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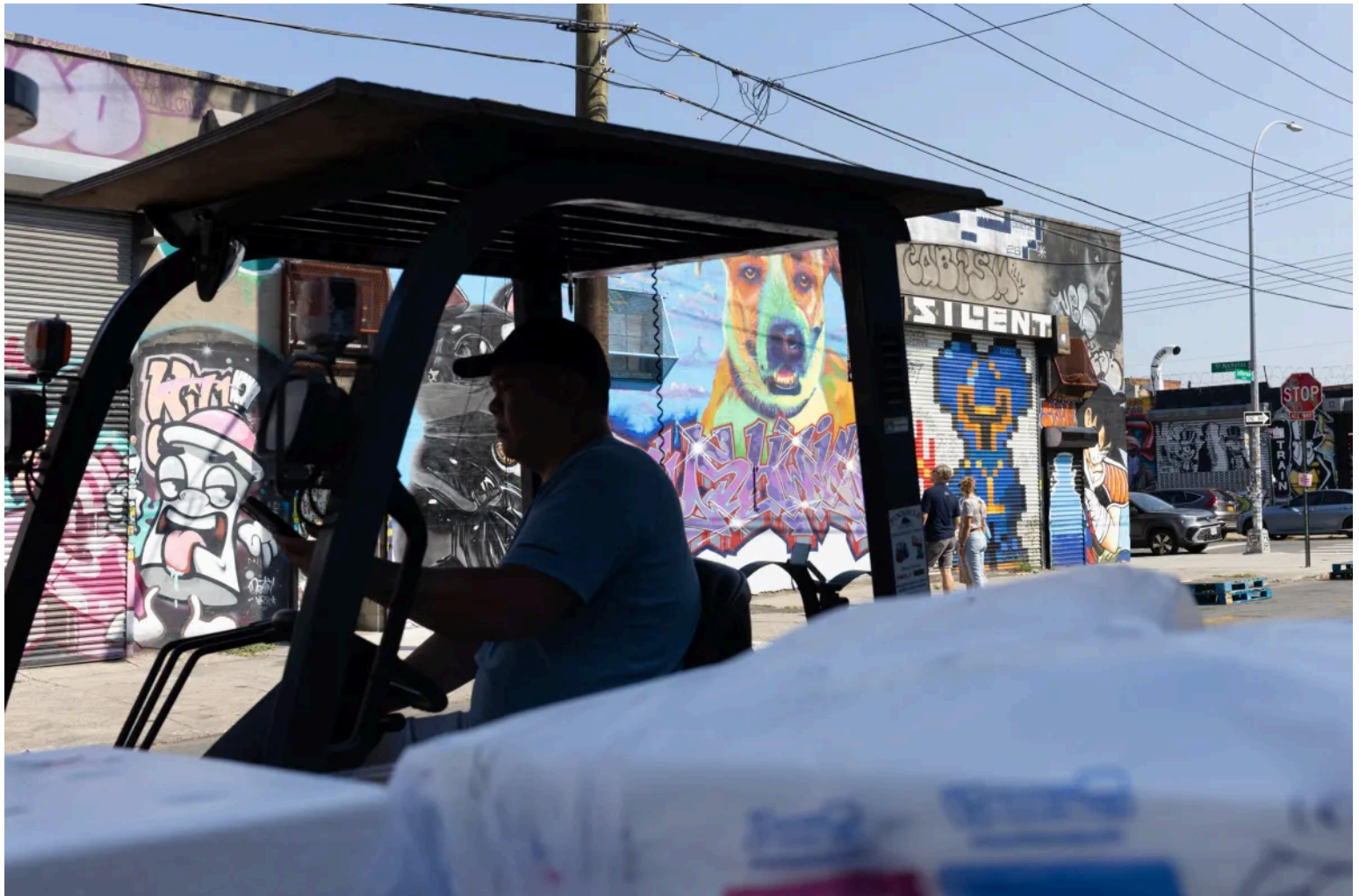
ECONOMY

NYC Manufacturers Fear Losing Lifeline as Budget Cut Imperils Industrial Business Support

The Mamdani administration plans to replace nine local organizations with a single citywide contractor and pull roughly \$1 million out of a program that helps local industrial shops navigate an array of challenges.

BY CAROL CHEN |

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A worker drives a forklift in an industrial part of Bushwick, July 9, 2026. Credit: Ben Fractenberg/The City Reporter

Two years ago, Jessica Kaplan had about three months to move her entire theatrical scenery shop.

