

TESTIMONY BY
COMMISSIONER ROBERT W. WALSH
NEW YORK CITY
DEPARTMENT OF SMALL BUSINESS SERVICES
AND
EXECUTIVE DIRECTOR KYLE KIMBALL
NEW YORK CITY
ECONOMIC DEVELOPMENT CORPORATION
BEFORE
THE COMMITTEES ON SMALL BUSINESS
AND ECONOMIC DEVELOPMENT
OF THE
NEW YORK CITY COUNCIL
FEBRUARY 25, 2013

Good afternoon Chair Reyna, Chair Koslowitz and members of the Small Business and Economic Development Committees. I am Robert Walsh, Commissioner of the New York City Department of Small Business Services (SBS). I am joined today by Kyle Kimball, Executive Director of the New York City Economic Development Corporation (EDC) and others from SBS and EDC, who are here to help answer any questions you might have.

This afternoon we will report on how the City has helped small businesses and commercial areas recover from Hurricane Sandy. I'll speak about what we've done on the ground, responding to businesses' needs and bringing vitality back to impacted neighborhoods through marketing and increasing the local capacity for commercial revitalization. Kyle will speak about how we've been able to provide essential resources to impacted businesses, including emergency loans, tax waivers and temporary working spaces, all of which helped businesses reopen or stay open.

Impact

Immediately following the storm, SBS and EDC worked to quickly assess the extent of the damage to businesses and commercial corridors in all five boroughs. We reached out to business owners and local non-profit organizations, gathered economic data, and combed through neighborhoods to document damage. Across the city, particularly along the waterfront in Evacuation Zones A, B and C, floods, high winds, and fires destroyed commercial and residential buildings, damaged storefronts, and ruined inventory and equipment.

The hardest hit areas included lower Manhattan – particularly the South Street Seaport and Chinatown – the Brooklyn/Queens waterfront – including Newtown Creek – southern Brooklyn, south east Queens – including the Rockaways, Broad Channel and Howard Beach – and the south shore of Staten Island. Even where there was not extensive physical damage, many businesses were closed due to loss of power, resulting in significant business disruption, loss of income and, in some cases, employee layoffs. We were immediately concerned about the lasting effects prolonged business closures could have on employment and on the economic health of commercial corridors. We had to act fast.

Outreach

Before, during and after the storm, SBS was in continuous communication with small business owners. In preparation for the storm, over 41,000 businesses were contacted via email with information on how to prepare against potential damage. Our website was also updated with storm preparedness tips and information.

After the storm, with the help of community-based organizations – including business improvement districts, local economic development corporations and chambers of commerce – we were able to determine the extent of the damage and quickly distribute information on available local and federal resources to impacted businesses.

Our Business Outreach Emergency Response Unit worked closely with the Office of Emergency Management to respond to immediate business issues including power restoration and large debris removal. In the weeks after the storm, we visited hard-hit communities to provide residents, property

owners and merchants with recovery information and to address their concerns. Deputy Mayor Steel, Seth Pinsky and I held five informational meetings – one in each borough – to speak about available services and to distribute paper loan applications. Dozens of other outreach events took place across the city from Lower Manhattan to the Navy Yard in Brooklyn and St. George Library Center in Staten Island. Our materials on recovery programs were made available in English, Spanish, Mandarin, and Russian, and were also available both online and in print.

In addition to these events, our seven NYC Business Solution Centers and nine NYC Restoration Centers provided information to impacted business and property owners on all available City resources, including grant and loan funds. In Chinatown we established an additional office where bilingual staff assisted over 100 business owners. To date, NYC Business Solutions Centers have helped 2356 clients with hurricane-related issues. We've worked closely with the Small Business Administration, who co-located two of their Disaster Recovery Centers with the NYC Business Solutions Centers in Brooklyn and Lower Manhattan, allowing for businesses to easily access resources from both agencies. We met with SBA administrator, Karen Mills, who toured Red Hook, the Brooklyn Navy Yard and the South Street Seaport with me and Staten Island with the Mayor. To date, the Small Business Administration has approved 490 loans valuing over \$58,303,400 to businesses in New York City.

The nine NYC Restoration Centers were located in the hardest-hit communities and were the principal providers of information about recovery-related programs and services to property and business owners. Restoration Centers were located in Far Rockaway, Gravesend, Coney Island (2), Staten Island, Red Hook, Breezy Point, Arverne, and Throggs Neck-Pelham Bay. In the first month of operation, Restoration Centers were staffed in part by (41) SBS employees who took on shifts in addition to their

regular responsibilities. As visits to the Restoration Centers declined over time, the City began demobilization, closing the final three centers (Coney Island, Arverne, and Dongan Hills) in late February. Business owners continue to receive recovery services and information from trained staff at NYC Business Solution Centers.

Displaced Workers

In November, New York State received a grant for \$27.7 million in federal National Emergency Grant (NEG) funds to assist with recovery. New York City received \$11.3 million to administer the program. The grant provides resources to hire temporary workers to clean up communities impacted by the hurricane and to provide information and services to impacted individuals and businesses to help them get back on their feet. The grant is aimed at employing individuals who lost their job as a direct result of Sandy or who are long-term unemployed.

SBS has worked closely with a variety of nonprofit and government partners to get the word out about the program. We managed several large events where hundreds of candidates were interviewed and hired. SBS worked with the Parks Department to hire nearly 800 workers to clean up beaches and repair playgrounds in the Rockaways, Coney Island, Red Hook, and Staten Island. We are now working with the Parks Department on a second project to hire 200 young adults (18-24) to help restore the damage done to a variety of parks and beaches around Jamaica Bay. SBS also worked with the New York City Housing Authority to hire over 400 workers to clean up public housing developments and to collect information from impacted tenants about their needs. SBS has also hired several employees to assist in outreach efforts. In total, over 1,100 individuals have been hired to date.

Commercial Revitalization

To assist businesses located in the hardest-hit areas of the City, Business Recovery Zones (BRZs) were established as a way to structure the City's recovery efforts and tailor our response to the specific needs of different impacted regions. The five recovery zones are (1) Lower Manhattan – including the South Street Seaport, (2) Brooklyn Harbor Waterfront – including DUMBO, Greenpoint, Newtown Creek, Red Hook, Gowanus and Sunset Park, (3) South Brooklyn – including Coney Island, Brighton Beach, Manhattan Beach, Sheepshead Bay and Gerritsen Beach, (4) South Queens – including Howard Beach and the Rockaways, and (5) the South Shore of Staten Island.

Each zone has a point person who leads a coordinated effort of City agencies, elected officials, community organizations, small business owners and community representatives to identify neighborhood-specific issues and respond to individual business needs. The zone point person also provides information to relevant stakeholders on any new initiatives. To date, the City has assisted approximately 1,100 businesses in these areas.

I've been out to these neighborhoods and I've witnessed the destruction caused by the storm and met with resilient business owners in places like Red Hook, the South Street Seaport, the Rockaways and Staten Island. They were all hit hard, but what we've noticed is that the neighborhoods with strong local organizations devoted to economic development have been able to recover quicker. We saw that in DUMBO where the BID was able to raise funds, provide recovery information and market the

commercial corridor on behalf of their impacted businesses. Due to the BID's efforts, almost all the businesses in DUMBO will reopen.

We are focusing commercial revitalization resources in neighborhoods that don't have the support of a strong BID or LDC. We're working with the American Institute of Architects, professional retail experts and community non-profits to gather data, establish long-term recovery plans and increase the capacity of the local organizations focused on commercial revitalization. Where those organizations don't exist, we're working to build them. We're working with the existing local development corporations in the Rockaways and in Red Hook on economic development plans for Beach 116th and Van Brunt streets. In the South Street Seaport we're helping to form a much needed merchants association.

Support NYC Small Business Campaign

Even where businesses are reopening, pedestrian traffic is much lower than normal. We're combating this drop-off in foot traffic with marketing campaigns to attract people back to the hardest-hit areas. The campaigns highlight individual businesses and appeal to New Yorkers' sense of solidarity with owners who have fought to stay in their communities.

In partnership with Speaker Quinn, the Mayor's Office of Media and Entertainment and NYC & Co, SBS launched an advertising campaign called Support NYC Small Business. The campaign highlights open businesses and their recovery stories and features them on radio, in bus shelters (50) and in print. These advertisements have been featured in major publications like the New York Daily News and the

New York Post. The campaign has recently been extended as Citi Bank provided additional funding to allow for another round of print advertisements and subway ads.

The campaign also includes a "Support NYC Small Business" website with an interactive map of open businesses that currently locates 1342 businesses that have reopened after the storm. New Yorkers have consulted the website over 20,000 times when deciding where to shop.

We've also worked with 1010 WINS to highlight over twenty businesses in an "Open For Business" campaign – a daily segment on a reopened business. Segments have been done on businesses across all impacted areas.

Small Business Assistance Grant

As part of our effort to rebuild neighborhoods, we're also providing Small Business Assistance Grants to businesses that have reopened but need help repairing or replacing items necessary for full recovery. SBS partnered with Barclays, Citi and UBS to create a \$1 million fund for these grants. Businesses can apply for grants of up to \$5,000 for structural repairs, equipment repairs or to purchase replacement equipment. To date 613 businesses have applied for a Small Business Assistance Grant. The largest portion of Assistant Grant applicants, 37%, come from Brooklyn. There have been 28% from Queens; 20% from Staten Island and 14% from Lower Manhattan.

Insurance Assistance

Additionally, through a partnership with the New York State Department of Financial Services (DFS), businesses can receive assistance with insurance issues, including denial of coverage or unsatisfactory service. In the immediate aftermath of the storm SBS served as an intermediary to help make the connection and referred over 41 businesses to the State. Our outreach partnership continues with the State. Insurance workshops are scheduled to take place in each impacted zone for companies still dealing with insurance issues. These workshops will include specialists that can provide one-on-one assistance to businesses looking to negotiate with their insurance providers.

Regulatory Assistance

In addition to financial assistance, the City has shortened the time required for businesses to reopen by helping them obtain the inspections, permits and licenses they need, and by directing them to insurance resources.

The City established the NYC Restoration Business Acceleration Team (RBAT) to coordinate the services, permitting, and inspections needed for a business to reopen. This team provides interagency guidance to affected business owners among eleven agencies including the Department of Buildings, Department of Health and Mental Hygiene, Department of Consumer Affairs and the Department of Environmental Protection. This team builds upon the expertise of the New Business Acceleration Team, which has helped more than 1,100 businesses open more quickly. Similarly, client managers serve as a single point-of-contact for impacted businesses, providing necessary information, coordinating scheduling with safety and regulatory agencies, and troubleshooting problems. To date, 76 businesses have been assisted and 220 additional businesses have been contacted.

In the State of the City address, Mayor Bloomberg announced a Fee Waiver Program to provide temporary relief for filing and inspection fees related to Hurricane Sandy recovery work. Legislation is being introduced to amend the Administration Code to waive application and permit filing fees for work directly related to the reconstruction, repair, or relicensing of impacted businesses. This program will apply to over 40 permits necessary to reopen and includes an option for fees to be refunded. The program will be administered by RBAT. Robinson Hernandez, Executive Director of the New Business Acceleration Team is here to answer your questions.

Before I hand it over to Kyle, I want to thank the Council for all of your help in supporting our recovery efforts throughout the city. Together we have made significant progress helping small businesses impacted by Hurricane Sandy, protecting jobs and the long-term economic vitality of the city. At the same time, I realize we have quite a bit more to do in the months ahead.

New York City Economic Development Corporation
New York City Council Oversight Hearing:
Restoring and Growing the City's Small Businesses
Kyle Kimball, Executive Director
February 25, 2013

Good morning Chairwoman Reyna, Chairwoman Koslowitz, members of the Committee on Small Business, and members of the Committee on Economic Development. I am Kyle Kimball, Executive Director of the New York City Economic Development Corporation ("NYCEDC"), and together with Robert Walsh, Commissioner of the New York City Department of Small Business Services ("SBS"), and Robinson Hernandez, Executive Director of the New Business Acceleration Team, I am here to speak with you today about NYCEDC's role in the Bloomberg Administration's response to Hurricane Sandy. After my presentation, I will be happy to take questions.

As you all know, Hurricane Sandy has presented us with one of the greatest challenges we have ever faced as a city. Sandy severely damaged businesses and homes across the five boroughs, with losses to the City's economy and assets totaling approximately \$19 billion. Of course, we often distance ourselves from the personal side of loss, by trying to quantify the damage. We cannot quantify the impact the storm had on families who lost their routines, their neighborhoods, their homes, and, most tragically, their family members.

Notwithstanding the storm's unprecedented scale, as Sandy approached the City, Mayor Bloomberg mobilized agencies across City government to secure life safety and basic services and to help with initial recovery efforts with the goal of getting New Yorkers back on their feet as quickly as possible. And during the difficult days immediately following the storm, we saw New Yorkers rise to the occasion: from

emergency responders who, despite suffering their own personal losses, rescued fellow New Yorkers, distributed aid, and restored order; to workers at the City's Rapid Repairs program who worked to make thousands of homes habitable again; to sanitation workers who removed hundreds of thousands of tons of debris. In the days following the storm, volunteering through an effort organized by Speaker Quinn in Red Hook—one of the neighborhoods most severely damaged by the storm—I was struck by the overwhelming generosity of New Yorkers as I saw firsthand residents and organizations mobilizing almost overnight: sharing generators and storefronts, establishing mobile free pizza ovens in the street, and offering free hot meals and showers to neighbors.

In the days following the storm, our efforts at NYCEDC centered around helping New Yorkers get back to work as quickly as possible in order to stimulate the recovery of communities across the City. One of our top priorities was transportation. We were able to restore limited service on the East River Ferry only three days after the storm. With subway tunnels flooded, the service provided critical connections between Brooklyn, Queens, and Manhattan, and we saw more than two times the normal number of passengers in the days following the storm as New Yorkers utilized the service to get to their jobs. The Monday following the storm we added an extra ferry to accommodate the additional passengers. NYCEDC staff also installed a new temporary ferry landing in the Rockaways in a matter of days after the storm, and we were able to launch a temporary ferry service between the Rockaways and Manhattan within two weeks. Until the reopening of subway service to the rest of the City is restored from the Rockaways, this temporary transportation option has assisted thousands of New Yorkers most

impacted by the storm, allowing our economy to take another step on the road to recovery.

In addition to providing alternative transportation options, we worked to get NYCEDC-managed assets, which employ thousands of New Yorkers and generate significant economic activity for the City, back online as quickly as possible. This includes, for example, our cruise terminals. The cruise industry is critical to our City's economy: in 2011, cruise terminals welcomed 267 ship calls carrying more than 630,000 passengers from around the globe, helping to generate an economic impact of \$239 million. Both the Manhattan and Brooklyn terminals suffered extensive physical damage and lost power during Sandy. Within four days, NYCEDC staff had restored service to the Manhattan terminal despite the structural damage and ongoing power problems, and rerouted Brooklyn ships there; within the first week of opening, the terminal had welcomed five ships carrying thousands of passengers. Similarly, on the Brooklyn waterfront, the Brooklyn Army Terminal and Bush Terminal—which are home to industrial and manufacturing companies that together employ about 3,800 people—suffered extensive flooding and power outages. Within days, we were able to get most tenants in these sites on temporary power, meaning that thousands of New Yorkers could get back to business.

Meanwhile, coordinating with Speaker Quinn's office, NYCEDC staff worked to assess the hardest-hit areas quickly to determine what kind of assistance would be needed in these neighborhoods. Working closely with our partners at SBS, we deployed staff to each of the hardest hit areas to canvas key commercial strips and coordinate our efforts with local organizations on the ground to reach directly as many businesses

as possible. Although it was challenging in the days following the storm to establish direct communication with many businesses, we utilized all means available, including phone, internet, social media, press outreach, door-to-door canvassing, and outreach through local organizations and the City Council members. As a result of these efforts, we had a clearer understanding of the immediate issues facing local businesses, which allowed us to tailor our recovery efforts in each area.

From our work on the ground, it was immediately clear to us that businesses across the City would feel the effects of Sandy for a long time. Therefore, two days after Sandy hit, we launched, in collaboration SBS, a suite of initiatives to assist impacted businesses across the five boroughs by providing them with financial assistance, space, and services. We have focused our efforts on small- and medium-sized businesses because—not only are these businesses critical to our economy—they also tend to be located in the neighborhoods most affected by Sandy, and have fewer resources at their disposal to overcome the new challenges they face. As of today, we have made a total of approximately \$50 million in loans, grants, and other financial assistance available to affected businesses. I will now explain these initiatives in more detail.

First, in the days immediately following the storm, we launched an Emergency Loan Fund for impacted businesses to cover costs like repairs and equipment replacement. The Fund has provided low-interest loans of up to \$25,000 each to small businesses that experienced direct damage through flooding or power outages. Loans are interest free for the first six months and carry 1% interest for up to 24 months. NYCEDC and Goldman Sachs each contributed \$5 million to establish the fund, and with an additional \$10 million commitment from a consortium of 32 New York financial

institutions through the New York Bankers Association—including an additional \$5 million just announced today—the total value of loans available through the Fund is now \$20 million. So far, more than 500 businesses have been approved for a total of more than \$11.4 million in loans, with 126 applications pending.

Small businesses who applied for loans also called for grant money. Taking this feedback into account, we were able to secure additional funds in order to add a total of \$5.5 million in grants available to help impacted businesses. This grant program has been funded with \$5 million from the Mayor's Fund to Advance New York City, as well as \$500,000 from our partner, the Partnership for New York City, and is administered by the New York Business Development Corporation. Grants of up to \$10,000 each are available to businesses who were displaced from their workplace for three weeks as a result of Sandy, and who are also seeking low-interest loans through the City's Emergency Loan Fund. The City's Business Solutions Centers have been coordinating with community-based-organizations in severely affected areas since the storm to help businesses with the application process for both loans and grants. So far, almost 200 businesses have been approved for a total of more than \$1.7 million in grants, with an additional 19 applications being processed. The funded businesses include, for example, the Arbuz Frozen Yogurt shop in Sheepshead Bay, Brooklyn, where floodwaters caused significant structural damage and destroyed equipment and furniture. The owners used their \$25,000 loan along with a \$10,000 matching grant to renovate the shop and were able to reopen in January.

In addition, through an initiative administered by the New York City Industrial Development Authority, businesses can obtain a waiver of up to \$100,000 in New York

City and New York State sales taxes for materials purchased for recovery efforts. This program is available to up to 250 businesses for reconstruction projects. To date, 78 applications for sales tax waivers have been approved, allowing businesses to proceed with a total of almost \$150 million of reconstruction work while saving up to almost \$3 million in sales tax. Additional applications are being processed. Sales tax exemptions are making a real difference for New Yorkers affected by Sandy. For example, in the Rockaways, we provided a Key Food supermarket with a sales tax waiver after significant damage sustained during Sandy forced the store to close. This supermarket fills a critical niche in the neighborhood, which is underserved by grocery retail. Furthermore, after the storm, many Rockaways residents were left without cars and now face difficulties getting to supermarkets in other parts of the City. The store is now able to pay for construction equipment, shelving, refrigeration equipment, and other expenditures for the capital improvements it needs to reopen without the additional expense of sales tax. The owners hope to complete renovations and reopen before the summer.

Besides financial assistance, we have worked to connect affected businesses with the space and services they need to get back on their feet. The NYCEDC has made available more than 250,000 square feet of temporary office space, including 40,000 square feet at the Brooklyn Army Terminal, to displaced businesses across the five boroughs. In addition, we created an online marketplace matching businesses who have generously offered space, supplies, or other services for businesses displaced by the hurricane. The marketplace has provided affected businesses with free supplies and

services ranging from office furniture to technology support to carting services to financial and legal assistance.

In addition to these efforts, the Mayor announced earlier this month that the Administration will be spending the City's initial allocation of federal funding on eight new Sandy recovery initiatives. The allocation of \$1.77 billion in Community Development Block Grants will address the City's most urgent housing, business and infrastructure needs in our hardest-hit neighborhoods. Of this funding, the \$185 million designated for business recovery initiatives includes additional loan and grant programs for affected businesses as well as a competition to allocate grants to businesses that develop new resiliency technologies.

But even as all of these recovery efforts are underway, Mayor Bloomberg has recognized that we will inevitably face storms in the future, and we cannot focus only on short-term rebuilding efforts. Sandy has presented us with an opportunity not just to rebuild, but to adapt in order to make our City more resilient in the face of future natural disasters and climate change. So in December, Mayor Bloomberg announced that the Administration will be producing two reports in the coming months. The first, to be released in the coming weeks, will be an After-Action Report on City government performance during the storm, and is being developed by Deputy Mayors Gibbs & Holloway. The second report, to be released in May by a team led by Seth Pinsky, will be a long-term plan outlining how to transform our City so that it will be more resilient in the face of the impacts of climate change.

Looking ahead to the future, we know that we continue to face significant challenges—both in our ongoing recovery from Sandy and in our long-term efforts to

prepare for future storms and climate change. However, we remain committed to assisting businesses and neighborhoods across the City so that they do not just survive Sandy, but emerge stronger than before. While we still have a great deal of work ahead of us, the outpouring of support from New Yorkers, at all levels of government and across the nonprofit and private sectors, gives me great hope for the bright future of our City. With the continued support of your Committees and the rest of the members of the City Council, we at NYCEDC are confident that the City will overcome the challenges we face and evolve to become even stronger and more resilient. I would be happy to answer your questions.

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Testimony of
Staten Island Chamber of Commerce President & CEO – Linda Baran
February 25, 2013, 1:00 p.m.

Good afternoon, my name is Linda Baran, President and CEO of the Staten Island Chamber of Commerce. On behalf of the Chamber and our 800 business members who employ over 20,000 people, I would like to thank you for the opportunity to address the City Council on Restoring and Growing the City's Small Businesses.

“Superstorm” Sandy has proven a terrible and horrific blow to New York City. We on Staten Island saw severe devastation; from the destruction of entire neighborhoods to the overwhelming loss of life; this storm's effects will be felt for years to come. Over 23 people died in our borough, accounting for more than half of all New York City deaths due to the storm. The road to recovery is going to be long and painful.

We have approximately 8,000 businesses on Staten Island (approximately 1,000 located in Zone A). Many businesses in our coastal communities were severely damaged or destroyed; others saw business interruption for well over a week. I have spoken to construction companies, service providers, marina operators, pharmacies, restaurants, deli's, and a significant number of our small mom and pops (some under two years in business) in an effort to assist and gauge their needs.

Some businesses were totally washed away, others lost equipment and tools, and some re-located temporarily. If you were to walk along the business corridors in South and Midland Beaches, you only need to look around to see the devastating effects of Sandy on Staten Island - empty storefronts and deserted neighborhoods.

As you are aware, FEMA does not provide grants to businesses impacted by Sandy. Unless they were insured, affected businesses had no other choice but to dip into their personal savings or take out a loan in order to survive. On Staten Island, 3,487 applications were issued for SBA business disaster loans. As of February 20th, only 98 of those applications were approved. I commend, National Grid who recently stepped up to offer grants to businesses - they are the only entity offering this type of financial assistance. I would like to share with you a few stories that display what businesses in our community are experiencing while attempting to rebuild:

Midland Pharmacy: A local pharmacy was completely flooded with over 7 feet of water destroying the store and expensive inventory. The overall loss includes the damaged building, furniture & fixtures, equipment, inventory and accounts payable all totaling about \$800,000. The pharmacy's flood insurance had lapsed and through a mix-up with the bank, they were never notified. Flood insurance was required by the bank in order for them to obtain their mortgage.

They have tried to hold the bank accountable, but to date they have not made any headway in resolving the issue. They are in the process of applying for an SBA loan to reopen in a different location (the building they own was severely damaged), but the process has been long and frustrating. It is difficult for them to rebuild their inventory of expensive pharmaceuticals. Suppliers are only willing to work with them on a "COD basis." The pharmacy was approved for the \$25,000 loan through the NYC SBS Emergency Loan Program, but that amount isn't enough to do any major repairs to the building they own or build up their stock of pharmaceuticals.

Not Just Bagels: A bagel store located on Hylan Blvd. was flooded with over 6 feet of water. Right after the storm, the owner contacted her insurance broker and couldn't get anyone to answer her after calling and emailing daily. She learned that her claim was denied because she didn't have a flood rider. The entire store, full of refrigerators, ovens, and bagel making equipment was destroyed. She was turned down for the NYC SBS Emergency Loan Program because she has an outstanding note and stated that financially it doesn't make sense to take out further obligations while trying to recover. All of her money was tied up into getting the store reopen and now, she's being sued by her landlord for not paying her rent in November and December. Thankfully, the Chamber was able to help her obtain a grant for \$35,000 from National Grid in February – but she is still not out of the woods.

Montalbano's Pool & Patio Center: Another family owned shop, in business for 39 years, on Hylan Blvd. was destroyed and lost their entire inventory. They carried flood insurance and business interruption insurance. Their shop re-opened in January. Just recently they learned from the insurance company that they are not covered for business interruption because their closure was due to flood, which is not included in the policy. They have only received a check for \$20,000 from their flood insurance and their claim was for over \$200,000. The insurance company is claiming all the damage to the shop stemmed from the flood, not sewer backup. They had to fill out extensive paperwork for an SBA loan, but decided against it because – to quote the business owner, "the better shape you're in, the higher your interest rate."

It should also be noted that there are existing issues with flooding in the immediate area and that merchants have expressed concern regarding DEP's actions to resolve the ongoing issue.

In our conversations with business owners, we have also heard positive comments. We commend the NYC Department of Sanitation for the excellent job they have been doing on Staten Island. Our businesses are grateful for their help in cleaning up after the storm. The NYC Business Solutions has been a great resource for our businesses in providing assistance and direction for businesses. The utility companies have been understanding and supportive of business owners in trying to rebuild.

However, most of our Staten Island businesses are facing ongoing difficult issues: from fighting with insurance companies over coverage to filling out extensive loan applications, they concur that help for business has been slow in coming and that current assistance is not enough. The NYC SBS Emergency Loan and Matching Grant Program for \$25,000, in many instances, is too small to make a difference. Business owners are grappling with whether to take out another loan or go out of business. There are next to no options for businesses to get grants, interest free or

forgivable loans. We rely on a vibrant small business community and need the help of NYC to ensure Staten Island's economic future.

The City can consider several things to help grow NYC's small businesses:

- Provide forgivable loans for businesses devastated by natural disasters;
- Increase the amount of NYC emergency loans currently available;
- Implement grants to cover the cost of inventory, equipment and rent;
- provide tax incentives for businesses to rebuild in devastated communities;
- Improve and coordinate communication between agencies on loan and grant programs; and
- Provide capacity building grants to local Chambers of Commerce to augment the work they continue to provide to affected businesses in each borough.

Here on Staten Island, there aren't many large employers; we rely heavily on our small to mid-sized businesses, which are the fabric of our community. They not only deliver goods and services - they provide jobs, add to the city's tax base and support our little leagues, charities, etc. It would be extremely detrimental to our local economy if even a fraction of them were to go out of business as a result of Super Storm Sandy.



