

SMALL BUSINESS

Sandwich maker gets in the zone

Queens firm prevails to qualify under law expanding Empire Zone plan

BY KERRY MURTHA


MIRACLES DON'T come easily. Bimmy's found that out the hard way two years ago. The company, which makes prepackaged sandwiches and salads, discovered that it might qualify for hundreds of thousands of dollars in benefits under the state's Empire Zone program—even though it isn't actually located in such a zone.

Because Bimmy's, based in Long Island City, Queens, planned to expand its workforce by at least 50 employees over five years, it could be considered a "regionally significant project" under a new law that sought to extend Empire Zone benefits to job-generating businesses that lie outside zone borders.

In December 2007, Bimmy's became the first company in New York City to qualify under the law, clearing the way for others and showing how difficult it can be to teach the city's bureaucracy a new trick.

Under the law, the state pays for the benefits, but local authorities must first draft legislation to permit regionally significant projects. Achieving that took a year and a half of pushing; a legion of lawyers, politicians and accountants; approval from the City Council; and the signature of Mayor Michael Bloomberg.

"We had no road map because this was the first project of its kind in the city," says Marc Newman, associate managing partner at accounting firm Anchin Block & Anchin, which had alerted Bimmy's owner, Elliot Fread, to its eligibility.

BIMMY'S	
BENEFITS	
<ul style="list-style-type: none"> • \$1,500 annual tax credit for 5 years for each employee hired • Up to \$1 million in loans at an interest rate reduced by 3 percentage points for 4 years • Tax credits of 8% on the cost of equipment upgrades 	
COSTS	
<ul style="list-style-type: none"> • 18 months of effort • About \$25,000 in legal and other professional fees 	

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Timing off

UNFORTUNATELY, what amounts to an expansion of the Empire Zone plan came when the program was under mounting scrutiny for doling out tax breaks to firms that routinely failed to produce jobs. Twenty-eight companies in New York City currently face being bumped from the program for that reason.

"Some city officials worried that signing this into law would open the floodgates for projects that weren't worthy," says Councilman Leroy Comry, from St. Albans, Queens, who became a staunch supporter of Bimmy's bid.

Bimmy's first step was to invite executives of the nearby Greater Jamaica Development Corp. to tour its 16,000-square-foot facility and in effect to adopt the company.

Next, Robert Altman, Bimmy's attorney and a registered lobbyist, helped persuade members of the City Council to craft a bill.

"There was criticism that this might be a giveaway program, even though it wasn't going to cost the city a dime," Mr. Altman says. "But we ultimately convinced them that Bimmy's is a significant generator of manufacturing jobs."

"Hard to hire"

THE COMPANY was also helped by *whom* it employs. Bimmy's targets "hard to hire" workers, including ex-felons and those who have been on public assistance.

"This is a manufacturer that can move anywhere but is choosing to stay here and give people who would otherwise be unemployable a chance," Mr. Comry says.

Bimmy's, which distributes its sandwiches, salads and yogurts to the area's three major airports, as well as cafés throughout Manhattan, has 120 employees. Mr. Fread forecasts that over the next five years he will hire up to 200 additional workers and double annual revenues, to \$18 million.

"I have zero debt," he says. "Any dollar benefit I get will go directly toward expanding my business."

Mr. Fread also hopes to establish several freestanding kiosks in Manhattan's larger office buildings and is looking into a joint venture with the development corporation to open a sit-down restaurant within the Empire Zone.

"Even though Bimmy's is not physically in our zone, we are working together to improve our economic climate," says Justin Rodgers, director of economic development for the Greater Jamaica Development Corp.

Several businesses have now petitioned the city to become regionally significant projects, according to Leslie Ramos, executive director of the Mayor's Office of Industrial and Manufacturing Businesses. So far, two companies—in Brooklyn and the Bronx—have been adopted by zones and are in the process of applying for approval.

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