The building where Sightline Fabrication had operated since 2008 had been sold, she said, and the landlord needed Kaplan and her partner out. In a frenzy to find a new place, Kaplan toured 30 alternative spaces, but none were affordable or seemed safe for employees to reach by subway after dark.

Less than a month away from having to haul her equipment and sets to the curb, she called Evergreen Exchange, a nonprofit that works with industrial businesses in [North Brooklyn](#). Evergreen put her in touch with the Greenpoint Manufacturing and Design Center, which had a space that worked. Sightline stayed open.

“Without them, I never would have even thought to look there,” Kaplan said in an interview with The City Reporter. “We had tried on our own for months.”



Workers make custom suits inside Martin Greenfield Clothiers in Bushwick, July 9, 2026. Credit: Ben Fractenberg/The City Reporter

Evergreen Exchange offers services like these because of a city program called [Industrial Business Service Providers](#), or IBSP. But after four decades, the city is phasing out the \$1.2 million earmarked for the program, which supporters say poses an existential threat to industrial booster groups that have long helped manufacturers and other firms navigate bureaucratic hurdles. The groups sort out relocation grants, financing,

lease reviews, tax incentives, loading-zone permits and many other challenges of running a factory in New York.

Mayor [Zohran Mamdani's](#) administration says it has a new plan to replace IBSP. In the spring, the Department of Small Business Services issued a request for proposals for a new model. Instead of nine place-based organizations, it would fund a single citywide industrial coordinator at \$300,000 a year, structured so the industrial groups now doing the work cannot realistically apply because they are localized to specific neighborhoods, according to the current service providers. The Department of Small Business Services said that all existing and new vendors were invited to apply to the RFP. The proposal closed for submissions on June 17.

Jesse Solomon, executive director of the Southwest Brooklyn Industrial Development Corporation, which has served Sunset Park, Red Hook and Gowanus since the 1970s, called the city's new plan a multiyear award that "effectively dismantles the IBSP program." She said the move is at once a funding cut, a strategy shift away from neighborhood-based economic development and a reduction in services.

"It doesn't really seem aligned with the principles of this administration, who seem to value local development, especially in communities with low- to moderate-income folks," Solomon said.

The [Department of Small Business Services](#) emphasized that it is not eliminating industrial support, but relocating it. Julianne Cho, spokesperson for SBS, said in a statement that the department "invited New York's best and brightest to help us modernize our network of NYC Business Solutions Centers to serve small businesses."



Jars of chocolate are ready for packaging inside the Chocolate Factory in Bushwick, July 9, 2026. Credit: Ben Fractenberg/The City Reporter

Cho explained that, under the revised system, NYC's Business Solution Centers will grow from 16 centers to at least 20, with every one of them equipped to serve industrial businesses.

This will be in addition to the one centralized provider that the RFP called for, which will provide specialized industrial knowledge.

The rationale for this modernization is that only a quarter of the city's industrial jobs are inside the Industrial Business Zones the nine providers serve, a claim that the industrial providers dispute. Archibald said the city's statistic includes registered business addresses rather than the addresses where industrial work is actually performed, a methodology that ranks Manhattan as the most job-rich borough for industrial employment.

By the agency's count, its seven existing Business Solutions Centers deliver roughly 16,000 services — individual interactions in which a staffer helped a business with a specific problem — per year. The nine IBSPs deliver about 1,000.

By Archibald's accounting, the changes will ultimately mean lower capacity for helping industrial businesses. She pointed out that though four people may be hired in the growth of the Solution Centers, the new model does not account for the 18 IBSP employees who will likely be lost in the reforms. Plus, in the RFP, she said, each

center would require only one industrial-focused staffer. By her count that is five citywide, which she called “a very significant reduction in capacity.”

The city has extended the current providers’ contracts through next June to “ensure continued service delivery while the new system is being developed,” said Cho. She emphasized that this change aims to help more industrial businesses thrive: “New Yorkers deserve a government that evolves with them, meets them where they are, and provides equity of access to services.”

Localized Knowledge is Central

The industrial providers and those they serve say the years of local knowledge and connections they have accrued cannot be reproduced by a centralized office, as the Mamdani administration is aiming to do.

Daniel Sklaar, who founded Bushwick chocolate maker Fine & Raw, has worked with Evergreen for close to 20 years, according to Sklaar and Leah Archibald, executive director of Evergreen. The organization’s workers sat on his stoop around 2010, walking him through the red tape around opening a food business in the city, and later helped him secure a tax abatement that would have cost tens of thousands of dollars to navigate alone.