February 25, 2013

Written Testimony Respectfully Submitted to New York City's Committee on Small Business, jointly with the Committee on Economic Development by Melissa Chapman, Vice President, Government and Community Relations, Brooklyn Chamber of Commerce

Honorable Diana Reyna, Chair
Honorable Mathieu Eugene, Member
Honorable Letitia James, Member
Honorable Margaret S. Chin, Member
Honorable Peter A. Koo, Member
Honorable Ruben Wills, Member
Honorable Andy King, Member

Good Afternoon Chair Reyna, Members Eugene, James, Chin, Koo, Wills, King and distinguished guests.

My name is Melissa Chapman and I am the Vice President of Government and Community Relations, at the Brooklyn Chamber of Commerce, in Brooklyn, New York. I am delivering testimony on behalf of Carlo A. Scissura, Esq., President and CEO of the Brooklyn Chamber of Commerce. The Brooklyn Chamber of Commerce is a membership based business assistance organization which represents the interests of businesses across the borough of Brooklyn. The Brooklyn Alliance is the not-for-profit economic development organization of the Chamber, which works to address the needs of businesses through direct business assistance programs. At the core of our work, the organization leverages all resources available to businesses to assist them in growing their companies in the borough, attract new investment, and retain business and jobs. Programs we administer include Brooklyn HealthWorks, a subsidized small business health insurance program, Good Help, a no cost workforce development division which connects small and mid-sized businesses to the public workforce system, Brooklyn Goes Global, our import/export and trade assistance program, Brooklyn Connects, assisting small and minority businesses access procurement opportunities, and NYC Business Solutions, in partnership with the city of New York, which provides one on one business technical assistance on issues like financing, recruitment, training, legal and minority and women business certification. Through these programs, the Chamber has the ability to coordinate and stack multiple resources to address almost any business need.

On October 29th, everything changed. As the reports on the impending storm worsened, residents and businesses knew that this storm would be different. All across the borough and the city, waterfront communities prepared and braced themselves for the superstorm. When the borough awoke on the morning of October 30th, the entire physical landscape of the communities we know had changed.

Since then restoring and growing Brooklyn small businesses has been at the forefront of projects and activities, undertaken by the Brooklyn Chamber of Commerce. Immediately after the storm, the Brooklyn Chamber released and circulated a comprehensive Hurricane Sandy Relief Guide that included contact information for insurance companies, as well as options for city, state and federal



Brooklyn Chamber of Commerce

financing. Additionally, the Brooklyn Chamber of Commerce made office space available at no cost for businesses directly impacted by the ravages of the storm, which was the first step to recovery for some local businesses.

The Brooklyn Chamber of Commerce joined forces with the Brooklyn Community Foundation to establish the Brooklyn Recovery Fund to create a pooled fund by Brooklynites, for Brooklynites, and in so doing, build strength among local nonprofit organizations so that they can effectively and quickly serve the needs of locals affected by Hurricane Sandy. To further aid in recovery efforts, the Brooklyn Recovery Fund established a Community Advisory Committee, which includes nonprofits, businesses, and civic leaders from areas most impacted by Hurricane Sandy.

On November 5, 2012, the Mayor announced the NYC Emergency Loan Program, facilitated through the New York City Department of Small Business Services, the New York City Economic Development Corporation, Goldman Sachs and underwritten by the New York Business Development Corporation (NYBDC), a city based community lender that partners with banking institutions to provide underwriting that lends to businesses that would typically have a harder time accessing capital. NYBDC is also a state approved 504 lender for the SBA. Each loan represents a maximum award of up to \$25,000. We applaud Mayor Bloomberg, Commissioner, Robert Walsh of the New York City Department of Small Business Services, and Seth Pinsky of the New York City Economic Development Corporation for their citywide efforts and thoughtful leadership. We also thank Governor Cuomo, and Kenneth Adams, Chair of the New York State Empire Development Corporation, who also developed an emergency loan program to match the city's efforts.

Since December, 2012 the New York City Business Solutions- Brooklyn Center has helped 102 businesses access Hurricane Sandy Recovery Loans, totaling \$2,345,500, and brought the year to date totals for that period to 141 emergency loans totaling \$3,274,000.

On November 14, 2012 TD Bank awarded the Brooklyn Chamber of Commerce a \$200,000 grant to start a City-wide Neighborhood Entrepreneurship Project to provide assistance to businesses affected by Hurricane Sandy. This project will help with merchant organizing, commercial beautification, shop local initiatives, and attracting businesses to low and middle income areas. Services also include programs aimed at direct referrals for small business services such as financing, accounting, hiring, and attaining permits. **The first areas to receive assistance from this project will include Red Hook and Sheepshead Bay, Brooklyn; City Island, Bronx; Lower East Side, Manhattan; and Midland Beach, Staten Island.**

In addition, the Brooklyn Chamber of Commerce, through its 501c3 not for profit, the Brooklyn Alliance, will work with and provide direct technical assistance to assist NYC's other Chambers of Commerce (Bronx, Manhattan, Queens, and Staten Island) to develop and establish commercial revitalization programs within their respective Chamber foundations.

In his recent State of the City Address, Mayor Bloomberg announced that all city fees, usually associated with repair work will be waived, and we commend the Mayor on this, as this initiative will provide a major boost to businesses seeking to rebuild.



**Brooklyn Chamber
of Commerce**

Obviously, disaster preparedness will never go overlooked again, and we do believe that many of our businesses were better prepared now than they were after September 11th, but we can do more. How we rebuild, and how we prepare for another disaster will directly affect our needs and responses moving forward.

We must learn from each disaster and find more efficient use of resources and funding to address immediate response and recovery. This is especially important at the federal level where resources spent here can have a national impact.

Lastly, I hope that this disaster puts a spotlight on what I've known all along – that Brooklyn businesses are one of a kind, and will recover stronger than ever from this unthinkable disaster.

Thank you for your time and for all of your work addressing the needs of our great small businesses.



The City of New York

Manhattan Community Board 1

Catherine McVay Hughes CHAIRPERSON | Noah Pfefferblit DISTRICT MANAGER

New York City Council Committees on Small Business and Economic Development Oversight – Recovery: Restoring and Growing the City's Small Businesses

Testimony by
Catherine McVay Hughes, Chair
and Edward Sheffe, Chair, Small Business Recover Task Force
Manhattan Community Board 1

Monday, February 25, 2013, 1 p.m.
Council Chambers - City Hall

I am Catherine McVay Hughes, Chair of Community Board 1, and I am accompanied by Edward Sheffe, Chair of our Small Business Recovery Task Force. Thank you, Chair Reyna and Chair Koslowitz, for this opportunity to comment. Restoring and growing our city's small business economy is vitally important, and it is critically important to assist small businesses impacted by Sandy.

Four months ago, Superstorm Sandy created record-breaking – and heartbreaking – havoc throughout the tri-state area. The storm's impact on small, retail merchants was deeply felt here in Community District 1, especially in the Seaport area. For example, just a few blocks away, scores of retail businesses were heavily damaged, virtually overnight. The storm surge created unprecedented infrastructure damage and ruined inventory.

Even businesses that were not physically damaged suffered from the loss of electricity and mass transportation service in the following weeks. Local small businesses were severely impacted by the transportation shutdown because their customers, suppliers and staffs could not get to them. These hardships were compounded by the power and telecommunications outages. In addition, the losses suffered by businesses were generally not covered by business interruption insurance.

Today much of the district has reopened. A recent report from Con Edison's representative at an interagency meeting hosted by CB1 indicated that only three major buildings in the district remain without electricity. However, many of our small businesses, especially in the Seaport area, suffered damage that cannot easily be undone. The redevelopment of Pier 17, the mall operated by Howard Hughes Corporation, is about to begin and will entail the closing of many businesses that have remained there through the difficult recent months. These managed to hang on despite a depleted customer base and many may fail if forced to close during their busiest sale season in summer.

Insurance coverage for most small businesses has been inadequate. Sales over the critically important holiday shopping season were devastated, due to an attenuated customer base. Loans – even low-interest disaster relief loans – are inadequate or unobtainable for merchants who cannot afford to take on additional debt. Many small businesses are still struggling to pay off debts incurred while trying to recover from the events of 9/11, having stayed to help rebuild this community after a devastating terrorist attack. These small business owners have depleted their life's savings struggling to cope with this most recent catastrophe.

We want to thank the Downtown Alliance for their early initiative in launching the "Back to Business" Program on November 19th, only several weeks after the storm, which delivered \$1.6 million in grant money to businesses that desperately needed it when only loan money was available. Despite its

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incredible success, the program had limited funding and could not reach all of the businesses that needed help.

We need more such grant programs and other immediate and substantive financial help. Our district faces the possible loss of many small mom and pop businesses that meet the needs of residents, workers and visitors of CB1 and ensure the quality of life that we have come to rely on. Without support from all levels of government, some of our businesses will not succeed. We as a community must not allow this to happen.

Retail goods and services are essential to sustaining a residential population that has more than tripled in the past decade. It is important to retain them in order to keep residents and major corporations in Lower Manhattan and ensure a vibrant future for a community that has recently become not only the fastest growing residential district in the city, but also an enviable example of a vibrant, 24/7, mixed-use community.

Creative, short-term solutions are urgently needed to ensure the success of retail businesses that are critical to the success of this growing community. Since October 29th of last year, Community Board 1 has devoted much of its limited resources to assessing the devastating impact of this storm, and attempting to recommend appropriate responses. Our recommendations have been issued in resolutions passed by CB1. We also have included these recommendations in our document "Emergency Preparedness: Lessons Learned From Superstorm Sandy." I won't read them all in their entirety, but provide a brief summary of our most critical requests.

In short, Community Board 1 urgently requests the following:

- Immediate availability of non-restrictive grants in amounts adequate to help retailers remain in business long enough to recover from this disaster.
- Intervention by the NY State Department of Financial Services to hold insurance companies accountable for their response time, and their compliance with policy terms.
- Exemption from federal and state taxation of all disaster relief funds received by distressed local merchants, whether from public or private sources.
- Temporary reduction of property tax rates and assessments, to reflect property values depreciated by Superstorm Sandy.
- Temporary exemption of sales taxes, retroactive to October 2012 and extending through October 2013.
- Postponement of local and state tax filing deadlines, and waivers of penalties for late payment, retroactive as above.
- Payment extension programs for payment of utility bills, with penalty-free grace period, retroactive as above.
- Free or subsidized moving and storage options as needed to salvage fixtures and inventory during recovery.

For the future well-being of our businesses as well as residents, it is important that we plan and develop an infrastructure, including electricity and data services, that is sufficiently resilient and redundant to withstand future outages and emergencies.

Manhattan Chamber of Commerce

Testimony – Hearing -Restoring and Growing the City's Small Businesses

By Nancy Ploeger, President



Monday February 25, 2013

Good afternoon and thank you for allowing us to share our thoughts with you on economic recovery for small businesses post Sandy. It is important to learn from these experiences and put plans in place where possible to prepare for the next disaster. Since our small businesses are the largest job creators in the country and in this city, it is imperative that attention is brought to their challenges and support given to help them get back on their feet.

After 9/11, MCC put in a Small Business Recovery Fund as we recognized that the small businesses were the lost victims of the attack. Not only did our city lose close to 3,000 people—many fathers, mother, sons, daughters—we also lost friends and customers and clients. One tends to forget that the small business owners were also dependent upon those whose lives were lost in the collapse even though they were not related by blood or marriage. The fallen were their lifelines too, buying their products, dining in their restaurants, having their shoes shined, etc.

The fund was a micro grant program to get \$500-\$1000 in the hands of the small businesses as quickly as possible to show them support and to help them pay a bill, put the money towards rent or payroll or use for clean-up. We gave out over \$150,000 in these micro grants in the first 3 months post 9/11. We knew this would not keep them in business but would show them that they weren't forgotten immediately after the disaster and help them in a small way. The psychological effects of a disaster are just as important as the actual physical and financial losses and small businesses need to know that they are supported-not with just an offer of loans which is what they have been told for the most part since Sandy.

So we set up the Fund again post Sandy and we have been giving out \$500 micro grants to businesses in lower Manhattan and Staten Island. Supporters are the private sector and other donors who wish to support the community. We received just 100 applications from Nov. to our Dec. 31st deadline as we didn't widely publicize the Fund as we did not know how much we would raise. ***From the 100 applications received, the combined annual revenue was nearly \$27,000, 000. The losses in revenue and damage done over the course of one week, two weeks or in some cases, several weeks were \$3,000,000 just for these 100 businesses.*** Staggering numbers.

We understand that small businesses who have sustained losses are not interested in taking out loans as many of them are just making it day to day and already are in debt. There is no agency equivalent to "FEMA" specifically for small businesses. Yet these are the very same businesses providing the majority of jobs-jobs which everyone needs to recover.

So we propose some other ways to consider supporting this community once a small business has filled out a simple form noting how they were affected, etc. –

Creation of a ***“NYC Small Business Recovery”*** package that could include the following:

- *Creation of a ***“no sales tax”*** program for purchasing equipment, services and goods for the businesses for 6 months post disaster
- *Creation of tax credits for other types of taxes that are normally levied (city, state and federal)
- *Develop a ***“Disaster Retail and Service Alliance”*** willing to give discounts to those affected by disasters
- ****Issue city waivers*** (currently being done) on applications, permits and inspections
- *Develop an ***“NYC Adopt a Company”*** website where qualified small businesses can upload their stories, needs etc. and other companies can support them by encouraging employees and clients to give them business
- *Develop a single, ***“NYC Disaster Volunteers”*** website for small business to post needs and for city & nonprofit organizations to post volunteer opportunities including locations, dates and times of service opportunities

We are sure there could be a list of other substantial offerings that could be added to the package.

And we propose the city develop a promotional educational program, ***“Know Your Coverage”*** to encourage small businesses to fully understand their insurance carriers’ offerings before taking on the premium payments. Many of those paying business interruption insurance and other general liability insurance had no clue as to what the insurance really covered and were left out in the cold without any financial support because of lack of knowing the fine print in their policies. Insurance agents did not fully explain the coverage up front and small businesses need to do their due diligence. A citywide promotion to reach both established businesses and start-ups should be created.

And in general, help to sustain and grow small businesses ***requires a hard look at all regulations*** in all city agencies and continue regulatory reform. Now with the upcoming required health insurance coverage costs on top of permit costs, fines, potential raise in minimum wage, it is even more imperative that we remove barriers inhibiting growth and creating more financial burdens on the backs of the small businesses. In addition, S-Corp double taxation should be dealt with as well as many state regulations. There are so many regulations from so many different city, state and federal agencies that it makes your head spin. It is also very important to think about each new regulation being proposed and the consequences that will be borne by the small businesses before enacting new laws.

Again, thank you for this opportunity. We look forward to working with you to put in place additional support for our most important business community.

Testimony of Dean L. Balsamini, Director
Staten Island SBDC at the College of Staten Island
New York City Council
On Recovery from Hurricane Sandy
February 25th, 2013

Thank you Chairwoman Reyna, Chairwoman Koslowitz and the City Council Members for inviting me to represent the Small Business Development Center at the College of Staten Island to offer testimony at this afternoon's hearing. My name is Dean Balsamini, and I am the Director of the NYS SBDC at the College of Staten Island.

Staten Island SBDC at the College of Staten Island

The SBDC at the College of Staten Island was founded in 1993. Since our inception, we have worked on a one-to-one basis with over 5,900 businesses, helping them invest more than \$130 million in the area's economy while creating or saving over 4,100 jobs. We provide technical assistance and business advisement to both start-ups and existing businesses, about evenly divided. By developing long-term relationships with our clients, we are able to guide them through the myriad of challenges to a point where they are able to sustain themselves and grow. Our team is made up of a knowledgeable and experienced staff of business advisors who are former bankers, managers, business owners and corporate executives.

On Oct. 29th, 2012 the impact of Hurricane Sandy wreaked significant damage to the coastal areas of Staten Island, flooding both residential and commercial properties. The College of Staten Island is located in the heart of Richmond County, which was one of the hardest hit counties in the State of New York.

Sandy Disaster Assistance

The SBDC worked diligently to get the cooperation of CSI, the SBA and local civic leaders to open the SBA Business Recovery Center at CSI. CSI was extremely supportive to the needs of the community by teaming with the SBA and SBDC to set up the BRC, the first in New York that combined SBDC and SBA services. CSI provided secure, dedicated offices with designated parking for those that were damaged by the storm, providing confidential counseling for business owners.

Walk-ins were accepted, but the BRC was set up as an appointment-based facility offering one to one advisement, access to resources, and program guidance, aligned with our primary function of assisting business owners with their applications for disaster loans for physical damage and/or economic injury, existing insurance settlements or other sources of recovery capital. Through appointments, business owners were able to schedule their time away from their businesses, emphasizing their importance to the community's recovery and minimizing additional impact on their already disrupted lives.

Through Feb. 20th, the partnered BRC handled 720 inquiries from individuals and worked with over 200 business owners. Over 100 business owners have applied for SBA Disaster Loans. Thus far, only 6 SBA loans have closed for a total of \$2 million, 8 applications have been denied or withdrawn. There are 91 applications pending that are requesting well over \$25 million in funding.

The BRC at CSI, although focused primarily on business owner assistance, has assisted homeowners in understanding, applying and closing on disaster loans. Approximately 95% of applicants that have requested assistance from the BRC have been residents of Staten Island. The others have come primarily from SW Brooklyn, although there has been help provided to residents of Queens, Nassau County and the surrounding areas of New Jersey.

Collaboration with other Organizations

The BRC at CSI has worked closely with every organization providing disaster assistance to those affected. These include commercial lenders, SBS, the Staten Island Chamber of Commerce, numerous Staten Island business groups and local civic/community leaders.

The nature of the collaboration of the SBDC and SBA has allowed for assistance that encompasses both federal and local program support. Besides SBA disaster loan assistance, clients have been assisted with NYC and NYS resource programs. Many clients have used multiple resources to help them get back to business. Our guiding principal is to provide the best solution for the business, quickly, efficiently and with respect.

Numerous meetings were organized through the SI SBDC, SBA, SI Chamber of Commerce, other business organizations on Staten Island and local community leaders in order to direct those negatively impacted by the storm to the BRC and other sources of assistance while retaining contact with them.

Staten Island Forecast for Sandy Assistance

In discussions with SBA disaster experts and the SBA team here at the CSI BRC, it is expected that a full recovery to the business community will take years. On Staten

Island, Hurricane Sandy has changed the business landscape both literally and figuratively. The huge amount of restoration work done in the past four months has brought into dramatic focus the enormity of what remains to be done.

NYC has already begun actions that will change zoning requirements, while the federally designated flood maps have been changed to reflect the areas damaged by Hurricane Sandy. SI communities will need time and support to adjust to these challenges. This storm has altered the way we view hurricanes and the damage they cause.

It has become apparent that the Staten Island economy is feeling the economic repercussions of lost services, lost paychecks and lost purchasing power. This is a trickle-up economic effect that impacts the entire community.

The SBDC believes in the resilience of small businesses and their importance upon our community. We will assist these businesses to plan for the opportunities in rebuilding and the resurgence of the area, but full recovery will take years. This will be a difficult time; we will need your support to help in the full redevelopment of our small business community. I very much appreciate this opportunity to speak with you and would welcome you to our community to see the impact of the SBDC and pulling people together on Staten Island.

Thank you.

**Testimony of Harry Wells, Regional Director of
York College Small Business Development Center before the
New York City Council
On Recovery from Hurricane Sandy
February 25th, 2013**

Hurricane Sandy

York College is located in downtown Jamaica, Queens. The aftermath of Hurricane Sandy sparked a heroic response from our college. Our campus became a disaster shelter to over 700 victims of Hurricane Sandy. We had hurricane survivors sleeping in our hallways, dining areas and lobbies. For several weeks, we suspended classes; several hundred mentally ill patients occupied our Physical Education complex. Our students, faculty and staff worked around the clock to provide essential humanitarian services. I think the SBDC values are in alignment with our host institution.

York SBDC

The York College Small Business Development Center was founded in 1988. Since our inception, we have serviced over **13,000** clients and have been successful in obtaining over **\$86 million dollars** in loans. We provide business advisement and technical assistance to both start-ups and seasoned businesses. We develop longer-term relationships with our clients as we work with business owners from infancy through steady growth. Our staff is very stable and comprised of Business Advisors who are former bankers and entrepreneurs. Several members of our staff are veterans of the World Trade Center disaster. Some of our proudest achievement is the continuous relationships we have with clients who nearly succumbed in that chaotic disastrous climate and have now grown into multi-million dollar businesses. It is my belief, that disasters are horrific but opportunities do emerge from the wreckage.

Sandy Disaster Assistance

The York SBDC was designated an official Business Recovery Center. Our office serves the heavily damaged and economically distressed areas of South-East Queens, Howard Beach and the Rockaways. Both business and home owners are welcomed, although we do not report on home owners. In response to the disaster, we spearheaded two important events for Queens's residents. On November 16, we participated in an event at the Resorts World Casino (Aqueduct). SBDC Business Advisors and representatives from other agencies assisted business owners filled out disaster loan applications on the spot. It was an intense but emotionally uplifting experience. I served as the moderator of this daylong event.

A few weeks later, the staff of the York SBDC, along with temporary staff from other SBDCs, spent nearly eight hours at Russo's on the Bay in Howard Beach. We outlined programs and services and worked with local businesses completing their loans application. We paid particular attention to their financial condition, advising them on strategies for growth and necessary steps that would ensure their repay ability of the

loans. Since our initial entry, we have revisited Howard Beach several times, counseling new clients. Good news travels fast through word-of-mouth and many more Howard Beach business people have come to our offices for disaster assistance.

We collaborate and work daily with SBA officials from our York office and Far Rockaway space, located in the headquarters of the Rockaway Revitalization and Development Corporation. Thus far, we have assisted over 160 clients, submitted 53 loan applications to the Small Business Administration (SBA) and other disaster loan funds. We assisted many more businesses, but some were not eligible for programs and others had to submit documents directly. Of these 53 applications, 28 are pending, 6 are approved, and 19 have been declined. There are significant loan applications for larger amounts that are pending, sometimes for months.

Road to Recovery

MWBEs Contractors Capacity Building

According to Harvard professor, Michael Porter, the Construction, Housing, and Real Estate cluster is a large generator of new jobs in inner city and regional economies. He projects that large-scale commercial, residential and infrastructure projects create exponential growth in job generation and self-employment. Throughout NYC, the rapid repair program along with planned projects such as; the Delta JFK Terminal, Aqueduct Convention Center and Hurricane related recovery projects should stimulate economic recovery and sustainable growth opportunities for MWBE contractors. We team with major prime contractors to assist and grow qualified, capable and responsive minority contractors for procurement opportunities.

Forecast

In meetings with SBA disaster experts, they stated that the disaster recovery assistance will need to continue for several years. The SBA officer in my office points out that they are still making loans to business owners impacted by Hurricane Katrina. It is my intention to focus on client services that take advantage of the SBA economic injury loans. Many businesses still have no idea of the impact of Hurricane Sandy this year or the future. If business owners come to us and allow us work on a new growth plan along with financial projections, there is potential to receive long-term financing at relatively low (4%) interest rates.

Long March

The York SBDC has a protracted plan to deal with the long-term consequences of Hurricane Sandy. We will continue to mobilize our internal statewide SBDC network and utilize highly qualified and seasoned Business Advisors from NY State to provide needed services. Upstate volunteers have been so emotionally moved and committed that they are offering to do another deployment. We also plan to hire strategically placed business professionals that lend their expertise not only for recovery but also for longer-term growth. You can expect to refer entrepreneurs and new or seasoned business owners to satellite offices in Howard Beach and the Rockaways.

Thank you for this opportunity, together, we can do great things.



February 25, 2013

Good Afternoon members of the City Council:

My name is Amanda Zink, and I am the owner of The Salty Paw, a pet emporium and groom spa located at 38 Peck Slip.

I would like to start by thanking the members of the *Council* for giving me this opportunity to speak today. I would also like to commend so many of you that I have personally met during the past 4 months, and your continuing efforts to fight for the small businesses who are struggling here in the South Street Seaport.

As you decided in the next coming weeks, how to provide AID to small businesses, I would like to share a glimpse into a few small, but historically important blocks in my neighborhood, just steps away from City Hall. My store "The Salty Paw" is one of 20 store fronts that still remain **closed** along *Historic Front Street* and Peck Slip. This amounts to over 250 jobs loss, just from one single block!

As many of you know, most of the businesses down here were leveled by the storm, and have seen nothing from their insurances. They either do not qualify or cannot afford to take out loans to rebuild, even with low interest. My pet boutique, a specialty store, already operated on a lean budget *pre SANDY*, so the thought of trying to generate additional income that would be required to pay back a loan, on top of my future day-to-day operating costs, overhead, including the news I just received from my landlord that I will have increased rents, when and if they give me my keys back. I was just starting to make ends meet after five years of being open and making a small profit, and now this.

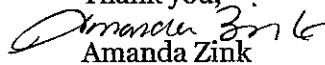
It is simple, we need **federal government grants**, not loans, as we re-build & re-establish our businesses in a changed market place. Between the war zone conditions of my immediate neighborhood, including construction sites on all surrounding streets (for what may be years to come) and the residential vacancies in the neighborhood today caused by the storm... if I do reopen, my sales are going to be significantly lower. Yet, my rent, my insurance, my operating costs and monthly expenses will be that much higher in a permanently depressed neighborhood for the next several years. Moreover, the 13 businesses of HISTORIC FRONT STREET under the DURST organization, have been told that we *should* get our keys back in MAY to rebuild (once they complete their restoration process of the electrical infrastructure of the block). If so, my business will have lost over \$200,000 in revenue over 7 months closed. And I am just a tiny GROOM SPA. I can only imagine what my fellow restaurants losses will be by the time they rebuild and re open.

38 Peck Slip New York, NY 10038
www.thesaltypaw.com



Last Friday, I had the difficult task of finally letting go all BUT one of my remaining staff. Four months into this fight to stay afloat, the future of my shop is still so bleak. It was not fair to them to give them false hopes that I would be able to ever get my doors re opened, they need to move on. As I figure out the future of The Salty Paw and wait to see if the AID, we so badly need comes, I know I speak for many small businesses in the area when stating the following

1. We need grants! Grants that are written with *flexibility* in how we use them. For me, I already qualify for the Downtown Alliance grant, and SBS grant to put towards my build out. I do not OWN my space like so many, and so I do not need a lot of funding personally to rebuild my store's HARD ASSESTS. I need money for:
 - WORKING CAPITAL
 - INVENTORY FOR GROOM SPA & MY RETAIL SHELVES
 - MONEY TO HIGHER BACK MY STAFF AND HELP PAY THEIR WAGES
 - MONEY FOR LOSS REVENUE
 - MONEY FOR INCREASED INSURANCES AND HIGHER RENTS
2. We need the Attorney General's office to investigate the insurance companies, who have had no problem collecting from all of us over the years, but were quick to deny us a dime when we needed them most.
3. We need the city to work with the landlords and insurance companies to make it affordable to return to rebuild and revitalize our neighborhood.
4. Lastly, we need to be re assured by the City that even as the neighborhood begins to rebuild and the tourists begin to trickle back, that they will have our backs. Even two years from now, if we continue to struggle getting back on our feet, the City will continue to create incentives to help us stay open. I read a USA Today article about the businesses after Hurricane Katrina, and that almost 8000 businesses shut down during the two years AFTER their storm, and the smaller the business ...the higher the failure rate. I fear the same for my neighborhood and I do not want to end up being THAT statistic.

