percent.

"The revival of Chinatown is an integral part of the revitalization of Lower Manhattan," he said. "We did not experience the physical destruction of buildings that the area around the World Trade Center did, but much of the economic activity in Chinatown stopped after Sept. 11."

One roadblock, he said, is that some aid programs use Canal Street as a dividing line for benefits, even though many businesses and residents affected by the disaster are north of Canal.

Kong Lian, the owner of the Sun Dou Dumpling Shop at 214 Grand Street in Chinatown, is one such small-business owner. In August, Ms. Kong signed a lease for her current location after five years on Mott Street. After the attacks, she said, renovations were delayed because contractors and city building officials were in short supply.

Once she opened at the Grand Street site in December, restrictions on travel and parking discouraged visitors. Layoffs of garment workers also hurt. As a new business north of Canal

Street, the restaurant could benefit little from city and state grant programs.

After investing close to \$300,000 in personal savings and taking a low-interest loan from Asian Americans for Equality, Ms. Kong said the shop was breaking even, but only because she and two family members have drawn no salary for six months.

The frustration of people like Ms. Kong and Ms. Williams, the Good Old Lower East Side member, are likely to be on display at a march and rally today. Organized by a coalition of community groups called the Beyond Ground Zero Network, participants are planning to march from Chinatown to Foley Square for a demonstration at 12:30 p.m.

Melissa Aase, a program director of University Settlement, part of another community coalition called Rebuild With a Spotlight on the Poor, said that even if all the issues being raised by the downtown residents were not clearly within the purview of the development corporation, its guiding principles say that its efforts are intended to help people at a wide variety of income levels.

"We're trying to encourage them to see themselves as a group that can exert policy leadership," she said. "But so far, it's not clear they're thinking about low-income people in this effort."

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