Jessie Harrison pours freshly-made chocolate into jars ready to be labeled inside the Chocolate Factory industrial space in Bushwick, July 9, 2026. Credit: Ben Fractenberg/The City Reporter

Sklaar said the city's plan for a centralized service provider makes him "disappointed and sad."

"If it gets spread too thin, then it's not going to be effective," he said.

Martina Salisbury and Franco Götte, who run the East Williamsburg design-build studio TwoSeven and employ about 50 people producing window displays for fashion houses, such as Dior and Hermès, credit Evergreen with keeping them in the city.

After Williamsburg and Greenpoint were rezoned in the mid-2000s and the business partners' landlord wanted to charge more than double their rent, Evergreen pointed them to a city relocation grant of up to \$50,000 that covered moving their machinery. Without those funds, Götte said, the company likely would have closed.

"The IBSP program is literally what funds their [the industrial providers] ability to act on this local level," Salisbury said.

Tod Greenfield's business Martin Greenfield Clothiers manufactures suits in an East Williamsburg factory his father bought in 1977. Greenfield said his family business has weathered industry changes and still insists on using [union labor](#).

Evergreen played a crucial role in helping him navigate confusing and often burdensome regulatory fines, he said. In 2011, when a neighbor who had moved into an industrial building complained about noise from a vacuum pump in the factory, an inspector wrote a violation, though the noise level was legal for the industrial zone. Evergreen produced a zoning map and an engineer who could read the code, which eventually got the judge to waive the fine.

"I'm not capable of doing that myself," Greenfield said.



Workers make custom suits inside Martin Greenfield Clothiers in Bushwick, July 9, 2026. Credit: Ben Fractenberg/The City Reporter

Evergreen Exchange was founded 44 years ago, when neighborhood businesses banded together against crime and disinvestment. Today it serves about 200 businesses a year with a staff of five, according to the organization. The IBSP funding from the Department of Small Business Services is crucial to keeping the organization afloat, as Evergreen's program contract covers about \$170,000, roughly a fifth of the group's budget.

"It's really keystone money," Archibald said, "because it covers almost two entire staffers, plus some overhead, and there's only five of us." It's even more dire for some other industrial service providers to lose city funding, she added, because many might face the possibility of shutting down.

At a public hearing before the city's Commission of Government Efficiency last month, Daniel Garcia, who owns Salsa Catering and Special Events and employs more than 50 people at an 18,000-square-foot production facility in a Bronx industrial business zone, testified that the provider network had helped him access \$750,000 in contract financing when city agencies fell as much as \$2 million behind on paying him.

"For businesses like mine, the program is not a nice-to-have," he said. "It's a lifeline."

Disappearing Path to the Middle Class

The controversy over the program is unfolding against a half-century of contraction in the city's factories. New York City's manufacturing employment [fell](#) from about 271,000 jobs in 1990 to approximately 50,000 today, with the city shedding at least 5,000 manufacturing jobs every year over that stretch.

That decline meant the disappearance of a crucial path to good wages, according to Maulin Mehta, the New York director at Regional Plan Association. The city's factories were once the rung that generations of immigrants and working families climbed without a diploma. Seven in 10 industrial workers do not have a college degree, many of them immigrants and people of color, according to RPA's [testimony](#).

New York came out of World War II with [more manufacturing jobs](#) than Philadelphia, Detroit, Los Angeles and Boston combined, and it has lost more than 90% of them since.

Those figures help explain why advocates are frustrated that Mamdani, whose campaign and governing platform centers on affordability and economic equity, is moving forward with phasing out the program.

"These people are exactly who Mamdani wants to help," Archibald said. "This is not giving incentives to real estate developers in Midtown. These are communities, working-class communities, mostly communities of color with a majority-minority workforce."

Advocates said they are worried about what the shakeup indicates for Mamdani's broader economic policy. The city's December [2025 industrial plan](#) has already unsettled the sector by proposing to allow housing development in parts of some designated Industrial Business Zones.

Cutting the program signals to industrial businesses that the city is deprioritizing them, Solomon of the Southwest Brooklyn Industrial Development Corporation said.

Kaplan, the scene builder, said she does not trust a citywide office to know a neighborhood as deeply as a local provider does.

"If you have someone running it from Coney Island and we're over in Greenpoint, they know nothing about Greenpoint," she said. "These smaller groups know about the areas they're in, and they're making sure the businesses can stay there."