Thank you,

Amanda Zink

The Salty Paw-Owner

38 Peck Slip New York, NY 10038
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U. S. SMALL BUSINESS ADMINISTRATION

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NEW YORK, NY 10278

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February 25, 2013

RE: Superstorm Sandy Response Effort by SBA - narrative

By: Walter Oden

Good morning and thank you for allowing me on Behalf of the United States Small Business Administration to come before you today to share what the SBA, in partnership with FEMA and the other Federal Agencies has been doing to aid and support those homeowners, renters, business owners and not-for-profit organizations affected by Superstorm Sandy. As you well know, the effects of Sandy have had an enormous impact to NYC and the surrounding areas.

Facts:

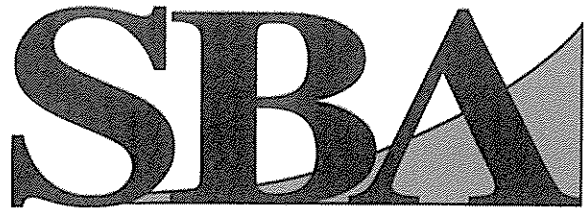
- Superstorm Sandy Occurred October 27, 2012
- A Presidential declaration was announced on October 30, 2012, SBA disaster team began arriving in NY October 31, 2012 to launch recovery efforts.
- Administrator Karen Mills and Deputy Administrator Marie Johns both conducted multiple field visits to NYC to meet with affected businesses and NYC economic development and business recovery leadership.
- On December 7, 2012, President Barack Obama appointed Shaun Donovan to head the Hurricane Sandy Rebuilding Task Force.

Actions: SBA in partnership with FEMA and SBS in NYC, and other agencies and relief organizations established 54 Disaster Recovery Centers (DRCs) and Business Recovery Centers (BRCs); SBA/FEMA currently has (as of 2/25/13):

- **9 DRCs/17 BRCs total visits: 158,023**
- **SBA home loans approved: \$1.008 billion**
- **SBA business loans approved: \$87 million**
- **SBA has provided \$20 million to support its resource partners – the Small Business Development Centers, SCORE, Women’s and Veterans Business Development Centers – as they provide assistance to businesses rebuilding in the aftermath of Hurricane Sandy.**
- **In addition, the New York District Office has coordinated outreach activities and events with Chambers of Commerce, Business Associations, Civic Associations, and other resource partners throughout the Burroughs.**
- **Contracting Opportunities: There is a concerted effort to insure government contracts go to small businesses; we see this as an additional stimulus to the local economy. To date 18% or approximately \$60 million of contracting opportunities resulting from Sandy have been awarded to Small Businesses as of January 31, 2013.**
- **Federal Disaster Recovery Coordination (FDRC) - SBA is participating in effort with the six recovery support functions (housing, infrastructure, economic, health, and human services, natural and cultural resources and community planning and capacity building) continue to engage with partners to identify data gaps and resources that may be useful in restoration efforts.**

Deadline for applications: February 27, 2013 - Deadline for Homeowners / Physical Damage for Business Owners

July 31, 2013 – Deadline for Economic Injury for Business Owners



U.S. Small Business Administration

SBA BRIEFING BOOK

Prepared for

New York City

Committee on Small Business / Economic Development Committee

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US Small Business Administration
Headquarters: Washington, DC
10 Regional Offices / 68 District Offices
4 Disaster Assistance Offices

The US Small Business Administration (SBA) is a United States government agency that provides support to small businesses through the work of 2,200 dedicated government employees. The mission of the Small Business Administration is to maintain and strengthen the nation's economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

The SBA was established on July 30, 1953, by the United States Congress with the passage of the Small Business Act. Its function is to "aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns." Also stipulated was that the SBA should ensure a fair proportion of government contracts and sales of surplus property to small business. This is accomplished primarily through the Small Business Innovative Research program, the Office of Government Contracting & Business Development

The SBA does not make loans directly to small businesses but does help to educate and prepare the business owner to apply for a loan through a financial institution or bank. The SBA then acts as a guarantor on the bank loan. In some circumstances it also helps to procure loans to victims of natural disasters, works to get government procurement contracts for small businesses, and assists businesses with management, technical and training issues.

In a declared disaster, SBA provides low interest disaster loans to homeowners, renters, businesses of all sizes and private, nonprofit organizations to repair or replace real estate, personal property, machinery and equipment, inventory and business assets that have been damaged or destroyed.

The SBA has directly or indirectly helped nearly 20 million businesses and in 2010 had a loan portfolio of roughly 284,178 loans worth more than \$90 billion making it the largest single financial backer of businesses in the United States.

Proposed FY 2013 Budget for SBA

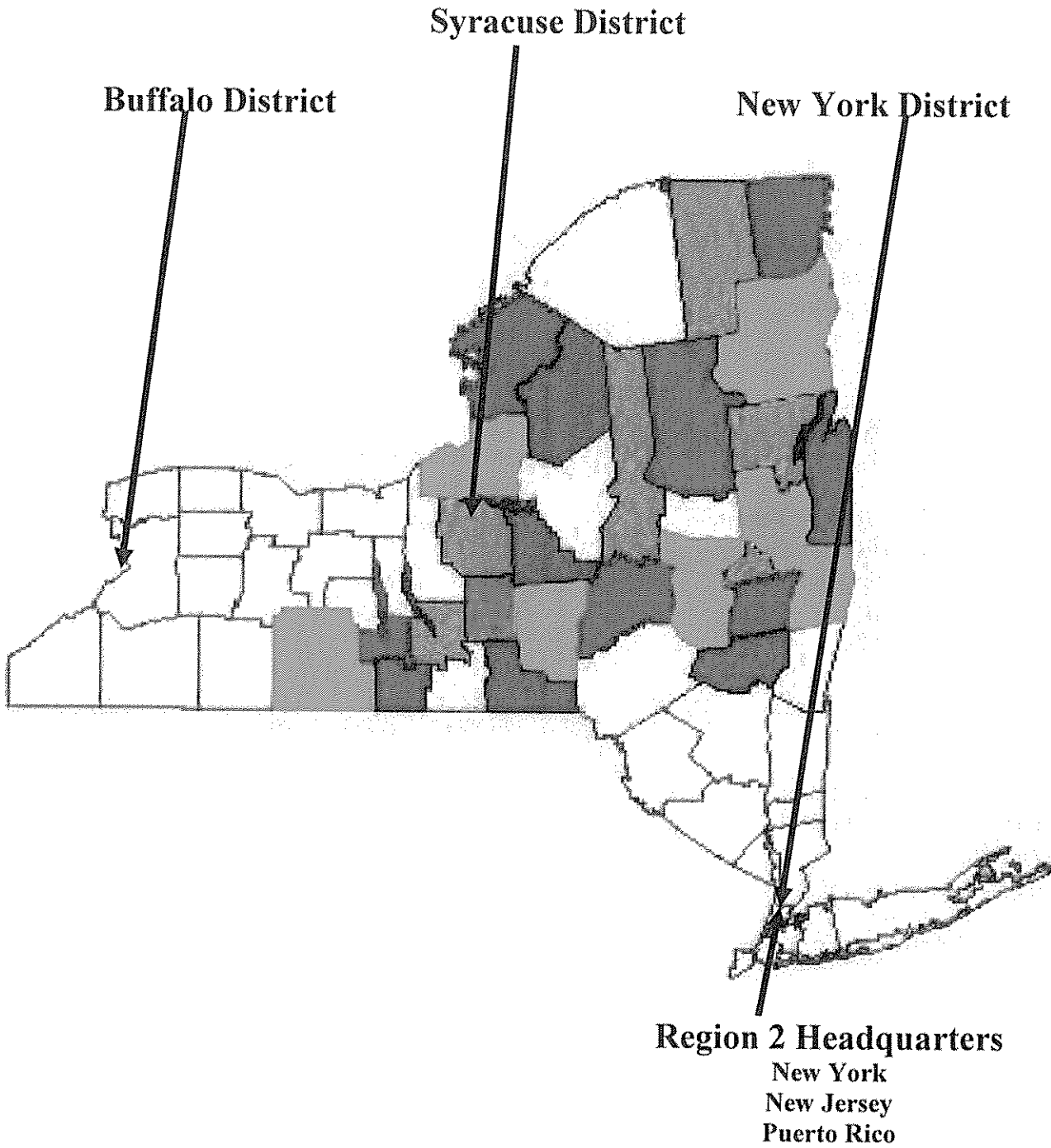
Funding Highlights:

- Supports \$30.25 billion in loan guarantees to help small businesses access the credit they need to grow and create jobs.
- Provides competitive technical assistance grants to better support business development and regional economic growth.
- Provides long-term disaster recovery loans for homeowners, renters, and businesses of all sizes.
- Strengthens lender and procurement program oversight to protect taxpayer dollars.
- Upgrades the Agency's information technology systems and human capital resources to increase SBA's impact on businesses and communities.
- Ensure Small Businesses receive their allotted 23 percent of Federal contracting work from the hundreds of billions that Uncle Sam spends each year.

The 2013 Budget provides \$948 million for the SBA, a \$25 million, or 3 percent, increase over the 2012 enacted level.

US Small Business Administration

District Offices New York State



SBA New York District Office Contacts

Regional Administrator Region II
New York, New Jersey, Puerto Rico & V.I.

Open
26 Federal Plaza, Suite 3108
New York, New York 10278
212-264-1450

District Director:

Ron Goldstein, Acting

District Office Address:

26 Federal Plaza, Suite 3100
New York, NY 10278

District Director Telephone:

212-264-1318

District Director Email:

ron.goldstein@sba.gov

District Office Telephone:

212-264-4382

District Office Fax:

212-264-7751

Deputy District Director:

TBD

District Office Address:

26 Federal Plaza, Suite 3100
New York, NY 10278

Deputy District Director Telephone:

212-264-1482

Deputy District Director Email:

tbd

District Office Telephone:

212-264-1482

District Office Fax:

212-264-7751

Branch Manager:

Walter Oden

Branch Office Address:

350 Motor Parkway, Suite 109
Hauppauge, NY 11788

Branch Office Telephone:

631-454-0750

Branch Manager Email:

walter.oden@sba.gov

Branch Office Fax:

631-454-0769

Regional Communications Director:

Justine Cablong

RCD Telephone:

787-766-5570

RCD Email:

Justine.cablong@sba.gov

Disaster Office Contacts

Contact for Individual Constituent Issues

Disaster Customer Service Office Director: Bill Leggiero
Disaster Office Address: 130 South Elmwood Avenue
Buffalo, New York 14202
Disaster Director Telephone: 716-843-4100 ext. 1201
Disaster Director Email: william.leggiero@sba.gov
Disaster Office Telephone: 716-843-4100

Contact for Disaster Declarations

Disaster Field Operations Center East Director: Frank Scaggs
Disaster Office Address: 101 Marietta Street, NW Suite 700
Atlanta, GA 30303
Disaster Director Telephone: 404-331-0333 ext. 2174
Disaster Director Email: timothy.skaggs@sba.gov
Disaster Office Telephone: 404-331-0333

Congressional District SBA Loan Approvals FY 2012

*U.S. Small Business Administration
New York District Office
Congressional District Report FY '12
10/01/11 - 09/30/12*

<u>Representative</u>	<u>CD</u>	<u>Amount</u>	<u>Number</u>
	Undetermined	6,465,500	18
Congressman Bishop	1	41,149,500	101
Congressman Israel	2	45,006,300	117
Congressman King	3	33,636,000	74
Congresswoman McCarthy	4	30,511,200	73
Congressman Ackerman	5	33,396,600	112
Congressman Meeks	6	12,032,600	30
Congressman Crowley	7	48,076,200	78
Congressman Nadler	8	179,440,000	520
Congressman Turner	9	13,460,500	45
Congressman Towns	10	34,075,600	95
Congresswoman Clarke	11	541,800	4
Congresswoman Velazquez	12	33,556,100	77
Congressman Grimm	13	10,617,800	34
Congresswoman Maloney	14	49,330,700	117
Congressman Rangel	15	20,566,100	35
Congressman Serrano	16	9,785,700	37
Congressman Engel	17	47,387,500	95
Congresswoman Lowey	18	29,720,800	93
Congresswoman Hayworth	19	28,215,700	104
Congressman Gibson	20	2,634,500	20
Congressman Hinchey	22	13,445,000	38
	TOTAL:	723,051,700	1,917

**2% of loan approvals to Veterans
29% of loan approvals to new businesses**

SBA New York District Lending

Headquartered in the District are 2 Certified Development Companies (CDC), 10 Micro lenders, 40 licensed Small Business Investment Companies (SBIC), 26 SBAExpress Lenders, 20 PLP Lenders and 12 Patriot Express Lenders.

Total 7(a) and 504 Approvals			
FY 2012		FY 2013 (through 12/31/12)	
Loan #	Dollar Amount	Loan #	Dollar Amount
1,917	\$723,051,700	429	\$185,367,800

Patriot Express and/or Veteran Loans				
FY 2012		FY 2013 (through 12/31/12)		
	Loan #	Dollar Amount	Loan #	Dollar Amount
Patriot Express/Veterans	44	\$15,237,300	10	\$1,206,000

New York District Office Top 10 Lenders					
FY 2012			FY 2013 (through 12/31/12)		
Top 7(A) Lenders	Loan #	Dollar Amount	Top 7(A) Lenders	Loan #	Dollar Amount
Noah Bank	67	\$87,915,000	NewBank	20	\$30,020,000
NewBank	56	\$61,400,000	JPMorgan Chase Bank	134	\$13,175,500
JPMorgan Chase Bank	680	\$60,708,500	Newtek Small Business Finance	8	\$12,235,400
Hanmi Bank	9	\$37,400,000	Community National Bank	9	\$11,635,000
BBCN Bank	42	\$32,310,300	Noah Bank	9	\$10,060,000
TD Bank	93	\$30,249,600	TD Bank	18	\$9,587,700
Community National Bank	29	\$25,060,000	NY Business Dev. Corp.	12	\$6,331,600
NY Business Dev. Corp.	52	\$20,299,500	BBCN Bank	5	\$5,420,000
M&T Bank	134	\$17,355,000	M&T Bank	28	\$4,355,100
Newtek Small Business Finance	15	\$17,299,000	Grow America Fund	3	\$3,800,000
% of New York District total	61%	54%	% of New York District total	57%	58%
504 Lenders	Loan #	Dollar Amount	504 Lenders	Loan #	Dollar Amount
Empire State Cert. Dev. Corp.	178	\$156,407,000	Empire State Cert. Dev. Corp	43	\$38,689,000
Business Initiative Corp.	8	\$9,149,000	Business Initiative Corp.	4	\$2,579,000

The CDC lenders in the New York District are:

1. Empire State Certified Development Corporation
2. Business Initiative Corporation (BIC)

The Microloan lenders in the New York District are:

1. ACCION USA, Inc.
2. Angel Fund
3. BOC Capital Corporation
4. Center for Community Development for New Americans, Inc.
5. Community Capital New York
6. Community Development Corp. of Long Island
7. East Harlem Business Capital Corporation
8. Grameen America, Inc.
9. Renaissance Economic Development Corporation
10. Washington Heights & Inwood Dev. Corp.

Entrepreneurial Development

Small Business Development Centers (SBDC) provide counseling and training assistance through SUNY, CUNY, private campuses and outreach centers.

Clarence Stanley, Director
Small Business Development
Center
Lehman College, Old Gym Bldg.,
Rm. 007
250 Bedford Park Blvd. West
Bronx, NY 10468
718-960-8806
clarence.stanley@lehman.cuny.edu
www.bronx.nyssbdc.org

*Satellite office located at St.
Joseph's College
in Brooklyn. 718-960-8806*

Miriam Colon, Director (Acting)
Small Business Development
Center
New York City College of
Technology
25 Chapel Street 11th Floor
Brooklyn, NY 11201
718-797-0187
ccastano@citytech.cuny.edu
www.nyssbdc.org

*Satellite centers in Fishkill,
Poughkeepsie. Call 845-339-0025
for appointment.*

Rebecca Rodriguez, Director
Columbia-Harlem SBDC
The Fu Foundation School of
Engineering
Columbia University
500 W. 120th St., Rm. 510
New York, NY 10027
212-854-6444
sbdc@columbia.edu

Ira Davidson, Director
Small Business Development Center
at Pace University
163 William Street, 16th Floor
New York, NY 10038
212-618-6655
sbdc@pace.edu
www.manhattan.nyssbdc.org

Ulas Neftci, Director
Small Business Development Center
at Baruch College
James Daley, Associate Director
55 Lexington Avenue (at 24th St.),
Ste. 2-140
New York, NY 10010
646-312-4790
Fieldcenter@baruch.cuny.edu
www.midtownmanhattan.nyssbdc.org

Lucille Wesnofske, Director
Small Business Development Center
at Farmingdale State University of
NY
Campus Commons
Rt. 110
Farmingdale, NY 11735
631-420-2765
wesnoffl@farmingdale.edu
www.farmingdale.edu/sbdc

*Satellite centers in Brooksville and
Hempstead. Call 631-420-2765 for
appointment. Satellite center in New
Windsor. Call 845-339-0025 for
appointment.*

Harry Wells, Acting Director

Small Business Development
Center at York College
94-50 159th Street, Rm. 107
Jamaica, NY 11451
718-262-2880
sbdc@york.cuny.edu
www.york.cuny.edu/conted/sbdc

Rosa Figueroa, Acting Director

Small Business Development
Center at La Guardia Community
College/CUNY
29-10 Thomson Avenue, Rm. C916
Long Island City, NY 11101
718-482-5303
sbdc@lagcc.cuny.edu
www.laguardia.nyssbdc.org

Thomas Morley, Director

Small Business Development
Center at Rockland
Community College, Brucker Hall
145 College Rd.
Suffern, NY 10901
845-356-6065
sbdc@mercy.edu

Dean Balsamini, Director

Small Business Development
Center at College of Staten Island
2800 Victory Blvd., Bldg. 2A, Rm.
300
Staten Island, NY 10314-9806
718-982-2560
balsamini@mail.csi.cuny.edu
www.statenisland.nyssbdc.org

Jeffrey Saelens, Director

Small Business Development Center
at State University at Stony Brook
Research & Development Park
Stony Brook, NY 11794-3777
631-632-9070
lynne.schmidt@sunysb.edu
www.stonybrook.edu/smallbusiness

*Satellite office located in Calverton.
Call 631-632-9070 for appointment.*

Arnaldo Sehwerert, Director

Mid-Hudson Small Business
Development Center
1 Development Ct.
Kingston, NY 12401
845-339-0025
sehwerea@sunyulster.edu
www.mid-hudson.nyssbdc.org

*Satellite offices located in White
Plains and Dobbs Ferry. Call 845-
356-6065 for appointment.*

Women's Business Centers (WBC) provides free business counseling and training, especially for economically and socially disadvantaged women entrepreneurs.

Marcia Cameron, Project Director
Hunts Point Economic Development Corp.
Women's Business Resource Center
866 B Hunts Point Avenue
Bronx, NY 10474
718-842-8888
nbeltrez@hpwbrc.org
www.hpwbrc.org

Liliana Blanco, Program Director
Business Outreach Center Network
85 S. Oxford Street
Brooklyn, NY 11217
718-624-9115
wbc@bocnet.org
www.bocnet.org

Elisa Balabram, Program Director
The Local Development Corporation of East New York
80 Jamaica Avenue
Brooklyn, NY 11207
718-385-6700 ext. 24
elisab@ldceny.org
www.ldceny.org

Johanna Maynard, Program Director
Queens Economic Development Corporation
120-55 Queens Blvd., Ste. 309
Kew Gardens, NY 11424
718-263-0546
imaynard@queensny.org
www.queensny.org

Susan Meeker, Executive Director
Business Outreach Center Network WBC
Satellite
C/O West Brighton Community LDC
705 Forest Ave., 2nd Fl. Rear
Staten Island, NY 10310
718-816-4775
smeeker.wbcidc@verizon.net
www.bocnet.org

Joy Rosenzweig, Associate Director
Women's Enterprise Development Center,
Inc.
1133 Westchester Avenue, Ste. N220
White Plains, NY 10604
914-948-6098
jrosenzweig@westchester.org
www.wedc-westchester.org

SCORE, Counselors to America, Chapters are comprised of experienced business professionals offering free business counseling and low cost education programs to new and existing small business owners.

Arnie Halling, Chairperson
DUTCHESS CHAPTER #659
Poughkeepsie Area
Chamber of Commerce
1 Civic Center Plaza, Ste. 400
Poughkeepsie, NY 12601
845-454-1700 ext. 1021
scoredcny@hotmail.org
www.scoredutchessny.org

Barry Klein, Chairperson
LONG ISLAND CHAPTER #694
35 Pinelawn Rd., Rm. 207W
U.S. Small Business Administration
Melville, NY 11747
631-454-0771
Mon.-Fri. 10 am - 2 pm
nassauscore@gmail.com
www.scorelongisland.com

Harry Dannenberg, Chairperson
NEW YORK CHAPTER #1000
26 Federal Plaza, Room 3100
New York, NY 10278
212-264-4507
Mon.-Fri. 10 am - 2 pm
info@scorenyc.org
www.scorenyc.org

Edison Guzman, Chairperson
ORANGE CHAPTER #465
30 Scott's Corners Drive
Montgomery, NY 12549
845-457-9700 by appointment
info@orangenyscore.com
www.orangenyscore.com

George Joiner, Chairperson
PUTNAM CHAPTER #678
34 Gleneida Avenue
Carmel, NY 10512
845-225-6030
putnamscore@comcast.net
www.putnamscore.org

QUEENS CHAPTER #588
Queens Borough Hall
120-55 Queens Blvd., Rm. 333
Kew Gardens, NY 11424
718-263-8961

Mark Rothenberg, Chairperson
ROCKLAND CHAPTER CHAPTER #677
Union State Bank
4 North Main Street
Spring Valley, NY 10977
845-426-1206 by appointment
rockscore@rocklandscore.org
www.rocklandscore.org

Sam Fargg, Chairperson
STATEN ISLAND CHAPTER #476
S.I. Bank & Trust
1550 Richmond Road
Staten Island, NY 10304
718-727-1221
info@score476.org
www.score476.org

Lisa Miller, Chairperson
SULLIVAN CHAPTER #697
457 West Broadway, Ste. 1
Monticello, NY 12701
845-791-4200 ext. 301
counseling@sullivanyscore.com
www.sullivanyscore.com

ULSTER CHAPTER #533

Business Resource Center
One Development Center, Rm. 101
Kingston, NY 12401
845-339-0468
Tues., Wed., Thurs. 10 am - 12 pm
score@sunyulster.edu
www.scoreulster.org

Robert Apter, Chairperson

WESTCHESTER CHAPTER #306
NYS Dept. of Labor
120 Bloomingdale Rd.
White Plains, NY 10605
914-948-3907
Mon.-Fri. 9 am - 12 pm
scoreinfo@scorewestchester.com
www.scorewestchester.com

Procurement Technical Assistance Center (PTAC) provide free government contracting Assistance to diverse business concerns.

Carolyn Githinji, Director

New York City Procurement Technical Assistance Center
New York City Department of Small Business Services
110 William St., 2nd Fl.
New York, NY 10038
212-513-6444
bizhelp@sbs.nyc.gov

Patty Cook, Deputy Director of Economic

Government and Private Sector Contracting Assistance Program (GAPSCAP)
Long Island Development Corporation Development
45 Seaman Ave.
Bethpage, NY 11714
516-433-5000
Gov-contracts@lidc.org
www.lidc.org

Miriam B. Johnson, Director

South Bronx Overall Economic Development Corporation
Bronx Procurement & Technical Assistance Center
555 Bergen Ave.
Bronx, NY 10455
718-292-3113
mjohnson@sobro.org
www.sobro.org

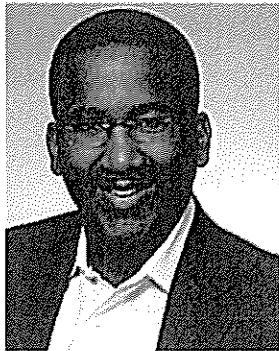
Liz Kallen, Program Manager

Procurement Technical Assistance Program
Rockland Economic Development Corporation
Two Blue Hill Plz./P.O. Box 1575
Pearl River, NY 10965-1575
845-735-7040
info@redc.org

Edgard Hernandez, Director

Procurement Technical Assistance Program
LaGuardia Community College/CUNY
31-10 Thomson Ave.
Long Island City, NY 11101
718-482-5289
ehernandez@lagcc.cuny.edu

SBA Long Island Office
Deputy District Director / Branch Manager
Walter Oden



Walter E. Oden II was appointed Deputy District Director / Branch Manager of the U.S. Small Business Administration's office in Long Island in October 2010. Oden oversees delivery of SBA programs and services for the NY District Office including the SBAs financing programs, business counseling and training, government contracting, business development certification and disaster assistance. A 20 year media industry veteran, Oden possesses a wealth of knowledge in sales, marketing, business development and strategic planning. He is a proven leader committed to mentorship, entrepreneurship and philanthropic endeavors.

Oden was previously Vice President of Content Distribution for MTV Networks and BET Networks. In this role, Mr. Oden oversaw the distribution growth, field operations, as well as new products strategies for over 20 networks. Prior to joining MTV, Mr. Oden was Vice President of Distribution and Business Development for A&E Television Networks where he oversaw the growth for 5 Cable Networks, Affiliate Marketing and the development of AETN's Video On Demand (VOD) business. Mr. Oden also helped launch The Biography Channel, History International Channel and Fox News Channel. He began his cable career with Time Warner Cable and Comcast Cable after spending a number of years with the pharmaceutical conglomerate Merck & Co, Inc.

Mr. Oden is a native Floridian and received his Bachelor of Science degree from Bethune-Cookman University and a Master of Business Administration degree from Florida A&M University's School of Business and Industry. He is a Cable Television Association of Marketers (CTAM NY) board member, 2009 inductee in the Cablefax Sales Hall of Fame, former Board President of National Association of Minorities In Communication (NAMIC) - New York and is a member of Omega Psi Phi Fraternity and Sigma Pi Phi Fraternity.



**U. S. SMALL BUSINESS ADMINISTRATION
FACT SHEET - DISASTER LOANS**

**NEW YORK Declaration #13365 & #13366
(Disaster: NY-00130)**

Incident: Hurricane Sandy

Occurring: October 27, 2012 through November 8, 2012

For the Counties of Bronx, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster and Westchester; and for Economic Injury Only the contiguous counties of Columbia, Delaware, Dutchess and Greene in the State of New York; contiguous county of Fairfield in the State of Connecticut; contiguous counties of Bergen, Hudson, Passaic and Sussex in the State of New Jersey; and contiguous counties of Pike and Wayne in the Commonwealth of Pennsylvania.

Application Filing Deadlines:

Physical Damage: February 27, 2013

Economic Injury: July 31, 2013

Whether you rent or own your own home, own your own business, or own a small agricultural cooperative located in a declared disaster area, and are the victim of a disaster, you may be eligible for financial assistance from the U. S. Small Business Administration (SBA).

What Types of Disaster Loans are Available?

- **Home Disaster Loans** – Loans to homeowners or renters to repair or replace disaster-damaged real estate or personal property owned by the victim. Renters are eligible for their personal property losses, including automobiles.
- **Business Physical Disaster Loans** – Loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible. Private, non-profit organizations such as charities, churches, private universities, etc., are also eligible.
- **Economic Injury Disaster Loans (EIDLs)** – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.
- EIDL assistance is available only to entities and their owners who cannot provide for their own recovery from non-government sources, as determined by the U.S. Small Business Administration (SBA).

What are the Credit Requirements?

- **Credit History** – Applicants must have a credit history acceptable to SBA.
- **Repayment** – Applicants must show the ability to repay all loans.
- **Collateral** – Collateral is required for physical loss loans over \$14,000 and all EIDL loans over \$5,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but requires you to pledge what is available.

What are the Interest Rates?

By law, the interest rates depend on whether each applicant has Credit Available Elsewhere. An applicant does not have Credit Available Elsewhere when SBA determines the applicant does not have sufficient funds or other resources, or the ability to borrow from non-government sources, to provide for its own disaster recovery. An applicant, which SBA determines to have the ability to provide for his or her own recovery is deemed to have Credit Available Elsewhere. Interest rates are fixed for the term of the loan. The interest rates applicable for this disaster are:

	<u>No Credit Available Elsewhere</u>	<u>Credit Available Elsewhere</u>
Home Loans	1.688%	3.375%
Business Loans	4.000%	6.000%
Non-Profit Organization Loans	3.000%	3.125%
Economic Injury Loans		
Businesses and Small Agricultural Cooperatives	4.000%	N/A
Non-Profit Organizations	3.000%	N/A

What are Loan Terms?

The law authorizes loan terms up to a maximum of 30 years. However, the law restricts businesses with credit available elsewhere to a maximum 7-year term. SBA sets the installment payment amount and corresponding maturity based upon each borrower's ability to repay.

What are the Loan Amount Limits?

- **Home Loans** – SBA regulations limit home loans to \$200,000 for the repair or replacement of real estate and \$40,000 to repair or replace personal property. Subject to these maximums, loan amounts cannot exceed the verified uninsured disaster loss.
- **Business Loans** – The law limits business loans to \$2,000,000 for the repair or replacement of real estate, inventories, machinery, equipment and all other physical losses. Subject to this maximum, loan amounts cannot exceed the verified uninsured disaster loss.
- **Economic Injury Disaster Loans (EIDL)** – The law limits EIDL(s) to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates.
- **Business Loan Ceiling** – The \$2,000,000 statutory limit for business loans applies to the combination of physical, economic injury, mitigation and refinancing, and applies to all disaster loans to a business and its affiliates for each disaster. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.

What Restrictions are there on Loan Eligibility?

- **Uninsured Losses** – Only uninsured or otherwise uncompensated disaster losses are eligible. Any insurance proceeds which are required to be applied against outstanding mortgages are not available to fund disaster repairs and do not reduce loan eligibility. However, any insurance proceeds voluntarily applied to any outstanding mortgages do reduce loan eligibility.
- **Ineligible Property** – Secondary homes, personal pleasure boats, airplanes, recreational vehicles and similar property are not eligible, unless used for business purposes. Property such as antiques and collections are eligible only to the extent of their functional value. Amounts for landscaping, swimming pools, etc., are limited.
- **Noncompliance** – Applicants who have not complied with the terms of previous SBA loans are not eligible. This includes borrowers who did not maintain flood and/or hazard insurance on previous SBA or Federally insured loans.

Is There Help with Funding Mitigation Improvements?

If your loan application is approved, you may be eligible for additional funds to cover the cost of improvements that will protect your property against future damage. Examples of improvements include retaining walls, seawalls, sump pumps, etc. Mitigation loan money would be in addition to the amount of the approved loan, but may not exceed 20 percent of total amount of disaster damage to real estate and/or leasehold improvements, as verified by SBA to a maximum of \$200,000 for home loans. It is not necessary for the description of improvements and cost estimates to be submitted with the application. SBA approval of the mitigating measures will be required before any loan increase.

Is There Help Available for Refinancing?

- SBA can refinance all or part of prior mortgages that are evidenced by a recorded lien, when the applicant (1) does not have credit available elsewhere, (2) has suffered substantial uncompensated disaster damage (40 percent or more of the value of the property), and (3) intends to repair the damage.
- Homes – Homeowners may be eligible for the refinancing of existing liens or mortgages on homes, in some cases up to the amount of the loan for real estate repair or replacement.
- Businesses – Business owners may be eligible for the refinancing of existing mortgages or liens on real estate, machinery and equipment, in some cases up to the amount of the loan for the repair or replacement of real estate, machinery, and equipment.

What if I Decide to Relocate?

You may use your SBA disaster loan to relocate. The amount of the relocation loan depends on whether you relocate voluntarily or involuntarily. If you are interested in relocation, an SBA representative can provide you with more details on your specific situation.

Are There Insurance Requirements for Loans?

To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a special flood hazard area must purchase and maintain flood insurance for the full insurable value of the property for the life of the loan.

For more information, contact SBA's Disaster Assistance Customer Service Center by calling (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting SBA's Web site at www.sba.gov. Deaf and hard-of-hearing individuals may call (800) 877-8339. Applicants may also apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.



U. S. SMALL BUSINESS ADMINISTRATION
Office of Disaster Assistance - Field Operations Center East
101 Marietta Street NW – Suite 700 TTD 404-331-7296
Atlanta, Georgia 30303 404- 331-0333

February 21, 2013

(Presidential – Hurricane Sandy – October 27, 2012 through November 8, 2012)

New York #13365 and 13366 (NY-00130)

**Deadlines: February 27, 2013 (Physical)
July 31, 2013 (EI)**

Primary Counties: Bronx, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster and Westchester; and,

for Economic Injury Only

***Contiguous NY Counties #13366: Columbia, Delaware, Dutchess and Greene;
Contiguous CT County #13366: Fairfield;
Contiguous NJ Counties #13366: Bergen, Hudson, Passaic and Sussex;
Contiguous PA Counties #13366: Pike and Wayne.***

**FEMA Teleregistration: 1-800-621-FEMA (3362)
SBA Customer Service Center: 1-800-659-2955 (Mon. - Fri. 8:00 am to 6:00 pm; Sat. 8:00 am to 4:30 pm ET)**

Mailing Address:

SBA – Disaster Assistance
Processing and Disbursement Center
14925 Kingsport Road
Fort Worth, TX 76155

FEMA/SBA JFO (not open to the public)
Forest Hills Towers
118-35 Queens Blvd., 3rd Floor
Forest Hills, NY 11375
Hours: 7am - 7pm; 7 days/week

FEMA/SBA Disaster Recovery Centers (DRCs) and SBA Business Recovery Centers (BRCs)

Hours of operation: 9am – 6pm, Monday – Friday; 9am – 3pm, Saturday (Closed on Sundays)

Kings County

***SBA Disaster Loan Outreach Center and
Business Recovery Center***
Jewish Community Center YM-YWCA
3300 Coney Island Avenue
Brooklyn, NY 11235

MCU Parking Lot
1904 Surf Avenue
Brooklyn, NY 11224

SBA Business Recovery Center
NYC Business Solution Brooklyn Ctr
9 Bond Street, 5th Floor
(between Livingston & Fulton Streets)
Brooklyn, NY 11201
Hours: 9am - 5pm, Mon – Fri

Nassau County

Cedar Creek Park*
3332 Merrick Road
Wantagh, NY 11783
*Also operates as BRC

Long Beach Recreation Ctr & Ice Arena*
(back of building)
700 Magnolia Blvd.
Long Beach, NY 11561
*Also operates as BRC

Sacred Heart Parish*
(RR Station Parking Lot by Village Office -
Tent)
127 Long Beach Road
Island Park, NY 11558
*Also operates as BRC

Freeport Recreation Center*
130 East Merrick Road
Freeport, NY 11520
* Also operates as BRC

SBA Business Recovery Center

Baldwin Public Library
2385 Grand Avenue
Baldwin, NY 11510
Hours: 9am – 6pm, Mon – Fri

New York County

SBA Business Recovery Centers
NYC Business Solutions Center
79 John Street, 2nd Floor
New York, NY 10038
Hours: 9am - 5pm, Mon – Fri

Chinatown Partnership BID
60 St. James Place
New York, NY 10038
**Hours: 9am – 5:30pm, Mon - Fri;
9am – 3pm, Sat**

Queens County

SBA Disaster Loan Outreach Center
Community Church of the Nazarene
1414 Central Avenue
Far Rockaway, NY 11691

Arverne by the Sea*
68-20 Rockaway Beach Blvd
Arverne, NY 11692
* Also operates as BRC

Fort Tilden Park*
415 State Road
Breezy Point, NY 11697
* Also operates as BRC

Storefront
1001 Beach 20th Street
Far Rockaway, NY 11691
Closes Saturday, Feb. 23 at c.o.b.

*SBA Disaster Loan Outreach Center and
Business Recovery Center*
American Legion
209 Cross Bay Blvd.
Broad Channel, NY 11693

SBA Business Recovery Centers
Small Business Development Center
City University Of NY, York College
94-50 159 Street
Science Bldg., Room 107
Jamaica, NY 11451

Rockaway Development & Revitalization
Corporation
1920 Mott Avenue, 2nd floor
Far Rockaway, NY 11691
Hours: 9am - 6pm, Mon – Fri

Richmond County

Kia In Staten Island*
1976 Hylan Blvd.
Staten Island, NY 10306
* Also operates as BRC

SBA Business Recovery Center
College of Staten Island
(City University of NY)
Main Admin Bldg. in Bldg. 1A-102
2800 Victory Blvd.
Staten Island, NY 10314

Suffolk County

Lindenhurst Library
1 Lee Avenue
Lindenhurst, NY 11757
Closes Saturday, Feb. 23 at c.o.b.

Copiague Memorial Library
50 Deauville Blvd
Copiague, NY 11726
Opens Monday, Feb. 25 at 9am

SBA Business Recovery Center
Islip Town Hall West
401 Main Street
Islip, NY 11757



U.S. Small Business Administration
 26 Federal Plaza-Room 3100
 New York, NY 10278
 212-264-4354

Participating Lenders

www.sba.gov/ny/ny

The lenders listed below have made SBA loans in the New York District for fiscal years 2007 through 2009.

PLP - Preferred Lender Program: Approval authority delegated to Lender
 504 - 504 Certified Development Company

Status	Lender	Address	Phone/Website
PLP-Express	1st Constitution Bank	180 Main Street, Fort Lee, NJ. 07024	201-844-9300, 1stconstitution.com
Express	Abacus Federal Savings Bank	6 Bowery Street, New York, NY. 10013	212-285-4770, abacusbank.com
PLP-Express-Patriot Express	American Bank of St. Paul	1578 University Avenue West, St. Paul, MN. 55104	651-628-2881, americanbankmn.com
Participating Lender	Asia Bank	135-34 Roosevelt Avenue, Flushing, NY. 11354	718-961-9896, asiabank-na.com
PLP-Express	Astoria Federal Savings Bank	211 Station Road, Mineola, NY. 11501	516-535-9000, astoriafederal.com
PLP-Express-Patriot Express	Banco Popular North America	7 West 51st Street, 9th Floor, New York, NY. 10019	212-445-1890, bancopopular.com
Participating Lender-Express	Bank Asiana	7 Broad Avenue, Palisades Park, NJ. 07650	201-313-5400, bankasiana.com
Participating Lender-Express	Bank of Baroda	1 Park Avenue, New York, NY. 10016	212-578-4550, bankofbaroda-usa.com
PLP-Express-Patriot Express	BNB Bank	250 5th Ave. New York, NY. 10001	212-689-5292, bnbbank.com
PLP-Express-Patriot Express	Borrego Springs Bank	14101 Panama City Beach Parkway, Panama City Beach, FL 32407	866-644-0042, borregospringsbank.com
Express	Brooklyn Cooperative FCU	750 Myrtle Avenue, Brooklyn, NY 11205	718-418-8232 x301, www.brooklyn.coop
PLP-Express-Patriot Express	Business Carolina	1523 Huger Street, Suite A, Columbia, SC. 29201	803-461-3801, bcilending.com
504	Business Initiative Corporation of NY	196 East 161st Street, Bronx, NY. 10451	718-590-3980, boedc.com/loans
PLP	Business Lenders, LLC	50 State House Square, Hartford, CT. 06103	860-244-9202, businesslenders.com
PLP-Express-Patriot Express	Cathay Bank	9650 Flair Drive, El Monte, CA. 91731	866-888-4286, cathaybank.com
Participating Lender	Chinetrust Bank USA	366 Madison Avenue, 7th Floor, New York, NY. 10017	212-514-8000, chinatrustedusa.com
PLP-Express	CIT Small Business Lending Corp.	1 CIT Drive, Livingston, NJ. 07039	800-713-4984, smallbizlending.com
PLP-Express-Patriot Express	Citibank	1 Reckson Plaza, Uniondale, NY. 11556	516-296-5432, citibank.com
PLP-Express-Patriot Express	Citizens Bank	480 Jefferson Blvd, Warwick, RI. 02886	401-468-6127, citizensbank.com
PLP-Express-Patriot Express	City National Bank	555 South Flower Street, Los Angeles, CA. 90071	213-673-8181, cnb.com
PLP-Express Lender	Community Building Fund, LLC	2100 Middle Country Road, Centereach, NY 11720	631-471-1215x142, www.cdcli.org

Status	Lender	Address	Phone/Website
PLP - Express	Community National Bank	337 Main Street, Huntington, NY. 11743	
PLP-Express-Patriot Express	Community South Lending	625 S. Gay Street, Suite 450, Knoxville, TN. 37902	631-935-1611, cnbny.com
504	Empire State Certified Development Corp.	50 Beaver Street, Albany, NY. 12207	865-329-8280, communitysouthlending.com
PLP-Express-Patriot Express	Excel National Bank	9701 Wilshire Blvd, Beverly Hills, CA. 90212	800-923-2504, nybdc.com
PLP-Express-Patriot Express	First Trade Union Bank	One Harbor Drive, Suite 201, Boston, MA. 02210	310-362-2000, bankexcel.com
PLP-Express-Patriot Express	Flushing Savings Bank	33 Irving Place, New York, NY. 10003	800-242-0272 x7320, www.flub.com
PLP	Grow America Fund	708 Third Avenue, 710, New York, NY 10017	212-477-9424, flushingsavings.com
PLP-Express-Patriot Express	HSBC Bank	452 Fifth Ave. New York, NY. 10018	212-662-1106 www.nationaldevelopmentcouncil.org.
PLP-Express-Patriot Express	Innovative Bank	360 14th St, Oakland, CA. 94612	212-641-5743 hbsc.com
PLP-Express-Patriot Express	JPMorgan Chase Bank	1985 Marcus Ave, E Level, New Hyde Park, NY. 11042	866-812-1216, innovativebank.com
PLP-Express-Patriot Express	Key Bank	127 Public Square, Cleveland, OH. 44114	866-785-2821, www.chase.com
504	Long Island Development Corp.	45 Seaman Avenue, Bethpage, NY. 11714	800-639-2222, keybank.com
Participating Lender	M & T	401 Broad Hollow Road, Suite 100, Melville, NY 11747	866-433-6432, ldc.org
PLP	Mainstreet Lender, LLC	2 Wisconsin Circle, 9th Floor, Chevy Chase, MD. 20815	631-501-4123 www.mtb.com
Participating Lender	Melrose Credit Union	139-30 Queens Boulevard, Briarwood, NY 11435	301-634-8900, msl.com
PLP - Express	Mountain 1st Bank and Trust	101 Jack Street, Hendersonville, NC. 28782	718-658-9800X1034 melrosecu.org
PLP-Express-Patriot Express	Mutual of Omaha Bank	4455 LBJ Freeway, Suite 907, Dallas, TX. 75244	828-694-6811, mountain1st.com
PLP-Patriot Express	NCB, FSB	2011 Crystal Drive, Suite 800, Arlington, VA. 22202	972-702-9501, mutualofomahabank.com
PLP-Express-Patriot Express	Nevada State Bank	6505 N. Buffalo Dr, 2nd Floor, Las Vegas, NV. 89131	800-955-9822, ncb.coop
PLP-Express-Patriot Express	New Millennium Bank	57 Livingston Ave, New Brunswick, NJ. 08901	702-615-2315, nsbank.com
PLP - Express-Patriot Express	New York Business Development Corp.	50 Beaver Street, Albany, NY. 12207	732-729-4398, nmbonline.com
PLP - Express- Patriot Express	New Alliance Bank	185 Church Street, 3rd Floor, New Haven, CT. 06510	800-923-2504, nybdc.com
PLP - Express	NewBank	146-01 Northern Blvd. Flushing, NY. 11354	203-788-2822, newalliancebank.com
Participating Lender	Paragon Federal Credit Union	100 Paragon Drive, Montvale, NJ. 07645	718-353-8100, newbankusa.com
PLP - Express-Patriot Express	People's United Bank	850 Main Street, Bridgeport, CT. 06604	201-283-3606, paragonfcu.org
PLP - Express-Patriot Express	PNC Bank	126 Easton Road, Willow Grove, PA. 19090	203-338-7215, peoples.com
PLP-Express-Patriot Express	Preferred Capital BIDCO, Inc.	300 Delaware Ave, Wilmington, DE. 19801	215-658-5051, pnc.com
Participating Lender	Progressive Credit Union	370 7th Avenue, Suite 1400, New York, NY. 10001	302-428-0943, sbayes.com
Participating Lender-Express	Provident Bank	One Industrial Drive, Middletown, NY. 10940	212-895-8900, progressivecu.org
Participating Lender-Express	Rhinebeck Savings Bank	2 Jefferson Plaza, Poughkeepsie, NY. 12601	845-369-8383, providentbanking.com
PLP-Express	Ridgestone Bank	13925 W. North Avenue, Brookfield, WI. 53005	845-790-1530, rhinebecksavings.com
Participating Lender-Express	Rondout Savings Bank	300 Broadway, Kingston, NY. 12401	262-860-2086, ridgestone.com
Participating Lender	Royal Asian Bank	136-52 39th Avenue, Flushing, NY. 11354	845-331-0073, rondoutbank.com
PLP-Express	Saehan Bank	1250 Broadway, Suite 1803, New York, NY. 10001	718-943-8100, royalsianbank.com
			212-564-0061, saehanbank.com

Status	Lender	Address	Phone/Website
PLP- Express	Shinhan Bank America	330 5th Avenue, New York, NY. 10001	718-281-7825, shbamerica.com
PLP-Express-Patriot Express	Small Business Loan Source, LLC	9801 Westheimer, 11th Floor, Houston TX. 77042	713-425-3900, sbis.com
Express-Patriot Express	Starling National Bank	500 Seventh Ave, New York, NY. 10018	212-575-3451, starlingbancorp.com
PLP - Express-Patriot Express	Susquehanna Bank	159 E. High St Pottstown, PA. 19484	609-332-2289, susquehannabank.com
PLP-Express-Patriot Express	TD Bank	45 Melville Park Rd, Melville, NY. 11747	631-962-2803, tdbank.com
Participating Lender-Express	Teachers Federal Credit Union	2410 North Ocean Avenue, Farmingville, NY. 11738	631-698-7000, teachersfcu.org
PLP	The Loan Source, Inc.	347 5th Ave, New York, NY. 10016	212-683-4121, no website
Participating Lender-Express	Ulster Savings Bank	180 Schwenk Drive, Kingston, NY 12401	845-338-8322, ulstersavings.com
PLP-Express-Patriot Express	United Commercial Bank	77 Bowery, New York, NY. 10002	212-680-5236, bankunited.com
PLP-Express-Patriot Express	United Western Bank	700 17th Street, Suite 1000, Denver, CO. 80202	720-956-6556, uwbank.com
PLP- Express	UPS Capital Business Credit	62 Barbara Drive, Randolph, NJ. 07869	973-537-8508, upscapital.com
PLP-Express	Valley National Bank	1334 US Highway 22 East, North Plainfield, NJ. 07080	908-561-7122, valleynationalbank.com
PLP-Express-Patriot Express	Wachovia Small Business Capital	1620 E. Roseville Parkway, Suite 100, Roseville, CA. 95661	800-523-0035, wachovia.com
PLP-Express-Patriot Express	Webster Bank	436 Slater Road, New Britain, CT. 06053	860-812-5433, websterbank.com
PLP-Express-Patriot Express	Wells Fargo Bank	50 Main Street 5 th Floor, White Plains, NY 10606	914-263-7775, wellsfargo.com
PLP- Express	Woori America Bank	183 Main Street, Fort Lee, NJ. 07024	201-947-6666, wooriamericabank.com

Good Afternoon, my name is Kevin Alexander and I am the President & CEO of **Rockaway Development & Revitalization Corporation** located in Far Rockaway, Queens. Rockaway Development & Revitalization Corporation or RDRC is a local development corporation that is focused on small business development, commercial revitalization, employment training and placement, homeownership preservation and youth development services. Our primary service delivery area is Queens Community Board #14.

Sandy Impact on the Rockaways and Broad Channel

On October 29th, 2012 Superstorm Sandy change the future of the Rockaways and Broad Channel in a couple of hours. Over 200 hundred homes burned in Breezy Point and Belle Harbor, tens of thousands of homes we severely damaged from flooding and severe winds throughout the Peninsula and Broad Channel areas.

There are over 1,000 businesses located in the Rockaways and Broad Channel areas. The majority of these businesses are located in one of three commercial corridors: Far Rockaway (east); Rockaway Beach Boulevard (central) and Rockaway Park (west). The majority of these small businesses employ 2-4 employees, many of whom are local community residents. Local businesses play a critical role in the economic health of the Rockaways because of the geographic isolation that prevents a significant percentage of residents that do not own cars to travel off the peninsula to go food and clothing shopping, pick up prescriptions or household goods.

Of the over 1,000 businesses located in the Rockaways and Broad Channel areas, all 1,000 suffered economic losses due to no power, no heat for a minimum of 7-10 days. Of the estimated 600 businesses outside of Far Rockaway, which did not suffer from severe flooding, 100 days post-Sandy, roughly 300 remained closed due to the severity of flood and wind damage, lack of access to capital – loans, grants, etc to re-open their business. Many of the business owners that have courageously re-opened have done so at their own expense because of the fine-print restrictions included in their insurance policies, loan denials due to poor credit scores and low debt service ratios, and the lack of investment of property owners to make the repairs – so the businesses have taken a leap of faith in attempting to re-open their business, which raises other issues – the thousands of unemployed workers, and displaced homeowners and unreported renters who shop locally. Many owners have complained that a significant portion of their loyal consumer base just isn't here anymore.

RDRC Assessment of Agency Responsiveness to Businesses

It is my opinion that the agencies specifically related to business and economic development – NYC Economic Development Corporation and Small Business Services did attempt to quickly respond to the needs of local business owners by: (1) attempting to assess the extent of damage to individual businesses and commercial areas; (2)

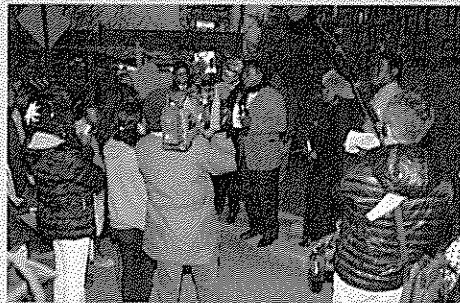
identifying appropriate resources to alleviate the financial crunch many business owners were under by creating a small loan and grant program; (3) co-locating SBS Business Solutions Center staff in the 3 Restoration Centers in the Rockaways; and (4) identifying key staff to conduct ongoing outreach efforts in designated areas throughout the Rockaways.

Now, this does not mean everything was done perfectly and there is always room to improve and better prepare local communities for the next disaster. The feedback that we received from a sample of about two hundred small businesses we interviewed with the assistance of the American Planning Association, were that: (1) the grant and loan fund created to quickly assist Sandy impacted businesses decision-making process was too slow, many businesses owners complained that even after the submission requirements were finally met, it took weeks to get a final determination; (2) the need for businesses to eventually have to leave the peninsula to go to the SBS Center in Jamaica at a time when they were grappling with re-opening their businesses; (3) the need for better coordination between the City, State and Federal agencies and local business organizations that could have served as the local portal for businesses to receive information, complete forms and applications, and updates; (4) the lack of familiarity with the Rockaways – not knowing the business-related organizations and key businesses and business leaders, or how businesses were physically clustered in relationship to Sandy-related damages means that there was a minimum of effort to learn about the Rockaways prior to Sandy; (5) the need for less restrictive loan requirements that penalize newly established businesses with less than 2 years' operating experience, or business owners with less than 700 credit score; and (6) a quicker City agency response to small business owners request for incentives that encourage businesses to rebuild and re-open - abatements, forgiveness and grace periods for businesses closed and impacted by Sandy that didn't have resources to pay.



ROCKAWAY DEVELOPMENT & REVITALIZATION CORPORATION, INCORPORATED of Queens, New York

**RDRC LIGHTS UP DOWNTOWN FAR ROCKAWAY FOR THE HOLIDAYS
LIGHTS OF HOPE CEREMONY, DECEMBER 2012**



THANK YOU TO THE FOLLOWING EVENT SPONSORS AND SUPPORTERS: NationalGrid, HealthPlus, New York Community Bancorp, Dunkin Donuts, Hampton University Alumni Association of Queens/Long Island, Young Israel of Bayswater, Rockaway East Merchants Association, 101st Precinct and NYC Department of Parks and Recreation.

DRESS FOR SUCCESS SPONSORS HOLIDAY PARTY FOR LOCAL YOUTH

On December 13th Dress for Success surprised 40+ youth with a very special holiday celebration at the RDRC. The event featured Christmas caroling, an X-Factor talent competition, games, prizes, clothes, a 50 inch LED color television, Nintendo Wii and Sony Play Station III for the approximately 40 youth impacted by Hurricane Sandy.



1920 Mott Avenue
Far Rockaway, NY 11691

(718)327-5300
www.rdrc.org/info@rdrc.org



ROCKAWAY DEVELOPMENT & REVITALIZATION CORPORATION, INCORPORATED of Queens, New York

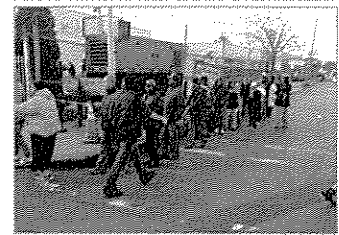
SANDY UPDATE – January 2013

www.rdrc.org/info@rdrc.org

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THE FIRST 30 DAYS POST SANDY – October 29th to November 29th

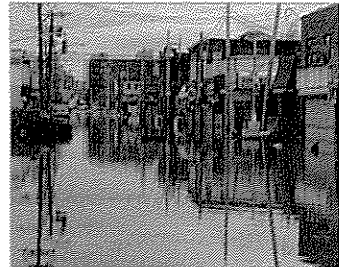
During the first 30 days following Sandy, the RDRC focused on humanitarian assistance by helping establish community and faith-based distribution centers, calling upon our network partners to donate supplies and organizing volunteer relief efforts. The response by our network partners was overwhelming – thank you to the efforts of Queens Chamber of Commerce, Resorts World New York City, NationalGrid, New York Community Bancorp, General Grand Encampment of Knights Templar, M W Solomon Grand Lodge, Inc., The General Grand Chapter of Royal Arch Masons, Hampton University Queens/Long Island Alumni Chapter, Dress for Success, Coro Leadership Institute and countless businesses and individuals that donated food, water, clothing, blankets, cots, flashlights, batteries, generators, sump pumps, building supplies, time, resources and expertise that assisted tens of thousands families.



THE FIRST 60 DAYS POST SANDY – November 30th to December 29th

As governmental agencies and relief organizations began mobilizing and establishing humanitarian efforts throughout the Rockaways, the RDRC began to focus its efforts on the recovery of our businesses and commercial corridors by:

- Establishing the RDRC as a Federally designated Business Recovery Center that provides on-site Small Business Administration (SBA) loan assistance to business and homeowners.
- Co-locating NYS Small Business Development Center staff at the RDRC to assist business owners with completing Federal, State and City loan, grant and business assistance applications.
- Collaborating with the NYC Department of Small Business Services to identify and communicate with business owners and community leaders about Sandy – related resources.
- Partnering with NationalGrid to assist qualified business owners complete the *Sandy Relief Grant Program* application that can provide up to \$250,000 in grant assistance to local businesses.
- Partnering with the American Planning Association to develop a *Business Assessment Tool* and to conduct monthly field assessments as a part of our long term business recovery strategy.
- Organizing over 10 tours of the Rockaways as a part of our marketing and advocacy efforts to attract more resources – governmental, philanthropic and private to aid in the recovery of the Rockaways.



AND OVER THE NEXT SEVERAL MONTHS....

Beginning January 2013, our goal will focus on developing a *Rockaway Peninsula Business and Economic Recovery Strategy*. The Strategy will: (1) identify existing City and State business and economic development initiative programs; (2) increase the RDRC's existing capacity to assist local businesses on an ongoing basis; and (3) raise grant funds to aid local businesses in their recovery efforts.





RDRC COMMUNITY E-NEWSLETTER

November 2012

Volume II Issue 6

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SUPER STORM SANDY DEVASTATES THE ENTIRE ROCKAWAY PENINSULA

By Kevin Alexander



Hours before Sandy touched down, I decided to take a quick tour of the Rockaways, paying particular attention to the number of people who decided to stay in the Rockaways. For the majority of those I stopped and asked why they didn't evacuate, answers ranged from not having any place else to go, not having the financial resources to evacuate, or just believing that Sandy was *overhyped*, just as Irene was the year before. As the storm got closer to the Rockaways and the weather reports all indicated that the Rockaways were going to take a direct hit, an eerie silence blanketed the Rockaways.

The morning following Sandy I carefully made my way back into the Rockaways to assess the damage. As I entered downtown Far Rockaway, you immediately noticed the absence of the usual daily hustle and bustle of businesses rolling open their gates, parents dropping the children off for school, workers racing to catch a bus or train. I couldn't imagine the

trauma of what those families must have went through as Sandy slammed into their homes, disabled all means of communication, power and public transportation - buses, subway and commuter lines, leaving an estimated 65,000 persons in the dark and cold.



In the days immediately following Sandy, there were many long days, well into the night filled with helping - churches such as the Far Rockaway Church of the Nazarene, Assembly of God Battalion Pentecostal Church and Canaan Land Empowerment Ministries became vital community centers for food, clothing, supplies, services and hope. Kudos to all the faith based organizations, volunteers, organizations who immediately responded to our plight.

RDRC Partners With SBA and SBDC to Assist Local Businesses

To assist businesses impacted by Super Storm Sandy the RDRC, United States Small Business Administration (SBA) and New York States Small Business Development Center have partnered to create a comprehensive **Small Business Recovery Center** at 1920 Mott Avenue located in Far Rockaway. Collectively, RDRC, SBA and SBDC staff will assist business owners with completing Federal, State and City disaster loan applications, help re-create and apply for lost financial records, complete claims and assistance forms.

In addition to assisting small businesses, SBA can assist homeowners with loan applications as well.

All services are free of charge and available Monday through Friday from 9:00am to 6:00pm and Saturdays from 10:00am to 4:00pm.



To schedule a confidential appointment call 718.327.5300, and walk-ins are welcomed.

1920 Mott Avenue
Far Rockaway, 1169 1

718.327.5300
www.rdrc.org



RDRC COMMUNITY E-NEWS BACK COVER STORIES

Assemblywoman Michele R. Titus and RDRC Co-Host Foreclosure Prevention Workshop

Assemblywoman Michele R. Titus, 31st Assembly District recently co-hosted a foreclosure prevention workshop at St. Anthony of Padua Parish located in South Ozone Park, Queens. The workshop was attended by over 30 homeowners attended the workshop to learn more about their rights as homeowners, options to save their home, available programs and *free services* offered by certified Housing and Urban Development housing counseling agencies such as RDRC. According to RDRC's Associate Director for Professional Services,



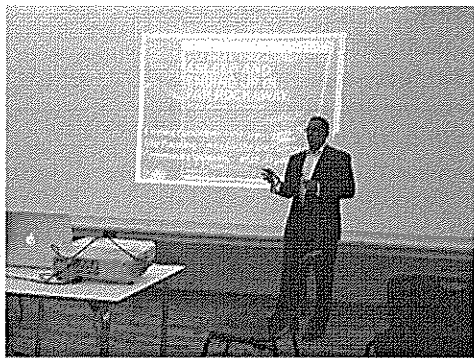
Malcolm Harewood, "We are keenly aware of the ongoing foreclosure problems in South Ozone Park and wanted the opportunity to assist Assemblywoman Titus. For now, our strategy will be to offer group periodic foreclosure workshops in South Ozone Park and provide individualized housing counseling services at our Far Rockaway location."

For more information about RDRC's homeowner assistance programs contact 718.327.5300.

RDRC Design Team Presents Downtown Far Rockaway Master Plan at Cornell University

On October 11th, RDRC's Kevin Alexander and WE Design, WE Build's Tricia Martin presented its vision for the future of downtown

Far Rockaway to a group of urban planners at Cornell University in Manhattan. The presentation provided the audience with a visual presentation of the current Far Rockaway downtown area with

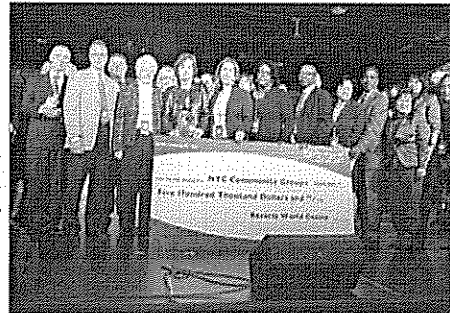


our proposed plan that includes renovation of the Beach 21st Street bus plaza, adding beach themed elements throughout the downtown area and way finding signage. The presentation was followed by a spirited conversation about the historical significance of the Rockaways and in particular the downtown Far Rockaway district. *Special thanks* to Leatitia Wolff, Executive Director of DesigNYC (project sponsor) and our own Tony Berkel, project consultant for all their efforts.

RDRC Awarded Community Service Grant From Resorts World Casino New York

On October 25th RDRC along with a number of other community organizations were invited to attend the one year anniversary celebration of Resorts World Casino New York. We learned that they were the single largest gaming property in the United States, grossing over

\$650 million dollars, with more that \$445 million heading to New York State in tax revenue. This is in addition to the \$380 million dollar licensing fee paid in 2010, bringing Resorts World Casino's official contribution



to the state to \$825 million to date. As a part of the Resort Worlds Casino commitment to local communities they provided grants totaling \$500,000 to Queens based organizations. "We applaud the success of Resorts World Casino New York under the leadership of Michael Speller, President & CEO and look forward to continuing our community collaboration" stated Kevin Alexander.

RDRC Awarded Contract With NYC Office of Financial Empowerment Services

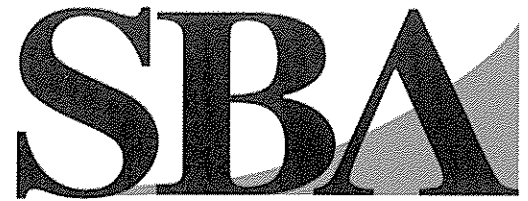
The New York City Department of Consumer Affairs/Office of Financial Empowerment (DCA/OFE) recently awarded Rockaway Development & Revitalization Corporation (RDRC) a contract to provide financial education assistance to individuals and families impacted by Hurricane Sandy. Our services include: assisting persons with applying for benefits, insurance and other financial support; screening and providing referrals; and scheduling for additional assistance to DCA/OFE Financial Empowerment Centers.

RDRC's services will be offered at the NYC Restore Center - Arverne By The Sea Retail Plaza located at 68-20 Rockaway Beach Boulevard in Arverne. RDRC staff will be available Mondays through Sundays from 8:00am to 8:00pm (subject to change).

Similar services will be offered at the Breezy Point Restoration Center located at 415 State Road in Fort Tilden and Far Rockaway Restoration Center located at 10-01 Beach 20th Street. Call 311 for days and hours.



U.S. Small Business Administration



Small Business Disaster Assistance

Business Recovery Resources in One Location

- Completing SBA Disaster Loan Applications
- Information about financial assistance & Claim Filing
- Developing Emergency Response Plan for the Business
- Helping re-create and apply for lost financial records
- Strategic planning for rebuilding of the business
- Completing requests for loans, claims, and assistance forms
- Developing a business continuity plan

There is no charge for the confidential assistance provided by the SBA and SBDC.

Please call to make an appointment

Walk Ins Are Welcome

718-327-5300

1920 Mott Avenue

Far Rockaway, NY 11691

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SPECIAL SECTION
Senior Living
BEGINS ON
PAGE 25



Doe Fund Cleans Up Cross Bay
SEE PAGE 11



National Grid presented a \$250,000 grant to the owners of Madelaine Chocolate to get the business up and running and people back to work post Sandy. See page 3

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Sat. & Sun.: 8am-7pm

Mon.-Fri.: 9am-7pm
Sat. & Sun.: 9am-3pm



The staff at Madelaine Chocolate was given a \$250,000 check from National Grid to help recover after Sandy. (Below) A significant amount of equipment at Madelaine was destroyed by the storm.

SWEET GRANT

\$250G to help biz recover from Sandy

BY TERENCE M. CULLEN
tcullen@queenscourier.com

Normally, the staff of Madelaine Chocolate makes Valentine's Day sweet for countless couples.

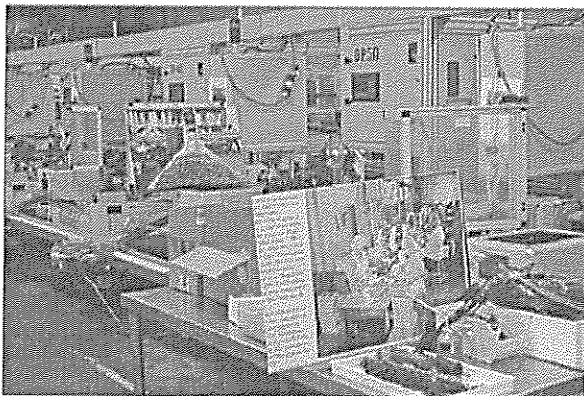
But this year, because of Sandy, their holiday was sweetened thanks to National Grid.

The gas company presented owners at Madelaine with a check for \$250,000 on Tuesday, February 12 to help the Rockaway Beach-based confectioners continue their recovery. The money will go toward getting at least one leg of the Madelaine factory producing chocolate again, said co-owner Jorge Farber, and the staff back to work for Halloween candy.

"It's a beginning for a long, long road that is ahead of us," Farber said. "This grant from National Grid is the first substantial outside grant and resources we have received. It's a very concrete first step because it helps us rebuild one of our 14 molding lines that produce chocolate."

This is the first of several grants National Grid will give to companies in its flood zone that suffered severe damage from the storm. National Grid president Ken Daly said the power company has a \$30 million fund, with roughly 100 companies applied. The amount of grant money will vary based on the company, he added.

Jack Friedman, execu-



tive director of the Queens Chamber of Commerce, said the grant would be a boost to Madelaine and the workers who live nearby.

"It's going to help re-employ some of the workers who have been out of work since October, and probably will be out of work through the summer," Friedman said. "And it's going to help the community of Rockaway because most of their workers come from the local area."

Madelaine, the largest Queens small business with about 450 employees, was the first on National Grid's list, Daly said, because of the long working relationship between the two. The executives at National Grid are committed to getting Madelaine back and making candy as soon as possible.

"[For] many, many years, they've been supporting us as a company," Daly said. "Today,

it's really our opportunity to return that support and help them get back up and running."

Farber said the factory had already lost two seasons — Valentine's Day and Easter — of candy production because of the damage from the storm. The combined cost of the damage and cost of doing business is still unestimated, he said.

The first of the eight kitchens, however, has been almost restored. That kitchen had a staff of 42 and produced about 46,000 of 100,000 pounds of chocolate per day.

The grant from National Grid was the first step in getting the staff back to work, as the company awaits potential loans from the U.S. Small Business Administration. As more loans and donations come in, the staff can begin making chocolate goodies for distribution. "We cannot lose another season," Farber said. "We need to be back by Halloween."

Students can transfer out of failing schools

BY MELISSA CHAN
mchan@queenscourier.com

Students in failing city schools will be allowed to transfer, the Department of Education said.

The city is in the process of phasing out 39 struggling schools. The Panel for Educational Policy will vote in March on whether to phase out another 22, including three in Queens.

The transfer option will give students a chance to succeed at better schools. This is the first year all students at phase-out schools have been given the choice.

"We believe in providing good school choices for all students and families, and this new transfer option will enable families in low performing schools to gain access to higher performing ones across the city," said DOE spokesperson Devon Puglia.

Transfer applications with a list of high-ranking schools will be sent to about 16,000 eligible students in March, the department said. Priority will be given to students with the lowest scores and "greatest need."

Students who are granted the transfer would be able to start at their new school in September.

The three Queens schools proposed for phase-out this year are P.S. 140 in Jamaica; Law, Government and Community Service High School in Jamaica; and the Business, Computer Applications & Entrepreneurship High School in St. Albans.

P.S. 156 in Laurelton faces a possible truncation, which will eliminate its middle school.

One grade would be eliminated at a time from the troubled schools under the phase-out process.

BOOK DRIVE TO HELP STUDENTS AFFECTED BY SANDY

BY ADJANI SHAH
editorial@queenscourier.com

What started as a class project for Melissa Levin's second graders at P.S. 108 soon escalated into a community service effort.

The destruction of homes during Sandy also meant the loss of books for many children, including two of the school's own students. The kids of Levin's class want to help.

A book drive will be held from March 4 to March 8 at the school. It is a collaboration of teachers, school officials, parents, and, of course, the second grade students. They are collecting boxes, hanging posters, and handing out flyers to the community to raise awareness.

The school is asking for any genre of children books ranging from pre-k to fifth grade reading levels.

"Any book, new or old," Levin said, is accepted.

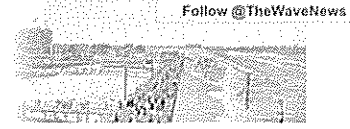
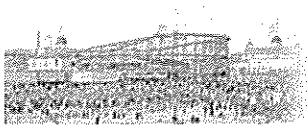
Books can be dropped off at the school, at 108-10 109th Avenue in Ozone Park. Several drop boxes will be located throughout the school where teachers, parents and students will be posted to receive them.

The donated books will be distributed to several other elementary schools whose students were also victims of Sandy.

Second grader Sophia Sookram said children cannot practice their reading at home since they lost all their books.

"With your help, kids will have a story to read every night," she said.

Specific times for drop offs are: Monday, March 4 and Wednesday, March 6 from 3:15 to 4:30 p.m. and Thursday, March 7 and Friday, March 8 from 11:30 a.m. to 12:30 p.m.



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2013-02-01 / Top Stories

RDRC Helping Sandy Victims

By Miriam Rosenberg



RDRC and counselors from the state Small Business Development Center work with business owners applying for superstorm Sandy assistance. (Photo by Miriam Rosenberg.)

Continuing in their tradition of helping small businesses, the Rockaway Development and Revitalization Corporation (RDRC) is now working with Rockaway small businesses that were affected by Superstorm Sandy.

Since Sandy hit, RDRC has been holding workshops and 'triage' centers for local business owners to "apply for the loans and grants that are out there" Tony Berkel of RDRC said.

On Tuesday, Berkel, an in house consultant for RDRC, and counselors from the state Small Business Development Center were in a storefront on Rockaway Beach Boulevard near Beach 92nd Street, talking business owners through the steps to apply for assistance to get their companies back up and running. "We don't need people to leave the peninsula to get service," said Berkel. "That's why we're here. We're here to bring the resources to them. Today we're helping the businesses on Rockaway Beach Boulevard fill out the applications, the grants, the

loans and things of that nature." Business owners all along hard hit Rockaway Beach Boulevard were coming in for assistance. Among those who RDRC helped on Tuesday was Dr. Hillel Stein of Smile Savers located on Rockaway Beach Boulevard near Beach 90th Street. The dental office just recently announced their reopening. But they – like many others in the area – lost everything. "We had to rip the walls out, demolish and rebuild [the whole office]," said Dr. Stein.

This is the second in field 'triage' center session RDRC has set up. The first was on Beach 116th Street where Berkel said they initially served "a handful of businesses." But, by 2 p.m., with two hours left before closing, approximately 20 business owners had already been helped in the five hours that the Rockaway Beach RDRC center was open. While the January 29th visit to Rockaway Beach was meant to be only one day, Berkel said there is a possibility of RDRC returning in the future. RDRC will assess the need to determine if a return visit is needed. But according to what Berkel has seen he believes the need is there.

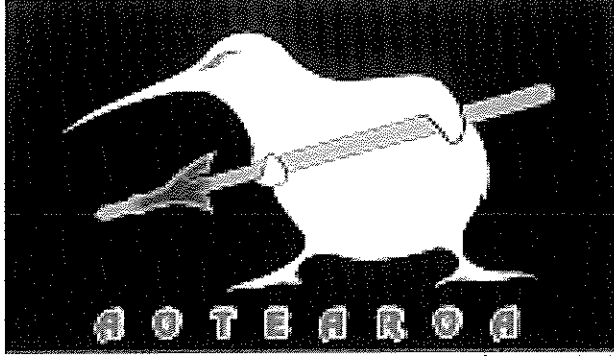
"There's a greater need at the Rockaway Beach area than there was at the Rockaway Park area," said Berkel, who added that assistance provided by RDRC is free.

The funding available includes a federal disaster loan for up to \$2 million for damaged or destroyed real estate or equipment; an emergency loan up to \$25,000 with a grant up to \$10,000 for businesses damaged by Sandy, a sales tax exemption up to \$100,000, and a relief grant up to \$5,000. Business owners who couldn't make the Tuesday site visit to Rockaway Beach can visit the RDRC office at 19-20 Mott Avenue in Far Rockaway. Contact RDRC for more information.

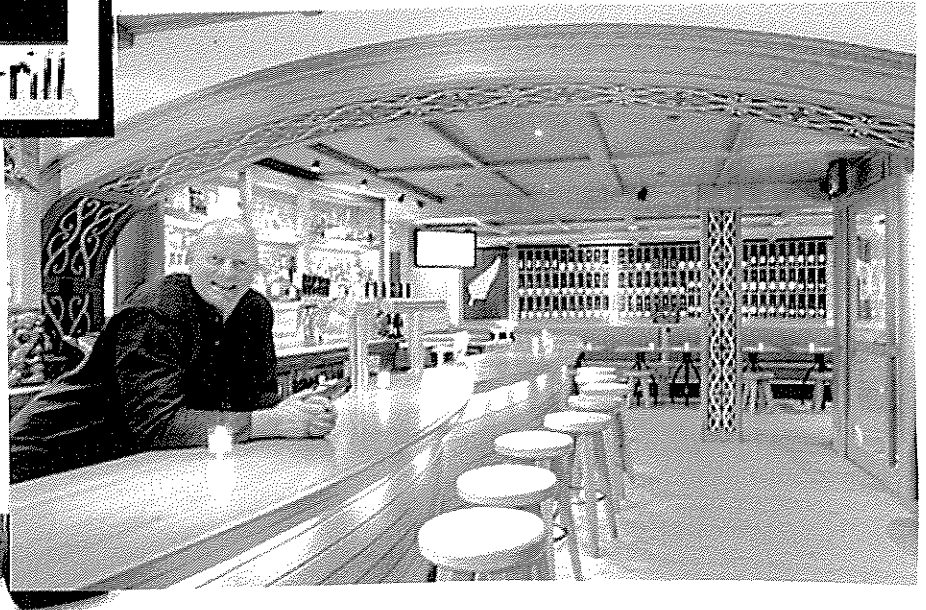
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Nelson Blue



New Zealand Bar & Grill





**Goat Fifty LLC
Dba Nelson Blue
36 Peck Slip
New York, New York 10038
917 670-0484**

As you can see from the 1st page, this is the before and after Sandy.

Nelson Blue opened in May of 2007 as the only New Zealand themed restaurant in the city (it is no longer the case). We had a fairly successful business despite recessions, construction and Irene. Sandy did us in, though. We had 7 feet of water in the front of the restaurant and about 9 ft in the kitchen area.

We were completely devastated and are down to a shell. All of our kitchen and bar equipment, including ovens, grills, refrigeration, compressors, beer and soda lines are ruined. Point of sale equipment including printers and computers are all gone. Walls, flooring, bathrooms, fixtures and in some areas ceilings have all been completely ripped out. Furniture, benches, storage units, waiter stations all torn from their places, much of it ruined or filled with mold. All inventories were compromised and had to be disposed. One large door to Front Street was completely shattered.

We have no flood insurance. We did have business interruption and sewer back up coverage. **All have been denied.** It also seems we will not be able to receive the grant from the Downtown Alliance as we won't be reopened before the deadline.

Nelson Blue is part of a group of merchants along Historic Front Street. The owners are Durst Corp. and Yarrow II LLC. Because of the devastation to their properties in the area, in that a lot of the infrastructure was under water and because of the geo thermal issues, we have been unable to get back into our spaces to start to rebuild. **It will be at least 7 months (if we are lucky) that we will have lost revenues and our employees (27 at the time of closing) will be out of work.** Construction is due to go on (right outside our front door) for the next 3 years. Who knows how long the South Street Seaport will be down (a large part of our revenue was tourists). It is going to take a long time to rebuild our clientele.

We estimate that the total cost of rebuilding will be \$350,000 to \$400,000. The landlord is granting small concessions (2 months free rent, while we rebuild and \$20 per square foot to get back to leasehold shape). Nowhere where we need to be. That is why it is of the utmost importance that grants be directed our way.

Please don't forget us.

Thank you.

Diane Honeywell
Diane@nelsonblue.com

The Small Business Congress, Inc.

United with a Goal of Creating a Healthy Small Business Environment in New York City

146-03 34th Avenue, Flushing, NY 11354

Tel: (718) 886-5567 Fax: (718) 886-5535

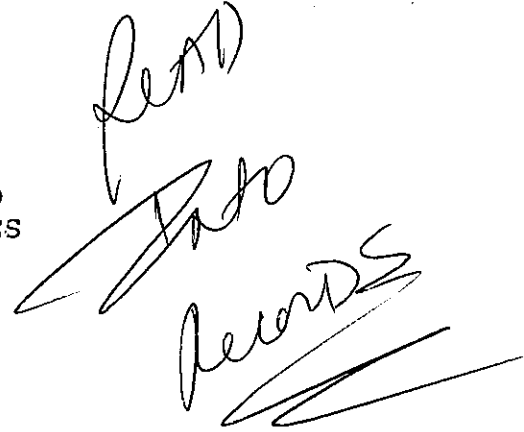
E-mail: smallbusinesscongress@yahoo.com

TESTIMONY:

OVERSIGHT HEARING ON RESTORING AND
GROWING THE CITY'S SMALL BUSINESSES

BY
COMMITTEE ON SMALL BUSINESS &
COMMITTEE ON ECONOMIC DEVELOPMENT

Feb.25, 2013 1 p.m.
Council Chambers



SUNG SOO KIM
PRESIDENT & CEO
THE SMALL BUSINESS CONGRESS, INC.

Honorable Chairwoman Reyna, Honorable Chairwoman Koslowitz, and Honorable Councilmembers! My name is Sung Soo Kim, President of The Small Business Congress, Inc., a federation of 75 trade organizations cumulatively representing 135,000 mom-and-pop stores in the City to articulate concerns and interests of small businesses over two decades. On behalf of the Congress, at this oversight hearing, I would first alert concerned New Yorkers, legislators and the Administration the scope, intensity and nature of the on-going small business crisis and then propose solutions to overcome the crisis.

City's small business community with 185,000 stores has faced with a fatally threatening and unbearable degree of crisis. A record shows 383,712 stores disappeared or were evicted for the period from 1986 to 2011 (enc.#1). These closed businesses dumped the City with 1,726,704 job losses. The Small Business Survival Index released annually by Small Business & Entrepreneurship Council which ranks the public policy environment for small businesses across the nation has ranked New York No.45 to the worst No.50 for these seven years (enc.#2). Korean American Small Business Service Center of New York, Inc. recorded last year closed-down member stores by 24%. There is no doubt thus that small businesses in the City have been facing with a serious crisis.

"Restoring small businesses," restoring the faded middle class," "creating more jobs"-- these are concerns addressed by leaders, Borough President Stringer, Speaker Quinn, Mayor Bloomberg being among them., to overcome the small business crisis. The Congress asserts that securing existing jobs through stabilizing existing stores is a common sense solution. As proven by the 2009 NYC Hispanic Small Business Survey (enc.#3), a commercial rent/ lease stabilization act in the Council is a qualified and responsible answer to the topic of "City's Job Creation."

The other fundamental solution to overcome the small business crisis is to restructure City's Enforcement. Ticketing blitz of New York City has become a fundamental threat to the stability of City's political system. Public Advocate Bill de Blasio with his Small Business Report rightfully explored the scope and intensity of ticketing blitz (enc.#4). The report yet left over other serious implications as well as policy recommendations to curb these "dangerous" ticketing matters.

City's ticketing blitz creates an adverse political socialization to small business keepers 80 % of whom are from new immigrant backgrounds. Ticketing practices with a quota system and a decoy tactics applied are the contacts for these people to the government: they feel "too much," "unfair." A serious result out of this is deprivation of intention to participate in the system. They have been much under a psychosomatic condition: they are not proud of themselves to be New Yorkers.

City's small business community needs to declare New York Chapter of Boston Tea Party. City's ticketing and penalty assessment is a typical case of "Taxation Without Representation." All the fines are assessed under commissioner's discretion of an enforcement agency. Department of Consumer Affairs used to implement reasonable warnings over 7 kinds of codes (enc.#5). These years, each of the warnings was turned into a heavy monetary penalty: The tobacco warning sign requirement created a "gift" to DCA with a fine amounting \$1,550: Missing a sign in front of a cashier of a store is a violation with that heavy amount of fine. DCA makes a decision to assess 30 to 60 times increased fine for a default case (enc.#6). Further, DCA suspends a license to a store which is delaying the pending fine payment. This is a "Gestapo" administration!!!

By all these "unconscientious" enforcement practices, the small business ends up to be a "deprived social class." The small business community is not treated as a good partner with the Government to create City's collective goods but is "confronted" by the Government. For K & N World Produce, \$7,200 is absolutely the amount beyond its ability to pay.

The Small Business Congress has four Policy Recommendations to overcome the adverse sides of ticketing blitz institutionally and to overcome the small business crisis in the City:

Amending City Codes To empower the City Council to Review Enforcements and City's Ticketing System:

The small business community deserves "Taxation With the Representation."

Reinstating All The Feasible Warning Systems With Return Dates or Cure Dates:

The 1992 Department of Sanitation's successful warning policy is an example. DOS in 1992 issued tickets less than any previous year but the sanitary score for that year showed the highest one. DOS for 1992 made an intensive effort to launch educational projects to approach shopkeepers.

Reinstating Speaker Quinn's "Fine Forgiveness Program:"

With Speaker Quinn's leadership, the program aimed at relieving shopkeepers from the defaulted fines by allowing them to pay only face fine amounts for the year of 2009. Recently, the Administration retained a collection agency which is out of the City "harassing" shopkeepers who had missed the amnesty opportunity of 2009. The Congress still assumes most defaulted fines still amounting around a billion dollars are not cleared out. Instead of relying on a collection agency, the Congress believes, the Speaker's Program should be one more time reinstated to relieve small businesses while guaranteeing legitimate City's revenue which is huge amount whose collection would defy any uncommendable ticketing blitz.(enc.#7)

Creating City Council Speaker's Small Business Advisory Board:

The Small Business Congress has been asking the Mayor to reinstate Mayor's Small Business Advisory Board which had existed before the Bloomberg Administration. As of now, the small business community has no channel to articulate pressing small business issues. The Congress appeals to Council Speaker to open this channel under Speaker's authority. The Board is to have small business issues registered at the Council and to articulate the community's concerns and interests. Ticketing blitz would be the first prospective agendum for the Board. (enc.#8).

Thank you.

ENC. # 1

**NEW YORK CITY L & T COURTS ALL COUNTIES
COMMERCIAL WARRANTS FOR EVICTIONS ISSUED
FOR BUSINESSES CITYWIDE 1986- 2011**

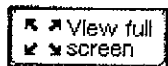
For majority:

Holdovers - Leases expire, landlords want tenants removed 70%

Non-payment of rent , landlords want tenants removed 30%

MAYOR KOCH:	YEAR	NUMBER	
	1986	3,575	
	1987	3,697	
	1988	5,595	
	1989	<u>4,566</u>	
			17,433
MAYOR DINKINS:	1990	6,684	
	1991	6,634	
	1992	7,663	
	1993	<u>6,928</u>	
			27,909
MAYOR GIULIANI:	1994	8,305	
	1995	6,824	
	1996	8,860	
	1997	<u>8,819</u>	
			32,808
	1998	8,848	
	1999	9,137	
	2,000	7,812	
	2001	<u>7,384</u>	
			33,181
MAYOR BLOOMBERG:	2002	7,444	
	2003	7,665	
	2004	8,070	
	2005	<u>6,950</u>	
			30,129
	2006	7,147	
	2007	6,998	
	2008	6,714	
	2009	<u>7,582</u>	
			28,441
	2010	6,560	
	2011	<u>6,259</u>	
			12,819
TOTAL EVICTION WARRENTS ISSUED AGAINST BUSINESSES		182,720	DEDUCT 30% 54,816
<u>Due to unfair lease terms Total 127,904 SB Evicted 1986-2011</u>			
ESTIMATED 2/3 BUSINESSES VOLUNTARILY CLOSE AND WALK AWAY without a fight in court = 255,808			
<u>ESTIMATED BUSINESSES CLOSINGS NYC 1986-2011 383,712</u>			

ENC. # 2

U.S. Business Policy Index 2012*Policy Ranking (from most favorable to least favorable)*

Rank	State
1	South Dakota
2	Nevada
3	Texas
4	Wyoming
5	Florida
6	Washington
7	Alabama
8	Utah
9	Colorado
10	Arizona
11	Michigan
12	Virginia
13	Indiana
14	South Carolina
15	Mississippi
16	North Dakota
17	Tennessee
18	Ohio
19	Alaska
20	New Hampshire
21	Georgia
22	Missouri
23	Oklahoma
24	Pennsylvania
25	Louisiana
26	New Mexico
27	Wisconsin
28	Kansas
29	Kentucky
30	West Virginia
31	Idaho
32	Montana
33	Delaware
34	Arkansas
35	Illinois
36	Maryland
37	North Carolina
38	Massachusetts
39	Nebraska
40	Minnesota
41	Rhode Island
42	Connecticut
43	Oregon
44	Iowa
45	Hawaii

- 46 Maine
- 47 New York
- 48 Vermont
- 49 New Jersey
- 50 California

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The Property Tax Relief Center

Most The Price of Success

Kevin Price

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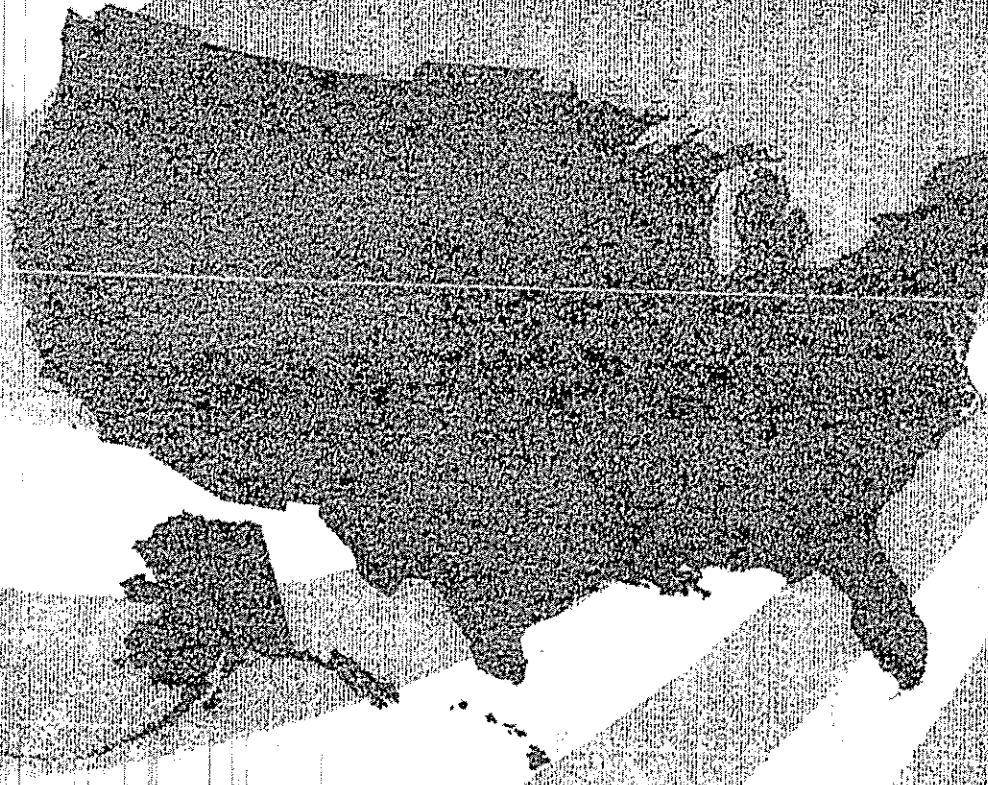
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SMALL BUSINESS & ENTREPRENEURSHIP COUNCIL'S

Small Business Survival Index 2011:

Ranking The Policy Environment For Entrepreneurship Across The Nation

REVISED & EXPANDED



16th Annual Edition
November 2011

RAYMOND J. KEATING
Chief Economist

www.sbecouncil.org
crossing small business, promoting entrepreneurship



Small Business Survival Index 2011: State Rankings*

(Ranked from the Friendliest to the Least Friendly Policy Environments for Entrepreneurship)

Rank	State	SBSI	Rank	State	SBSI
1	South Dakota	32.292	26	Louisiana	60.120
2	Nevada	38.531	27	Idaho	60.452
3	Texas	39.076	28	New Mexico	60.576
4	Wyoming	46.049	29	Michigan	61.480
5	South Carolina	47.047	30	Montana	62.193
6	Alabama	48.765	31	Delaware	62.785
7	Ohio	49.538	32	West Virginia	63.486
8	Florida	50.081	33	New Hampshire	63.568
9	Colorado	51.317	34	Oregon	65.181
10	Virginia	51.697	35	Pennsylvania	65.350
11	Washington	52.312	36	Nebraska	66.420
12	Mississippi	52.319	37	North Carolina	66.858
13	North Dakota	53.296	38	Maryland	67.103
14	Utah	53.374	39	Hawaii	70.889
15	Arizona	54.388	40	Illinois	72.078
16	Georgia	54.639	41	Iowa	72.525
17	Missouri	55.382	42	Massachusetts	73.976
18	Arkansas	56.162	43	Minnesota	75.308
19	Oklahoma	57.080	44	Connecticut	75.587
20	Indiana	57.747	45	Maine	75.876
21	Alaska	58.802	46	California	76.357
22	Kentucky	58.934	47	Rhode Island	77.250
23	Kansas	58.977	48	Vermont	78.291
24	Wisconsin	59.282	49	New Jersey	82.625
25	Tennessee	59.976	50	New York	82.787
			51	Dist. of Columbia	84.354

* (Please note that the District of Columbia was not included in the studies on the state tort costs, eminent domain legislation and highway cost efficiency, so D.C.'s last place score actually should be even worse.)

Small Business Survival Index 2010: State Rankings*

(Ranked from the Friendliest to the Least Friendly Policy Environments for Entrepreneurship)

Rank	State	SBSI	Rank	State	SBSI
1	South Dakota	28.552	26	Michigan	60.327
2	Nevada	34.671	27	Louisiana	60.362
3	Texas	35.096	28	Illinois	60.653
4	Wyoming	41.769	29	Kansas	61.512
5	Washington	45.318	30	Pennsylvania	61.969
6	Florida	47.763	31	Wisconsin	62.002
7	Alabama	48.522	32	Delaware	62.873
8	South Carolina	49.273	33	Montana	63.326
9	Ohio	49.835	34	Idaho	65.052
10	Colorado	52.349	35	West Virginia	66.470
11	Tennessee	53.539	36	Maryland	66.590
12	Utah	53.777	37	Nebraska	66.653
13	Arizona	54.272	38	North Carolina	68.350
14	Virginia	54.417	39	Oregon	69.373
15	Alaska	54.584	40	Iowa	70.375
16	Mississippi	54.802	41	Connecticut	71.881
17	Indiana	54.967	42	Minnesota	74.994
18	North Dakota	55.880	43	Massachusetts	75.634
19	Missouri	55.964	44	Hawaii	75.877
20	Georgia	56.643	45	Rhode Island	76.676
21	Oklahoma	57.094	46	Maine	77.394
22	Kentucky	58.481	47	Vermont	79.399
23	New Hampshire	58.635	48	California	80.572
24	Arkansas	58.653	49	New York	82.989
25	New Mexico	59.075	50	New Jersey	84.209
			51	Dist. of Columbia	86.825

Small Business Survival Index 2009: State Rankings*

(Ranked from the Friendliest to the Least Friendly Policy Environments for Entrepreneurship)

Rank	State	SBSI	Rank	State	SBSI
1	South Dakota	25.693	26	Kansas	57.813
2	Nevada	31.348	27	Pennsylvania	57.847
3	Texas	32.082	28	New Mexico	58.101
4	Wyoming	37.069	29	Louisiana	58.111
5	Washington	42.955	30	Wisconsin	58.800
6	Florida	45.284	31	Montana	59.041
7	South Carolina	48.001	32	Idaho	61.705
8	Colorado	48.250	33	New Hampshire	61.995
9	Alabama	48.823	34	Nebraska	62.143
10	Virginia	50.843	35	Delaware	62.775
11	Ohio	51.250	36	West Virginia	63.689
12	Alaska	51.554	37	Maryland	64.342
13	Tennessee	51.855	38	Oregon	65.179
14	Utah	52.404	39	North Carolina	65.497
15	Indiana	52.602	40	Connecticut	66.627
16	Arizona	52.803	41	Iowa	67.485
17	North Dakota	53.044	42	Hawaii	68.454
18	Missouri	53.277	43	Minnesota	72.149
19	Mississippi	53.439	44	Massachusetts	72.515
20	Georgia	53.781	45	Rhode Island	73.339
21	Oklahoma	53.868	46	Maine	74.699
22	Kentucky	54.877	47	Vermont	75.717
23	Michigan	55.383	48	New York	76.940
24	Illinois	55.983	49	California	77.749
25	Arkansas	56.006	50	New Jersey	84.730
			51	Dist. of Columbia	84.795

* (Please note that the District of Columbia was not included in the studies on the states' liability systems, eminent domain legislation and highway cost efficiency, so D.C.'s last place score actually should be even worse.)

Small Business Survival Index 2008: State Rankings*

(Ranked from the Friendliest to the Least Friendly Policy Environments for Entrepreneurship)

Rank	State	SBSI	Rank	State	SBSI
1	South Dakota	26.357	26	Wisconsin	57.601
2	Nevada	30.447	27	Louisiana	57.752
3	Wyoming	37.255	28	New Hampshire	57.795
4	Florida	43.824	29	New Mexico	58.054
5	Washington	44.325	30	Arkansas	58.511
6	Texas	45.543	31	Kansas	58.965
7	South Carolina	48.012	32	Oregon	60.420
8	Alabama	48.807	33	Montana	60.625
9	Virginia	49.073	34	Delaware	60.856
10	Colorado	50.170	35	Idaho	61.614
11	Tennessee	51.310	36	Nebraska	62.359
12	Georgia	52.330	37	Connecticut	62.685
13	Arizona	52.535	38	Maryland	63.289
14	Missouri	52.880	39	North Carolina	63.943
15	Utah	53.028	40	West Virginia	65.384
16	Alaska	53.228	41	Hawaii	67.395
17	Mississippi	53.367	42	Iowa	68.354
18	Ohio	53.853	43	Vermont	70.316
19	Michigan	54.180	44	Massachusetts	71.239
20	Indiana	54.325	45	New York	71.835
21	Oklahoma	54.551	46	Minnesota	71.910
22	North Dakota	56.206	47	Rhode Island	72.671
23	Kentucky	56.373	48	Maine	74.553
24	Illinois	56.404	49	California	77.358
25	Pennsylvania	57.108	50	New Jersey	78.130
			51	Dist. of Columbia	83.751

* (Please note that the District of Columbia was not included in the studies on the states' liability systems, eminent domain legislation and highway cost efficiency, so D.C.'s last place score actually should be even worse.)

Small Business Survival Index 2007: State Rankings*
 (Ranked from the Friendliest to the Least Friendly Policy Environments for Entrepreneurship)

Rank	State	SBSI	Rank	State	SBSI
1	South Dakota	25.914	26	Illinois	58.375
2	Nevada	31.574	27	Arkansas	59.197
3	Wyoming	37.986	28	Maryland	59.337
4	Washington	42.832	29	Ohio	59.341
5	Florida	45.485	30	Kansas	59.853
6	Michigan	46.073	31	Louisiana	60.066
7	Texas	47.968	32	Delaware	60.086
8	South Carolina	49.544	33	Wisconsin	60.183
9	Virginia	49.996	34	Oregon	60.891
10	Alabama	50.534	35	Montana	61.552
11	Colorado	51.934	36	Idaho	61.817
12	Georgia	52.734	37	Nebraska	63.145
13	Tennessee	53.121	38	Connecticut	64.879
14	Indiana	53.228	39	North Carolina	65.570
15	Arizona	53.277	40	West Virginia	66.516
16	Mississippi	53.820	41	Iowa	69.161
17	Alaska	54.356	42	Hawaii	70.416
18	Utah	54.435	43	Vermont	71.370
19	Missouri	54.681	44	Massachusetts	72.055
20	North Dakota	54.795	45	Minnesota	72.096
21	Oklahoma	56.295	46	New York	73.189
22	Kentucky	56.458	47	Maine	74.222
23	New Hampshire	56.502	48	Rhode Island	75.604
24	Pennsylvania	57.343	49	California	77.985
25	New Mexico	57.978	50	New Jersey	79.231
			51	Dist. of Columbia	81.905

* (Please note that the District of Columbia was not included in the studies on the states' liability systems, eminent domain legislation and highway cost efficiency, so D.C.'s last place score actually should be even worse.)

Small Business Survival Index 2006: State Rankings*

(Ranked from the Friendliest to the Least Friendly Policy Environments for Entrepreneurship)

Rank	State	SBSI	Rank	State	SBSI
1	South Dakota	26.360	26	Utah	50.095
2	Nevada	29.915	27	Wisconsin	51.479
3	Wyoming	35.840	28	Maryland	51.845
4	Alabama	40.328	29	New Mexico	52.510
5	Washington	40.420	30	Montana	53.898
6	Florida	40.819	31	Nebraska	54.220
7	Mississippi	41.088	32	Connecticut	54.250
8	Colorado	42.680	33	Louisiana	54.270
9	Texas	42.710	34	Idaho	54.520
10	Michigan	42.742	35	Kansas	54.800
11	South Carolina	44.558	36	Kentucky	56.265
12	Indiana	44.870	37	West Virginia	56.660
13	Tennessee	44.974	38	Ohio	56.730
14	Virginia	45.456	39	Oregon	57.059
15	Arizona	45.748	40	North Carolina	57.482
16	Pennsylvania	45.863	41	Iowa	57.760
17	Alaska	46.770	42	Vermont	59.480
18	New Hampshire	47.256	43	Massachusetts	61.055
19	Delaware	47.310	44	Hawaii	62.608
20	Arkansas	48.158	45	New York	62.654
21	Illinois	48.494	46	Minnesota	63.590
22	Missouri	49.242	47	Maine	63.993
23	Oklahoma	49.480	48	Rhode Island	64.970
24	North Dakota	49.850	49	California	65.117
25	Georgia	49.903	50	New Jersey	65.345
			51	Dist. of Columbia	75.420

* (Please note that the District of Columbia was not included in the study ranking the states according to their liability systems, so D.C.'s last place score actually should be worse.)

ENC. # 3



U.S.A. Latin Chamber of Commerce

New York City Hispanic Small Business Survey

Final results: 937 Latino owned NYC small businesses: professional (attorneys, accountants, medical clinics etc.) & mom and pop retail: (shoe repair, hardware, restaurants, cloths, etc.)

40 surveyors over 2 months period, mid Nov., 2008 –mid Jan. 2009

1. Is this business Hispanic owned? 100% Yes ___ No
2. How many years have you been in business at your present location? 8 years
3. What is the number of your employees (include family and part-time workers)? 8
4. Would you classify your business as:
33% a. Professional in nature (accountant, doctor, travel agency) or 67% b. Retail (bodega, grocery, clothing etc.)
5. Is your business currently at risk of closing (not due to retirement or health issues)?
53% Yes 30% No 17% Unsure

If yes, Please select most likely reason or reasons (You can check more than one but if you choose two or more, list number in order of priority.) Number one answer D. 74% rents to high, second a. 66% operating cost to high c. k. 64% Taxes and fees to high

- a. 66% Increased operating costs for SB in NY, including insurance-energy-labor-accounting, advertising, etc.
- b. 45% Downturn in the economy.
- c. 18% Unable to compete with larger franchise stores.
- d. 74% Higher Rents & unreasonable lease terms.
- e. 12% Change in neighborhood resulted in lower demand for your products or services.
- f. 9% High labor costs or lack of skilled labor.
- g. 7% Unable to gain adequate capital to expand or make capital improvements to remain competitive.
- h. 15% Negative change in quality-of-life in the community (Crime, etc.).
- i. 43% Unable to make enough profit due to competition from other businesses.
- j. 6% Unable to keep up with new technology necessary to remain competitive.
- k. 64% Taxes and fees to high.

6. Have you been forced to lay-off workers, or currently have plans to?
69% Yes 31% No
7. Have you been forced to cut back some workers to part-time, or currently have plans to?
72% Yes 28% No

If yes, to either 6 or 7, Please select the most likely reason or reasons (please number in order of priority with 1 being the highest) Number one reason 1. D. 73% high rents 2. A. 67% increased cost of doing business in NY
3. B. 65% Taxes and fees to high

- a. 67% Increased costs for doing business in NY, including insurance-accounting-energy-advertising etc.
- b. 59% Downturn in economy.
- c. 17% Unable to compete with larger franchise stores.
- d. 73% Higher Rents and unreasonable lease terms.
- e. 19% Change in neighborhood resulted in lower demand for products or services.
- f. 28% High labor costs or lack of skilled labor.
- g. 7% Unable to gain adequate capital to expand or make capital improvements to remain competitive.
- h. 8% Negative change in quality-of-life in the community.
- i. 27% Unable to make enough profit due to competition from other businesses.
- j. 6% Unable to keep up with new technology necessary to remain competitive.
- k. 65% Taxes and fees to high.

- g. 43% Predict continuing anti-SB environment in NYC, resulting in “too great of risk to take” in planning for the future.
- h. 9% Predict too much competition from big stores to gamble on future.
- i. 37% Predict too great an increase in Taxes and fees.
10. Are you a first or second-generation immigrant who started a new business for the opportunities NYC offered?
Yes 63% No 37% If yes, did you believe NYC was the best city in America to work hard to achieve your American Dream by being successful in your SB? Yes 91% No 9%
11. If you selected “Yes” to Question 10, do you still believe NYC is the best city in American for an immigrant to invest their savings and hard work in starting a SB to achieve the American Dream? Yes 16% No 84%
12. If you chose “No” to Question 11, select the reason or reasons why, and if you select more than one, prioritize them.
Number one answer: E. 73% out of control rents 2. A. 67% high operating costs 3. H. 65% taxes to high
- a. 67% Operating costs have become to high
- b. 23% Too much competition for larger stores
- c. 7% Changing neighborhood – old customers mover out , new ones want different services
- d. 46% Predict a down economy for long time
- e. 73% Out-of-control rents/unreasonable landlords
- f. 8% Cost of loans/Capital to high
- g. 26% Government policy favors big business over SB resulting in anti SB environment.
- h. 65% Taxes and fees to high
- i. 16% Unable to get good/skilled workforce
- j. 9% Decline in quality-of-life (crime)
13. Would you recommend to your family, friends, or people from your home country to start a business in America?
Yes 18% No 82% If yes, which city? Philly No. 1 or what part of the Country? Northeast no 1
14. Do you feel the people in NYC government who are responsible to recommend economic policy understand small businesses? Yes 12% No 88%
15. At any time during the commercial lease renewal process, has the landlord or acting agent demanded from you money as a condition to continue or begin the negotiation of your lease renewal? Yes 31% No 69%
16. Have you had any direct negative experiences during the lease renewal process, where you felt the “unregulated Lease renewal process” so favored the landlord that the landlord was abusing this “right” in the lease renewal process?
Yes 92% No 8%
17. From your experience with lease renewals, do you feel you have no rights during the lease renewal process?
Yes 87% No 13% If Yes, Does this influence your business decisions to expand (yes 91% or no 9%) or make capital improvements (yes 73% or no 27%), sell your business (yes 86% or no 14%), lay off workers (yes 77% or no 23%) or close your business (yes 93% or no 7%)? Circle answers

ENC. # 4

February 2013



BOROUGH BIAS

How the Bloomberg Administration Drains Outer Borough Businesses

A Report by:

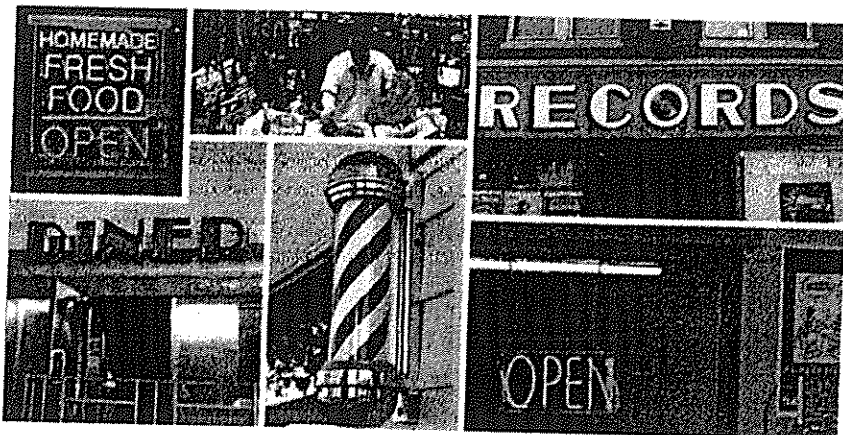


Bill de Blasio

PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

EXECUTIVE SUMMARY

As New York City struggled through a deep recession in 2010, small business owners at retailers, shops and restaurants had every reason to expect City government would lighten the burden of fees and fines. That year, Mayor Bloomberg and City Council Speaker Quinn announced a 14-point plan and pledged a major overhaul to make it easier and less expensive for businesses to comply with City laws.¹



But instead of delivering on those reforms, the City began an unannounced enforcement campaign that sharply increased the number of inspections, violations and fines on the city's businesses to compensate for lost revenue--filling budget gaps on the backs of outer borough small businesses. That trend continues to this day.

This deluge of fines could not have come at a worse time. Small businesses, the job growth engine in New York City, were already in dire straits. According to the respected risk assessment firm Dun & Bradstreet, one-in-six New York businesses is unable to pay bills on time.²

In response to pleas from small businesses, Public Advocate Bill de Blasio demanded fine-related records from City agencies that oversee businesses in April 2012.³ Our office's objective was to determine how and why fines had increased so precipitously. When the City failed to comply with the information request, de Blasio sued to force the City to release the data.⁴ This report represents the first detailed analysis of that information, and a first-ever report on the neighborhood-specific impact of the City's excessive fines on businesses.

The analysis reveals a concerted effort by two city agencies that regulate business operations to increase revenue through fines, increasing the number of inspections and the issuance of numerous low-level violations with a primary focus on outer borough communities. The Department of Consumer Affairs and the Department of Health and Mental Hygiene, two agencies that oversee small businesses, showed the most dramatic shift.⁵ The study finds:

¹ Press Release, New York City Council http://council.nyc.gov/html/pr/biz_regulations_4_27_10.shtml

² U.S Business Trends Report", Dunn and Bradstreet, Accessed July, 26th, 2012. <http://www.dnb.com/asset/document/pdfs/16363535.pdf>

³ The Office of the Public Advocate sent information requests to the following city agencies: The Department of Buildings, the Department of Mental Health and Hygiene, the Department of Consumer Affairs, the Department of Transportation, the Department of Sanitation, the Department of Finance and the Mayor's Office.

⁴ Information and court documents pertaining to the Public Advocate's litigation is available online at [http://advocate.nyc.gov/files/PublicAdvocateFinalVerifiedArticle78%20Petition\(00118076\).PDF](http://advocate.nyc.gov/files/PublicAdvocateFinalVerifiedArticle78%20Petition(00118076).PDF) and [http://advocate.nyc.gov/files/PublicAdvocateFinalVerifiedArticle78%20Petition\(00118076\).PDF](http://advocate.nyc.gov/files/PublicAdvocateFinalVerifiedArticle78%20Petition(00118076).PDF)

⁵ Data included in this report on inspections, violations, fines issued and revenue generated come from the New York City Department of Consumer Affairs and Department of Health and Mental Hygiene as the result of a lawsuit initiated by the Public Advocate after previous requests for information were ignored. Data for number of food service establishments in New York City over the 2002-2012 period also come from the NYC Department of Health and Mental Hygiene. Data for number of retail businesses in New York City over the 2002-2012 period could not be provided by the Department of Consumer Affairs. Instead, as recommended by industry experts, the Office used United States Census data for retailers, collected last at the end of 2010. These numbers are therefore not exact to the unit, but act as an

- Between Fiscal Years 2010 and 2012, DCA increased inspections by 66 percent, increased violations issued by 153 percent, and increased revenue from fines by 102 percent.
- For that same time period, DOHMH increased inspections by 55 percent to 98,176 visits, increased violations issued by 73 percent, and increased revenue from fines by 90 percent.
- In gross numbers, both agencies have increased annual fine revenue during this period by a combined \$50 million.
- Even as the number of violations issued spiked, the dollar amount of individual fines plummeted 30%, reflecting inspectors issuing a profusion of penalties for low-level violations.

Across neighborhoods and boroughs, the analysis showed deep inequities in the frequency of inspections and the likelihood of receiving fines.

- **Outer borough businesses are inspected more often.** Compared to the citywide average, businesses in the Bronx are inspected by Consumer Affairs eight percent more frequently, those in Brooklyn are inspected four percent more, as are those in Queens (two percent) and Staten Island (one percent). Businesses in Manhattan receive 14 percent fewer inspections than the citywide average.
- The most frequently inspected neighborhoods by Consumer Affairs were Morrisania (inspected 3.1x more often than the average neighborhood), Central and North Harlem (2.8x and 2.5x more often, respectively) and Highbridge (2.5x).
- **Outer borough businesses pay more in fines.** Because of more frequent inspections, Bronx businesses pay seven percent more Consumer Affairs fines on average, those in Brooklyn pay five percent more, as do those in Queens (four percent) and Staten Island (two percent). Businesses in Manhattan pay 18 percent less in fines per business than the citywide average.
- The most heavily fined neighborhoods by Consumer Affairs in FY2012 were Laurelton (fined at 5.8x the citywide average), Rosedale (4.4x), Woodlawn (3.8x), Red Hook (3.4x) and Edenwald (3.4x).
- **Of the 10 neighborhoods with the highest rate of health violations per restaurant, six were in Queens and four were in Brooklyn.**

indicator for the number and growth of businesses across time, so as to show as false the argument that increases in inspection, violation and fines grew simply to keep pace with the increased number of businesses.

ENC. # 5

CONSUMER AFFAIRS

MARK GREEN
COMMISSIONER

March 17, 1993

Ms. Amy Kim
Korean American Small Business Service Center of New York, Inc.
39-01 Main Street
Flushing, New York 11354

Re: Mayor's Small Business
Initiative DCA Warning Program

Dear Ms. Kim:

I would like to take this opportunity to confirm our phone conversation on Monday, March 15, 1993.

To clarify the warning policy concerning price posting. The absence of a sign in the designated categories will result in a warning. The failure to have current, accurate prices will result in a warning.

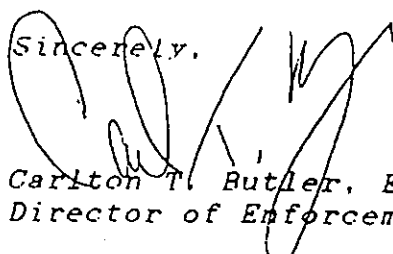
Merchants who fail to unit price will be issued a warning.

Concerning customer scales, the absence of a customer scale, where required, will result in the issuance of a violation, not a warning. If a customer scale is present but otherwise out of compliance, a warning will be issued.

Please note that specific consumer complaints will result in direct enforcement action, based upon the nature of the complaint. No warning will be issued. Followup inspections will be conducted 14 days after the initial issuance of any warning.

I hope this assists you and your association's members in our mutual effort to further the interests of New York City's merchants and consumers.

Sincerely,


Carlton T. Butler, Esq.
Director of Enforcement

CTB/be

Mayor's Small Business Initiative

DCA Warning Program

As part of the Mayor's Small Business Initiative, DCA Inspectors will issue warnings instead of violations concerning the violation categories listed below. Warnings will be subject to followup inspections for compliance 2 weeks from the date of issuance.

1. SIGNAGE REQUIREMENTS

6 RCNY SEC 1.03 Display of Sign

6 RCNY SEC 1.04 Display of License

2. SIDEWALK STANDS

NYC Ad. Code Title 20, Chapter 2, Subchapter 7

Operators of licensed or otherwise allowable stands will be instructed to relocate or remove oversized stands.

3. BOTTLE BILL

N.Y.C. Ad Code Title 20, Chapter 5, Subchapter 10

Section 20-746 requires that dealers conspicuously post a sign that summarizes the rights and obligations of redeemers pursuant to Title 10, Article 27 of the N.Y.S. E.C.L.

6 RCNY SEC. 5.195 Posting of Signs- Bottle Bill

4. PRICE POSTING REQUIREMENTS

6 RCNY SEC. 5.70 Retail Service Establishments.

Will be incorporated as part of warning program concerning the following businesses listed in Section 20-749 (c) of the N.Y.C. Ad. Code:

1. Tailors
2. Dry Cleaners
3. Laundries
4. Barbers and Hair Salons
5. Nail Salons
6. Shoe and Luggage Repair Shops
7. Locksmiths
8. Reupholstererly or furniture repair shops.
9. Photographic and film development providers.

5. BREAD DATING REQUIREMENTS

Perishable Foods 20-684 N.Y.C. Ad Code Sec. 20-684 et. seq.

The freshness of this product is generally self-evident upon physical examination. Simply stated, customers can feel the product and estimate its freshness with reasonable accuracy.

6. UNIT PRICING

7. CUSTOMER SCALE REQUIREMENTS

6 RCNY 3.24 Weights and Measures N.Y.C. Ad Code Sec. 20-571 et seq.

Corrective measures are straight forward. Implementation upon warning is in the best interests of consumers and merchants.

CTB/he

cc: Peter J. Lempin, First Assistant Commissioner for Operations
Robert B. Kelley, Deputy Director, Enforcement

Sung Soo Kim
President
Korean American Small Business Service
Center of New York, Inc.
39-01 Main Street
Suite # 607
Flushing, New York 11354

file

CITY OF NEW YORK

SMALL BUSINESS FORUM



Small Business Initiatives

City Hall — Public Hearing Chamber

**Tuesday, February 16, 1993
8:30 am - 11:30 am**

**DAVID N. DINKINS
Mayor**

**Barry F. Sullivan
Deputy Mayor for Finance
and Economic Development**

**Wallace L. Ford II
Commssioner
Department of Business Services**



New York City lending programs and services for small businesses.

- **Day Care Grant Program For BIDS**

Mayor Dinkins announced in the State of the City Address to reach out to the City's 25 business improvement districts (BID's) to offer \$100,000 grants to provide child care for BID businesses and employees. The Department of Business Services is working with Human Resources Administration and the Mayor's Office for Children and Families and the BIDs to design the guidelines for the Day Care Grant Program for implementation by July 1, 1993.

- **Business Reference Guides**

The Department of Business Services with the assistance of the member city agencies under the Mayor's Interagency Task Force on Small Business (i.e., Buildings, Health, Fire, Sanitation, Transportation) will produce the first in a series of "user friendly" reference guides on all City's rules, regulations, policies and procedures that pertain to a specific industry. The first reference guide will be for restaurant owners and entrepreneurs.

- **White House Conference on Small Business**

The Department of Business Services recommends that the Mayor propose a joint effort with the Governor, and members of the New York Congressional and Senate Delegation to host a State Conference to select small business delegates to the 1994 White House Conference on Small Business. The selection of small business delegates from New York City will ensure that the City's agenda for small business will be addressed at the White House Conference.

- **Street Vendor Initiatives**

The Department of Business Services has been directed by the Mayor to coordinate the City's comprehensive response to issues concerning street vendors.

3. **Department of Consumer Affairs**

- **Citywide Small Business Early Warning System**

The Department of Consumer Affairs will implement a Citywide Violation Early Warning System which for infractions without significant

economic or safety implications (e.g. licensees who do not conspicuously post their license or complaint sign, unit pricing, freshness dating, oversized produce stands). The violator would be given the opportunity to immediately cure the violation and would not be assessed a monetary penalty.

- **Business Check Acceptance Policy**

The Department of Consumer Affairs has begun accepting non-certified business checks on a trial basis for payment of license fees effective January 2, 1993 to expand available payment options for small businesses. Within the next year, the Department will expand its program to accept credit cards for payment of fees and fines.

4. **The Department of City Planning**

- **Citywide Industry Study**

On January 7, 1993, the Department of City Planning released the summary report of its Citywide Industry Study, entitled "New Opportunities for a Changing Economy". The Department of City Planning will initiate the City Charter mandated public review procedures for the small, retail and industrial zoning amendments and implement an environmental impact statement. The Department of City Planning will seek input from the small business community regarding the amendments and study.

5. **Department of Employment**

- **Training and Employment Council's Assistance to Small Business**

The Department of Employment through its borough based Training and Employment Councils (TEC's) will launch a new program of market analyses and surveys of small business needs. Low-cost skills training, on-the-job training and targeted jobs tax-credit assistance programs will be targeted to small businesses in TEC's catchment areas.

6. **Economic Policy and Marketing Group (Office of the Deputy Mayor of Finance and Economic Development)**

- **City and State Legislative Early Warning System Program**

The Legislative Affairs Unit for the Economic Policy and Marketing Group will establish a City and State Legislation Listing and description of all bills introduced in the State Legislature and City Council that affect the

ENC. # 6



Jonathan Mintz
Commissioner

****Do Not discard – Offer of settlement below****

01/10/2012
K & N WORLD PRODUCE CORP.
1124 FLATBUSH AVENUE
BROOKLYN, NY 11226

Violation Number: LL005294661

The New York City Department of Consumer Affairs (DCA) issued a violation to your business on 12/29/2011.

A hearing has been scheduled for 02/13/2012 at 8:30 AM.

If you attend the hearing and are found guilty, you may be ordered to pay a fine of at least \$7,200.00.

You may plead guilty and pay a reduced fine of \$200.00, instead of attending the hearing.

If you choose to plead guilty and pay the reduced fine rather than attend the hearing, you have the following options:

1. Pay by mail

Use the enclosed return envelope and send a check or money order for \$200.00, along with the stub below, to DCA. Your payment must be received at least 5 business days before the hearing date.

2. Pay online

Log on to www.nyc.gov/consumers, click on the "BUSINESS INFORMATION" tab, and follow the directions for paying fines online. You must make your payment before the hearing date.

3. Pay in person

Visit ONE of the following locations in Lower Manhattan to pay your fine in person:

- 42 Broadway, 9th Floor (DCA Collections)
- 66 John Street, 2nd Floor (Manhattan Business Center)

If you are paying in person, you must make your payment on or before the hearing date.

IMPORTANT: If you do not accept this offer and pay the reduced fine AND you do not attend the hearing scheduled for 02/13/2012 at 8:30 AM, you will be found guilty of the charge(s) and you may be ordered to pay the higher fine of at least \$7,200.00 plus an additional fine of \$500.00 for not appearing at the hearing.

RETURN THIS PORTION WITH YOUR PAYMENT

Potential fine if found guilty in a decision: \$7,200.00
Reduced fine : \$200.00

Violation number: LL005294661
Hearing date: 02/13/2012
Hearing time: 8:30 AM

ENC. # 7

222 West 40th Street.,

-----Original Message-----

From: speakerquinn@ccouncil.nyc.gov

To: nvelegant@aol.com

Sent: Fri, Aug 14, 2009 6:46 pm

Subject: Open for Business

August 14, 2009

Dear Small Business Entrepreneur,

On behalf of my colleagues at the City Council, thank you for taking part in one of the many small business events we have hosted over the past several months laying out how the City can help small businesses - and just as importantly, for giving us your feedback on what more we can do to help this important segment of our economy.

Throughout the past several months the Council has made progress in enacting key programs and initiatives to ease burdens on small businesses, including:

- **Burdensome Regulations** - Under this new law, a Regulatory Review Panel will review the city's various regulations for those that place an onerous or unfair burden. The panel will work to ensure that regulations are streamlined and small business-friendly. An initial report is due out by the end of this year. You may submit suggestions, questions and concerns to the panel through November 2009. For more information [click here](#).

- **Fine Forgiveness Program** - Another new development is the creation of a forgiveness period for businesses and individuals with outstanding default judgments on violations returnable to the Environmental Control Board - which make up the vast majority of non-parking fines on businesses. Under this three month penalty forgiveness program that will be in effect from September 15 through December 15 of this year, small businesses and homeowners who have fixed an underlying violation can pay the original fine without paying any accrued penalty fines. For more information [click here](#).

- **Financial Assistance for Small Business** - Working with the Mayor and New York City Economic Development Corporation, we have expanded the loan program for small businesses. \$5 million of additional loan money is currently available for small business owners. I encourage you to apply as soon as possible to take advantage of this new funding. For more information [Click here](#).

While we have accomplished some of the key goals I laid out in my State of the City address, much more remains to be done. We will need your continued support as we go forward.

Again, thank you very much for all you have done thus far and for the interest you have shown in small business issues. We welcome your feedback!

Sincerely,
Christine C. Quinn
Speaker
New York City Council

THOMPSON AND MILLER CALL FOR AMNESTY PROGRAM TO COLLECT OVERDUE FINES

New York City Comptroller William C. Thompson, Jr. and City Council Speaker Gifford Miller today jointly proposed a three-month amnesty program to offer individuals and businesses the opportunity to pay outstanding fines imposed by Parking Violations (PV) and the Environmental Control Board (ECB). City Hall's recent business tax amnesty proposal, which was included in the Mayor's Preliminary Budget, would generate additional revenues.

"The financial gains to the City will more than offset the loss of penalty and interest revenue that will be forgiven as part of any City amnesty program," according to the proposal by Thompson and Miller. "The City's enhanced enforcement effort will have the additional benefit of preserving the City's quality of life by deterring illegal parking, sanitation violations and health code infractions."

Comptroller Thompson estimates that businesses and individuals owe the City more than \$1 billion in outstanding fines and penalties. The Comptroller and City Council will work with the administration to establish guidelines, which would have to be adopted by the City Council through legislation.

"In these difficult times, we must find novel ways of collecting revenue," Comptroller Thompson said. But Thompson cautioned that continuing to ignore outstanding fines and penalties will yield harsher sanctions. "Amnesty will grant a temporary financial pardon. However, if you don't pay up now, you are going to get slapped with a stiffer penalty later."

Speaker Miller added: "Developing creative solutions like an amnesty program is the only way we are going to dig ourselves out of the current budget deficit. We have already cut the budget and raised taxes, and it's clear that the Governor has no intention of lending a hand on a State level. Therefore, we have to seek other ways to raise the huge amounts of revenue we've lost due to September 11th and a weak economy."

Individuals and businesses that do not participate in the program will face substantially strengthened collection efforts and penalties beginning in Fiscal Year 2004, which starts July 1. The renewed collection efforts will include enforcement of Health, Transportation and Sanitation Code violations and attaching liens to assets where applicable.

An audit by the Comptroller's office (June 25, 2002) found that in Fiscal Year 2001, the city Department of Finance failed to collect more than \$634 million in ECB penalties. Additionally, the Comptroller estimates that close to \$600 million in PV fines are past due. The Comptroller estimates, after making allowances for fines that are uncollectable, that enhanced collection efforts could generate more than \$200 million.



뉴욕한인소기업서비스센터
Korean American Small Business Service Center of New York, Inc.
146-03 34th Avenue, Flushing, New York 11354

Tel: (718) 886-5533/5536

Fax: (718) 886-5535

May 29, 2002

Honorable Gifford Miller
Speaker
The Council of the City of New York
City Hall
New York, New York 10007

Re: Proposal for Small Business Amnesty Program.
As Legitimate and Effective Sources of New Revenues

Dear Speaker Miller:

I would like to submit for your review a comprehensive proposal for implementing a small business amnesty program applied to 12 enforcement agencies. This government project will surely guarantee a collective good: good for businesses by having cleared out fines and fees in lower amounts and good for the government by creating new legitimate and effective revenues which help reduce a budgetary gap to a substantial degree.

This amnesty proposal, if acceptable, would be considerable improvement over the proposed 1,770% increase cigarette tax. As you are aware, this tax will disproportionately harm small minority mom-and-pop retailers who depend on the tobacco revenue for the viability of their small stores.

Enclosed is a preliminary proposal which needs a complete study by the government for identifying scope, nature, feasibility, implementing schedules and all the other related actions. The proposal is written with my knowledge and experiences while serving the small business community of New York City for sixteen years as President of Korean American Small Business Service Center of New York, Inc., for six years as President of the Small Business Congress of NYC, Inc., a federation of 112 trade organizations in the city, and for five years as Chairman of Mayor's Small Business Advisory Board under the Dinkins Administration and the Giuliani Administration.

Upon your initial response, I am ready to release additional information and suggestions and to participate in government's implementation projects with all my available resources. I look forwards to receiving your positive answer. Thank you.

Sincerely yours,

Sung Soo Kim
President

enc.

cc: Councilmembers
Governor George Pataki
Senate Majority Leader Joe Bruno
Assembly Speaker Sheldon Silver

DAILY NEWS

www.nydailynews.com

NEW YORK'S HOMETOWN NEWSPAPER

Wednesday, April 24, 2002

Mike's cig tax would burn bodegas

By SUNG SOO KIM

Mayor Bloomberg has argued frequently and persuasively that tax increases are bad for the city, that they hurt the business climate and encourage companies to find friendlier places to operate.

At the same time, with no apparent trace of irony, he has called for a confiscatory rise in the city's cigarette tax — an increase to a whopping \$1.50 a pack from the current 8 cents.

The mayor was right the first time. This tax hike would have a devastating effect on small stores, groceries and bodegas throughout the city as customers turn elsewhere for their cigarettes. The impact would ripple through neighborhood economies already reeling in the recessionary aftermath of 9/11.

Bloomberg has taken great pains to defend his proposal as not really a tax increase, but a public health measure. According to his press spokesman, "The mayor has said he would love to see the revenue on this tax go flat, to zero." In other words, it's designed to discourage people, especially kids, from smoking.

How believable is this position? Well, just last week, the mayor took the \$186 million the city received from the tobacco settlement — money intended to fund smoking prevention programs — and diverted the dollars while eliminating the programs.

It would be hard, however, for store-owners to argue that a reduction in smoking is not a desirable goal. But no one, not even the mayor, believes this really will happen, which is why Bloomberg is counting on the \$249 million in revenue from the tax to help him close a budget gap of nearly \$5 billion.

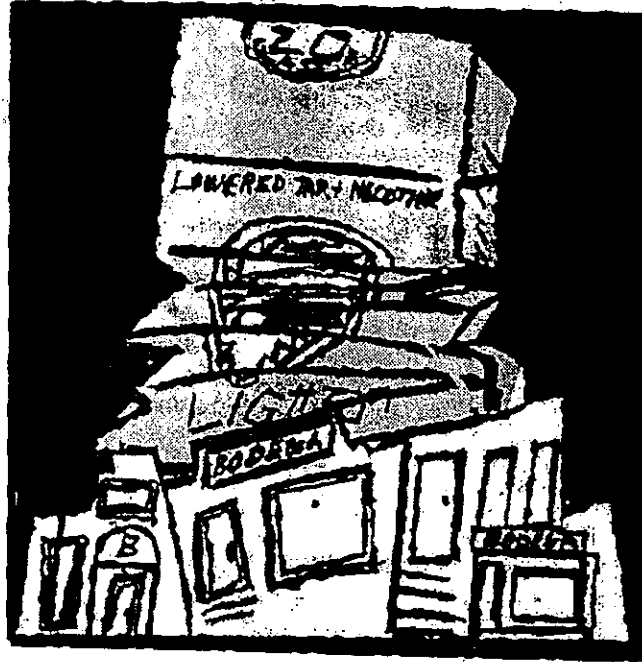
But if the tax wouldn't significantly reduce smoking, it would create a dramatic change in buying habits. Experience has shown repeatedly that major increases in tobacco taxes drive consumers into lower-tax or no-tax environments to satisfy their needs.

Check the cigarette business being done on Indian reservations, and look at the sales at border stores in states with lower taxes on tobacco than their neighbors. Adding impetus to this phenomenon is the Internet. At last look, more than 200 sites advertised tobacco products at low-tax or no-tax prices.

The sale of tobacco products is a reliable revenue producer for a range of small stores, especially in low-income communities. In a local bodega or greengrocer, the sale of cigarettes can constitute as much as 20% of the gross receipts.

But it's more than that. The customers who come into local stores aren't just buying cigarettes. While they're there, they purchase milk, bread, beer, candy and a range of other products. Not all those sales would be lost, but many would if customers drove to another state or went online for their cigarettes.

If the mayor is denied the cigarette tax hike he seeks, won't that make it harder



MARCOS OKSENHENDLER DAILY NEWS

than ever for him to close the city's huge budget gap? In recognition of this problem, the small-business community is looking into ways to cover the loss through an amnesty program for sanitation and environmental fines.

Based on a successful program during the Dinkins administration, we believe this would more than cover the loss of revenue and provide a far more predictable revenue stream than the mayor's unreliable, deeply damaging cigarette tax.

Kim is president of the Korean-American Small Business Service Center of New York.

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ENC. # 8

The Small Business Congress, Inc.

United with a Goal of Creating a Healthy Small Business Environment in New York City

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THE SMALL BUSINESS BILL OF RIGHTS, 2011-2012

The Small Business Congress, Inc.

July 2011

PREAMBLE

Contributions and value of New York City's 185,000 small businesses, "the backbone of city's economy," have still not been fully recognized. These hard-working businesses, with their spirited work style and self-supporting capital formation, have expanded neighborhood markets, created hundreds of thousands of jobs, become a major source of Government revenues over 14 kinds of direct and indirect taxes and helped increase productivity in City's economy. The valuable services provided by these neighborhood businesses improve all New Yorkers' quality of life.

The small business community of the City of New York has seriously suffered from its atrophy. The City recorded 169,901 cases of Commercial Warrants for Evictions issued for businesses citywide for the past 24 years from 1986 to 2009 (Appendix I). 99% of these are small businesses, 80% of whose owners are from new immigrant, minority backgrounds. 169,901 evicted stores laid out over 700,000 joblessnesses. This is a crisis nobody dares to deny its seriousness.

The City Government has long created a negative business climate for small businesses. The Washington-based nationally known Small Business & Entrepreneurship Council releases its annual report, Small Business Survival Index, ranking the public policy environment for entrepreneurship across the nation from the friendliest to least friendly. New York has been ranked No. 45 (2006), 46 (2007), 45 (2008), 48 (2009) and 49 (2010) out of 51 (Appendix II). What a shame!

The Government has evaded its attention to securing commercial rent stabilization. Small businesses have been squeezed as "cash cows" through high fees and ticketing blitz. Small businesses have been eliminated from the decision-making process of these fee and fine policies. This is the "taxation without representation." The Government has pushed the small business community to stay in confrontation with the government not in partnership. Especially for new immigrant small business owners, the Government should rather be a good political educator. The Government has long given up all valuable educational projects and warnings but has professionalized all sophisticated decoy inspections. Tied with ungrounded politicized ideology, legislators and decision-makers of the City Government have easily been having a business promoting one class of entrepreneur over another, that is, small business sectors: mega stores and green cars are among those, the small business community of New York City declares, of derailed public policy.

Small businesses of New York City have thus become a "deprived social class." The Government legislators and decision-makers of the City are totally responsible for this small business predicament.

The Small Business Congress, Inc. (SBC) is now presenting the 2011-12 Small Business Bill of Rights to the Administration, legislators, decision-makers, prospective Mayoral candidates and concerned New Yorkers. It outlines issues that have long plagued the small business community and it contains policy recommendations that are compatible with the interests of consumers, environmentalists and all concerned New Yorkers.

The Bill of Rights spells out deprivations City's small business community has suffered from under the anti-small business public policy environments. The community with all its contributions to City's economy rightfully deserves to have a conscientious leadership that structures, with courage and wisdom, a small business friendly government and public policies.

I. SUPPORT OF COMMERCIAL LEASE MEDIATION/BINDING ARBITRATION BILL

Under complete absence of any device for stabilizing commercial leases and under the prevailing rent gouging and greedy landlords' extortion, New York City allowed for the past twenty-five years more than 169,901 small businesses to face with eviction and bankruptcy. The Small Business Survival Act of 2008 (Intro #847) with 34 sponsors at the Council was enforced not to be voted on under the ideology and power of the Council's leadership.

The Small Business Congress, Inc. firmly recommends a Commercial Lease Mediation/Binding Arbitration bill, such as Intro #847, to be a fundamental solution for stabilizing commercial leases in the City. This bill offers the most equitable solution to protect tenants' survival while preserving for the landlords the principle of a free market with minimum interference from the public sector. The measure does not create any new government agency or any burden on taxpayers. It is a fair and effective system for all parties involved. The small business community of the City has fully proven that the bill is Constitutionally valid against the myth used by the opponents.

SBC as proven by the NYC Hispanic Small Business Survey of 2008 (Appendix III) declares this bill is the fundamental solution to overcome City's Small Business Crisis.

II. IMMEDIATE AND COMPREHENSIVE REVIEW OF CITY'S REGULATORY & ADJUDICATION SYSTEMS AND FINE SCHEDULES

It is time for the City Government to declare a truce in its protracted war against small businesses. The patchwork system of inspections, hearings and fines must be completely reviewed and overhauled as it is unfair, inconsistent, time-consuming burden on small businesses. Everyday, hundreds of small business owners have to take time off from work to attend hearings at various agencies to defend against a blizzard of summonses. Each agency has its own rules and procedures and they differ from one another. One thing is common, however: business owners wait hours to be heard due to the volume of summonses issued, are treated like cattle and are fined considerable sums for what is often minor or silly violations. SBS suggest its recommendations to the following key issues:

(1) REVIEW OF DECOY INSPECTIONS

NYPD and DCA (Department of Consumer Affairs) have been using a method of "entrapment" in enforcing sale of alcoholic beverages and tobacco products to minors. Undercover officers or recruited minors usually one or two months shy of legal age act as decoys in purchasing beer or cigarettes. This type of "unethical" enforcement has placed undue fears and pressures upon merchants. These unethical enforcements are against Constitution: The Government intentionally orders a minor to purchase a product not legally allowed for purchasing. The small business community firmly demands the Government to disband these unethical, anti-Constitutional enforcements.

(2) AVOID THE QUOTA SYSTEMS

Latently or manifestly, City's enforcement agencies have long been applying quota systems in ticketing. An enforcement agent issues a ticket against a code violation in order to ensure the quality of life for New Yorkers. Now, under the quota system, the agent is enforced to work only for meeting the ordered number of tickets. This is from a disqualified style of governance.

The small business community demands the Government to immediately stop operating the quota systems.

(3) INSTEAD OF TICKETING, IMPLEMENT WARNINGS WITH RETURN DATES

Laws should be strictly enforced to maintain the quality of life and the public order of the City. Shopkeepers should abide by laws. Ticketing is however not the sole solution for this purpose. Storeowners 80% of whom have minority and new immigrant backgrounds have poor access to governmental information. These merchants have to be educated before ticketing. Conscientious administrators agree it is unfair that the Government issues tickets to merchants when they are not well aware of codes. Issuing a warning with instructions for correction before ticketing is a conscientious, fair and secure way to enforce the laws.

A record shows that Department of Sanitation in 1992 issued tickets less than any previous year but the sanitary score for that year showed the highest one. DOS for that year made an intensive effort to launch educational projects. Issuing a warning with a return date before ticketing as practiced by Building Department and Fire Department is a fair, productive, and accountable piece of governance. The small business community demands that this system should be applied to other enforcement agencies, i.e., DCA, DOS, DOT, NYPD, DOH & MH, etc.

III. PROTECTING NEIGHBORHOODS AND SMALL BUSINESSES FROM MEGASTORES

While the mega store zoning proposal was defeated in late 90s, mega stores are still opening at an alarming rate, using zoning loopholes and variances to circumvent the law. Currently, neighborhood small businesses are hanging on to survive as mega stores use the ULURP through their influential representatives to come into already over-saturated areas, putting additional strain on traffic, infrastructure and emergency services. At the same time, these zoning distorting approvals have meant the systematic wiping out of local mom-and-pop stores in all categories.

The small business community demands a mandatory independent economic impact study in processing a mega store application. The community will keenly watch around legislators and decision makers of the City when they promote the entry of mega stores over the cannibalized neighborhood small businesses.

IV. THE SMALL BUSINESS COMMUNITY DENOUNCES POLITICIZATION OF STREET VENDOR ENFORCEMENT

The street vendor operation in the city has become No.1 growing business under the politicized ungrounded ideology. Along with an increase in its prominence, enforcement of the law has not been consistent in their regulations of vendors and small businesses that operate in the same commercial area. The worst scenario is that the Government is taking a business promoting one class of entrepreneur over another: the Government offers all kinds of favors to the vendors while overlooking all the unfair negative impacts on neighboring stores. This style of the Government's business does not advance a collective good at all.

Green Cart law and its enforcement is a typical example of this derailed public policy. Describing many poorer neighborhoods as food deserts, the Government determined that the city would encourage produce sales via sidewalk vendors. These green carts are proliferating. In practice, against the law's initial commitment, the City did not show any increase of produce consumption in neighborhoods where fruits and vegetables are lacking. The carts simply are stealing business from the neighboring stores. The Government even promotes The green carts by offering low-interest loans, provides grants, and gives out cart-size umbrellas. The community firmly denounces the Government's politicized position in policy making favoring one business sector while overlooking its eventual negative impact on the other sector with no proof of advancing any collective good.

V. CREATION OF MAYOR'S SMALL BUSINESS ADVISORY BOARD & REINSTATING THE INTER-AGENCY SMALL BUSINESS TASK FORCE

As an effective and legitimate voice in expressing small business interests and as conduit between the small business community and the Government, the small business community asks the Government to reinstate an advisory board that operated during the Dinkins Administration and the first two years of the Giuliani Administration. The Inter-Agency Small Business Task Force which had jointly worked towards inventing all feasible pro-small business policies must be also reinstated.

Restoration of these twin channels of identifying City's small business issues and of inventing solutions is a sharp turn of the Government's attitude towards the small business community from confrontation to partnership. One of well-proven harvests out of these institutional devices is the Small Business Forum of 1993 which shows how and to what extent City Government's 19 agencies contended to bloom to implement security, development and even prosperity of City's 185,000 small businesses (Appendix IV).

The small business community now expects the Government, legislators, decision-makers, prospective Mayoral candidates, and concerned New Yorkers to examine the Forum and its Small Business Initiatives and to have his/her position registered.

Linda Baran

From: Mary McLaughlin
Sent: Monday, February 25, 2013 9:35 AM
To: Sally Bartels; Linda Baran
Subject: FW: Midland Rx

From: lou spadafora [mailto:louspot24@yahoo.com]
Sent: Sunday, February 24, 2013 11:08 AM
To: Mary McLaughlin
Subject: Midland Rx

Hi Mary,

Hope you are having somewhat of a relaxing weekend. Monday is really going to be a crazy day for us. I had all these days off (119 days on Monday Feb 25Th), and of course it's 5 things at once. The landlord of the temp. store is finishing up some of the renovation work the beginning of this week. We need to be there to tell him how to set the room up (we need a dividing wall to keep Rx items behind). Verizon is coming to install telephone/fax/Internet. Our computer system has been shipped from Fort Worth Texas, and we need to hang around and wait for UPS/FEDEX deliveries. Rachel Greenwald is from Accion coming down to do a site inspection of both locations and to take pictures. They are helping us with short term funding (I think Mary Ellen led us to them). She will be there after 1:30PM. I assume that we will be getting dirty, and may have to possibly do some painting (yeah!) to expedite the rental space being ready. We are hoping for a state inspection by the week of March 4Th. We have been told that they will come within 2 or 3 days of us calling and asking. Also, Mary Ellen has Staples gift cards for us, and we need to hook up with her. We need a fax machine! On top of it, my 11 year old daughter (who never gets sick) was home from school the end of last week with fevers and a brutal cough....which both me and my wife have inherited. My 8 year old son said he didn't get sick because he has a force field around him....

Sooooooooo.....I will compose a message in which you or someone can read, distribute, edit, whatever for tomorrows meetings. You can cut it down, quote me, anything. I hope you can use some of it in place of me actually being there. I give you the full "OK" to speak in our behalf.

Basically, 119 days ago our primary concern was the ever changing dynamics of our industry. Health Care has become an ever changing entity, with the primary focus on its costs. Health Care in America has been challenged by growing costs, the federal budget deficit and sadly some wasteful and inappropriate care. This goes hand in hand with our duty and responsibility to provide top notch, scrutinized and exceptional services. I had been saying that I feel like I work ten times harder than I did ten years ago. However, we would GLADLY exchange the stresses of low reimbursement rates, white glove audits, and consumers who have no means to pay for copays for what we are going through right now. When we first walked into the building the we own at 606 Midland Ave, we couldn't get past the front door because our two beverage refrigerators were tossed face down. After climbing over them, it looked like the entire contents of what we had built over the last 18 years had been shaken and thrown about as if it were a snow globe in a child's hands. The words "we're done", and "you're done" were uttered by one and all.

After the initial shock and awe of what the entire community had been subject to, the cleanup began. Countless numbers of friends and family members came to help with the cleaning process. Some came from central Pennsylvania, people who we didn't even know, but were friends and relatives of the people we did know. I still do not know the names of about 10 people who were getting dirty and lugging disgusting, smelly wet debris into bags and dumpsters. People. That's the only people who were helping "victims". People. From everywhere. Hard working people, taking days off of work, most of them going home to cold, dark homes with no power. Hope began to creep in. Hope...that we could actually pick up the shattered pieces of our business and be there for the community that suffered so much loss. Hope, that we could get back open, to be able to face the biggest hurdle ever thrown to businessmen. Yet the "people" who are supposed to be there for you in times of need....bankers, insurance brokers, vendors....were AWOL. The creeds of FEMA and the SBA Disaster division are hollow, empty false promises of that hope we starting having. The systems DO NOT work. They are set up so that when you need them their criteria is so strict that you fail their litmus tests. When a disaster hits, you are not prepared. We do not walk around with the daily thoughts in our heads of 20 feet waves, miles of sea water where it shouldn't be, and complete physical devastation. We are busy trying to lead productive lives, helping others and taking care of our families.

Sitting at a computer that was being powered by a home gas generator, using a cell phone as a hot spot for Internet access, we began the process of applying for the SBA disaster loan process. Businesses to not qualify for FEMA assistance. After quickly being assessed and having a loan officer with 2 weeks, the amount of paperwork we needed to submit was overwhelming. Then, after all of that, we were told that because we held a mortgage on the building, and our flood policy had expired nine years ago, we would not be eligible due to federal guidelines. The loan officer explained that we needed to carry a flood policy, and our bank should have forced us to do so, and our insurance broker also should have advised us so. After repeated attempts to contact our bank went unanswered, the SBA denied us. It took almost 2 full months for someone at our bank to call us back, and that was after local politicians repeatedly called them and we filed a complaint with the Consumer Financial Protection Agency. Once again, empty promises. No mention of the fact that for nine years they didn't realize that our policy was canceled, nor any answers when we pressed them about it. Their initial proposal was to lend us \$350,000, payable over 5 years, and they would pay themselves the remaining balance of the money owed on the mortgage first. They were trying to position themselves into replacing their damaged collateral by using our private residences as good collateral. Our overall loss includes a damaged building, furniture & fixtures, equipment, inventory and accounts payable all totaling about \$800,000. This number has made everyone run and hide in fear. The SBA, banks and other lenders have been giving out some loans to a precious few businesses, but we haven't heard of anyone who required the amount of funding that we need. While we accept full responsibility for neglecting the flood policy, we feel that our bank could have done better in trying to assist us. We still are negotiating with them, but do not have any confidence that they will help us. Forget the Insurance broker and Insurance companies, that's a story for another day. It's a shame that these industries to not have the scrutiny that we as Pharmacists have to deal with daily. We are watched over by so many governing bodies that they could never handle.

We have received a construction loan commitment from Victory State Bank to repair the damaged property. We have gotten so much support from the Staten Island Chamber of Commerce, in which we didn't even belong to (but definitely will), the NYC SBS, and local politicians to name only a few. We have applied for every small business loan and grant program available. We easily qualified for all of them, but just not the Federal Government Programs. At a recent meeting at Congressman Grimm's office, amongst the dignitaries there was Matt Erskine, the Deputy Assistant Secretary of Commerce for the U.S. Economic Developmental Administration. When he asked me how it was going, I simply told him "it's not". I also told him that the sentiment of the community and the

constituents everywhere involved was that they had no faith in the government. I told him I feel like I'm walking around begging with a tin cup. I also told him that for me personally, (and I am not discounting what anyone went through), I would have rather had my home wiped out than my business because I could get my home fixed, get new clothes and new TV's to watch, or live somewhere else. But I still could get up and go to work, earn a living and not live in fear that I may have to go personally bankrupt AND lose my house because I have creditors chasing me down. That still is a possibility, as our main vendor made no attempt to reach out a helping hand. In an email dated November 20Th, 2012 the credit manager told me that management wanted to know if we had a plan to begin to pay our debt to them, which is about \$275,000. We have been fighting constantly with so many companies looking for money that I have lost track. There is no sympathy, no leniency, no understanding. All we have been asking for is some time to get back on our feet. I have realized that no matter how small the amount, do not mess with people who you owe money to.

With all of that, we have done what a defensive lineman in the NFL does...got down in a three point stance, put our head down and are bull rushing to make our way back. We have secured a rental space across the street from our building. We will try to resume operations there until our building renovation is complete. We are still trying to secure funding. We are running on financial fumes, both personally and on the business end. We have had much support from the community, who is desperate for some sense of normalcy. We have an overwhelming amount of support from our group home agencies that we have serviced the past 18 years to reopen. We want to be there for them, and make this a triumphant story. Only by God's grace have we gotten to where we are now, some 119 days after one of the worst days that this area has ever seen.

Thank you for your time.

Lou Spadafora
Midland Pharmacy

Lou

February 25, 2013

My name is Claudio Marini. I am a co-owner of Barbarini, a restaurant/market that occupied two store fronts on Historic Front Street at the Seaport. We were among the first businesses that signed leases back in 2005. We expanded into the second store front in 2008 as the neighborhood grew.

The storm brought 7 ft of water and destroyed all our equipment and inventory. After assessing the damages, my business partner and I decided that rebuilding at the existing location was not financially possible. Our combined spaces total 2824 square feet (775 at 225 Front Street and 2049 at 227 Front Street). After weighing the cost of rebuilding from scratch and assessing the lost revenues and the time we would be out of business on Front Street, we decided to part ways and focus on rebuilding smaller restaurants in the same general area, individually.

In November, we looked at all the lending options made available to small businesses including the SBA and SBS as well as the Downtown Alliance for the very first grant. In the end, we did not qualify for the \$20,000 Back to Business grant because we are not rebuilding in the original location. We applied early on with the SBA and tried with the SBS, but since we were not applying to rebuild Barbarini as a business, we were not able to proceed with the applications. We were told there was no way to apply for a disaster relief loan unless we applied as an existing business damaged by the storm. We tried to apply with our bank as a start up, given our banking history and two proven businesses, but were told that since our income had dropped (both my wife and I were employed by Barbarini), our income to debt would be too high and therefore would not qualify for a loan. We did not qualify for Disaster Unemployment Assistance because I am an officer of the business and my wife, the spouse of an officer. We did not qualify for the \$10,000 NYC Matching Grant from SBS because we were not able to complete the loan application as a business. We applied for the new \$5,000 Small Business Assistance Grant Program but have not heard back yet.

We want nothing more than to rebuild and have actively been searching the area for a suitable space for our operation. We have a loyal customer base who would like to see us come back, employees that would like their jobs back when we eventually reopen and much support from the community in which we also live in. However to rebuild, we absolutely need some financial assistance. Putting together all our personal resources will not make it possible to rebuild as my family has lost a large portion of our

income as a result of this disaster.

We would like to ask the SBA, SBS and the Downtown Alliance to consider creating a program for businesses and owners in our situation. If necessary, we would offer our assistance to help create the requirements of such a program / loan or grant. We strongly feel if there is additional flexibility within the application process for these loans or grants, more small businesses will be able to rebuild and offer their services to their communities once again.

Claudio Marini

Co-owner Barbarini Inc. DBA Barbarini Alimentari / Mercato

lcmarini@me.com

New York , February 21, 2013

To Whom it may concern:

My name is Fernando Dallorso, owner of Stella restaurant, at 213 Front street, right on the center of hurricane Sandy's damage area.

Unfortunately as you probably heard repeatedly from all my neighbors, that night we had 8 to 11 feet of water at street level, and my place as most of others in that block and whole area, got completely destroyed.

Let me explain that, by "completely destroyed" ..I mean devastated... :

- All furniture: tables, chairs, and banquettes, wall finishing's, light fixtures, etc were damaged and trashed.
- Walls, ceiling, doors, frames, floors, subfloors, beams and joists had to be removed..
- All installations: electrical, gas , water, sewer, sprinkler, etc were removed to the entry point.
- All equipment: refrigeration, Point of Sale computers, TVs, coffee machine and kitchen , bar & office equip, etc all deemed useless.
- Substantial amount of inventory, food and beverage were discarded.

The following is a concise factual description of our struggle past that horrible night and till these days.

Landlord:

In my case : Yarrow LLC, a JV between ZUBERRY LLC and The Durst Corp.

All the components that make a building habitable by DOB codes, were also all destroyed and haven't been able to be repaired or replaced yet. Whether because they were improperly chosen, inappropriately placed in lower grounds or basements, or lacked due care... the fact is that **all** of the tenants are still without power, and we have been removed from our stores, unable to rebuild and reopen.

Most of the other buildings in our area were back in business before the end of the year. Even following proper mold preventing procedures!!

And yet we are denied compensation for loss of business, no longer due to Sandy but to their prolonged to recovery effort.

Adding insult to injury the landlord has proposed new lease offers, without any rent consideration, that are well above current market rents for this devastated area., furthermore in my case they include a 6% increase in rent.

Lastly, very little financial compensation is being offered for the replacement of leasehold improvements, which by the lease description is property of the landlord; and surely covered by their existing flood insurance.

Insurance company:

In my case Star Indemnity, took over a month to send an adjuster.

Who spent ten minutes when he finally visited the premises.

Took over 100 days to send a response letter, denying coverage for everything across the board. damages, inventory, loss of business and sewage , everything...

They are the evil of them all. All of us local merchants, we have united and are seeking professional legal help and we will use every resource to go after them. The government at all levels, city, state and federal should also use all their resources to hold them accountable.

State Agencies:

SLA:

Both my liquor licenses expired in January 31/2013. When the renewal process started 30-45 days prior, we notified the State Liquor Authority of our situation , and the fact, that we have been closed for obvious reasons, lost half a million dollars in assets, and were still bleeding money daily, and where not able to reopen for another 5 months.

Their response was that there was no special consideration, we must renew the license as normal, paying the \$10,000 dollars the process and fee costs, and the licenses will be safe kept at their offices until the opening day comes, or risk losing them.

Furthermore they explained us , it was a violation of SLA regulations to be in possession of a license if the store wasn't open, and that they will follow up with investigations, and issue violations to who didn't turn theirs in for safekeeping.

Last week there was an inspector roaming the area and asking questions.

NYS Dept of Finance:

With the sales tax due in 12/20/2012, all us merchants went in panic mode and were scrambling for answers, when those days came. There wasn't a proper response at anytime, other than mark your filing forms as "Hurricane Sandy" and their will be consideration later when assessing penalties and interests, if applicable.

Unemployment:

Doesn't cover officers of the corporations, so us as self employed restaurant owner/managers , who also earn a weekly salary, have been out of luck for our loss of earnings, and must find any alternative source of income to stay afloat.

Matters that obviously get complicated with the extended period our landlord is putting us thru.

SBA/SBS:

No grants, only offering loans at this time, and at least in my personal experience, and a few I recollected, the fact that these loans are based on a personal guaranty and on our personal credit is unacceptable.

But furthermore the amount of paperwork required by every member of the organization that holds more than 20% stock , makes it , an impossible task (for example in my case, that I have partners/investors with other multiple assets), being the disclosure of information they have to gather is absolutely ludicrous.

So all this leads to the matters of the federal grants , or any other grants.

It is important to understand that after suffering financial losses of the magnitude we did, and more specifically the extended loss of income, if you want us to have any chance to come back and rebuild, we don't need any kind of loans, we need grants and we need them now.

Our dreams are:

- to reopen our businesses and restore the brilliance to that unique area of NYC.
- To be able to sustain ourselves by our own means ,
- furthermore to give back the jobs to several hundreds of our employees currently unemployed or displaced, by this circumstance.
- To generate profits to put back in the system and restore our local economy.

It is vital that they recognize that our needs after so many months of struggle, could be of many kinds, such as inventory, owed payroll, tax debt, suppliers debt, utilities debt, even personal debt incurred in this period without a source of revenue and not necessarily, should these funds be tied up to structural rebuilding.

I appreciate this opportunity to express my concerns and look forward to a positive outcome, nothing we all would want more than to put all this bad memories behind us .

We should swiftly move forward but without forgetting that this could happen again at any given time, and for that we should be prepared at all points, rebuilding smartly, having comprehensive insurance policies and leases that contemplate this circumstances and having response mechanisms ready at a city, state and federal level.

Thank you very much,

Fernando Dallorso



THE COUNCIL OF THE CITY OF NEW YORK
COMMITTEE ON SMALL BUSINESS
COMMITTEE ON ECONOMIC DEVELOPMENT

FEBRUARY 25, 2013

***RECOVERY: RESTORING AND GROWING THE CITY'S SMALL
BUSINESSES***

Testimony –

Patrick J. MacKrell
President & Chief Executive Officer
New York Business Development Corporation

Almost six decades ago New York's banks recognized the need for an additional resource for our small businesses and created New York Business Development Corporation ("NYBDC"). NYBDC is owned and funded by 124 banks doing business in NYS.....those banks (from the largest money center banks to one-branch banks) recognize the value of small business and the need to have a well-funded, creative and responsive alternate lender to address the needs of businesses that are not quite ready for "prime time"....in essence NYBDC manages a statewide financial farm system by providing capital through creative programs and maximum use of resources that can mitigate loss in the event of a default on the loan.

In 2010 NYC Council Speaker Christine C. Quinn along with Council Members Domenic M. Recchia, Jr (Chair, Committee on Finance) and Diana Reyna (Chair, Committee on Small Business) and Congresswoman Nydia Velazquez, challenged commercial banks, alternate lenders and technical assistance providers to increase the resources focused on small business and to promote access to capital to credit worthy small businesses through the Credit Ready NYC initiative. NYBDC responded and substantially increased its outreach and loan activity for smaller dollar loans (under \$350,000) for small businesses. Since the initiative NYBDC loan activity for loans under \$350,000 increased both in number of loans (103%) and dollars (92%) while the average loan size decreased from \$209 thousand to \$197 thousand (6%). Our efforts to assist small businesses in the wake of Hurricane Sandy are a natural extension of the NYC Council Credit Ready NYC initiative and our increased commitment to NYC small businesses in conjunction with the New York Bankers Association and our technical assistance partners.

Shortly after October 29, 2012, NYBDC was invited to participate in discussions with the New York City Economic Development Corporation ("EDC") and Goldman Sachs ("GS") to establish an emergency loan fund to assist small businesses impacted by Sandy. The initial discussions anticipated a \$10 million loan fund with equal participation from EDC and GS (the "Hurricane Sandy Small Business Emergency Loan Fund" or "Loan Fund"). Shortly after the discussions began, the New York Bankers Association ("NYBA") was invited to participate and pledged to solicit support from its member banks. Ultimately, 32 NYBA member banks (including NYBDC) agreed to provide an additional \$10 million increasing the Loan Fund to \$20 million.

The first loan application was approved on November 9, 2012 and funded shortly thereafter. As of February 20, 2013, 503 loans for \$11.2 million have been approved; 434 loans for \$9.9 million have been funded.

Overall, as of February 21, 2013 we have received 1,079 loan applications and determined 953 (88.3%) as follows:

- Approved – 513 or 53.8%
- Declined – 381 or 40%; and
- Withdrawn by Applicant or Ineligible (less than 1 year in business, greater than 100 employees, or investment real estate) – 59 or 6.2%

There are 125 applications pending.

NYBDC has volunteered its services as administrator of the Loan Fund and is not receiving any income or fees for services.

The maximum loan amount is equal to the lesser of the physical and economic damage alleged to have been suffered by the business or \$25,000. The loans must be guaranteed by the owners of the business (20% or more) and are secured by a lien on the business assets. Loan payments, with interest at 1%, begin after 6 months and the loan is payable in equal monthly installments over 24 months.

By any measure the speed with which the Loan Fund was implemented was quite remarkable. This was facilitated by the mutual respect and trust that the parties had for each other predicated on prior dealings. NYBDC and GS had worked extensively with Empire State Development to establish an emergency loan fund for small businesses in the wake of Super Storms Irene and Lee in 2011. NYBDC, GS and EDC had substantially completed negotiations to establish an initiative to provide capital to food manufacturers in NYC to facilitate growth of that sector.

The support and rapid response of the NY banks was made possible by NYBA President Mike Smith.....not only is Mr. Smith immensely respected by the NY banking community but he also serves as a member of the NYBDC Board of Directors. The participating banks are listed on Appendix I and included banks from across the state including Glens Falls National Bank (Glens Falls), Pathfinder Bank (Oswego), Tioga State Bank (Spencer) and Ballston Spa National Bank (Saratoga) that did not have branches, customers or operations impacted by Sandy....they just wanted to help.

There was no posturing, no gamesmanship, no advantage sought.....there was only one goal.....get a meaningful loan program up and running as quickly as possible. All of the parties worked tirelessly and unselfishly to make it happen. In the process my respect and admiration for our partners at EDC (particularly Sarah Saint-Amand) and GS (particularly Christina Shapiro) only grew. The initial agreement between EDC, GS and NYBDC was signed on November 14, 2012....the first loan was approved five days earlier on November 9, 2012.

Our first concern was developing eligibility requirements.....these had to provide a reasonable assurance of repayment but had to take into account that a small business may not be able to access its business records. Bearing this in mind, the following eligibility requirements were established -

- Proof of Identity of the Business Owners demonstrated by valid and current government issued photo identification card;
- Average Credit Score for the Owners of 650 or higher;
- One year or more in business;
- Sufficient cash flow (as demonstrated by filed 2011 Federal Tax Return) to service all debt including the anticipated loan from the Loan Fund.

Next we focused on process...we had to have knowledgeable and compassionate folks to handle the intake and they had to be widely dispersed throughout NYC. For this we turned to NYC Small Business Services ("SBS") which responded through the NYC Solutions Centers and the Industrial Assistance Provider network.

NYBDC developed a disaster loan application and supporting documents, posted them on our website and then conducted a web based training session for SBS personnel on Sunday, November 4, 2012 and then we were off.....

Once an application is received from SBS NYBDC's work begins -

- The application materials are reviewed for completeness with correspondence generated to SBS advisor if there are any incomplete or missing items;
- Personal and business credit reports are ordered;
- Tax Transcripts for the 2011 Federal Tax Return are ordered;
- Underwriting reviews the application, supporting documents, reports and tax transcripts and an initial decision is made.
- If the initial decision is an approval, the loan application is transferred to our legal department for preparation of loan documents.
- If the initial decision is a declination the file is transferred to a senior manager for review and further consideration. This could involve direct contact with the applicant and/or the SBS advisor and could result in an approval, a request to EDC for approval on an exception basis, a request to the business owner for additional information or a declination.

In the course of processing and underwriting these applications we have come across a number of issues that require careful and additional examination and consideration, for example -

- The credit score may be adversely impacted by a single disputed account, a very small medical collection account, one or more late payments occurring more than a year ago, excessive inquiries, Sandy related credit issues or other factors that may not be truly indicative of the creditworthiness of the business.....in each of these cases, we review the credit report carefully and seek approval of the application on an exception basis where appropriate.
- The "reported" income of the business may not support service of the debt. In some cases, there are affiliates or other related business activity which we can consider to supply sufficient cash flow to allow a favorable decision on a global basis. In other cases, apparently viable businesses are not able to qualify due to lack of adequate reported income.
- In some cases, the 2011 reported business income is adversely impacted by a specific event or expense.....in those cases, we have attempted to "normalize" income by excluding the one time expense in determining cash flow.
- In some cases, the business was relatively new in 2011 but was clearly in growth mode.....in these we looked to pre-Sandy 2012 activity and interim statements to determine if we can identify a trend that will support service of the additional debt.

In addition to our work with the (loan fund) we have also been engaged to administer the (grant fund) which is supported by The Mayor's Fund to Advance New York City (\$5 million) and the Partnership for City of New York (\$500 thousand). Grant funds up to \$10,000 are available to businesses to reimburse the cost of purchasing supplies, inventory or equipment or to repair the business premises.

In order to be eligible for a grant the business also has to be eligible for and receive a loan. This eligibility requirement is designed to make sure only those viable businesses receive grants.

As of February 21, 2013, we have funded 178 grants and have 33 in process.

Loans and grants will be approved through May 31, 2013 unless sooner extended.

www.nybdc.com

1-800-9-BDC-504

**Albany • Buffalo • Jamestown • Melville • New York City • Rochester • Syracuse
• Watertown • White Plains**

APPENDIX I

LENDER COMMITMENTS

SENIOR LENDER COMMITMENTS:

1. Bank of America
2. TD Bank
3. Capital One Bank
4. HSBC Bank
5. First Niagara Bank
6. Flushing Savings Bank
7. Peoples United Bank
8. M&T Bank
9. Hudson Valley Bank
10. Banco Popular North America
11. Valley National Bank
12. Provident Bank
13. NBT Bank
14. NYBDC
15. Northfield Bank
16. Suffolk County National Bank
17. Ridgewood Savings Bank
18. Country Bank
19. Pathfinder Bank
20. The First National Bank of New York
21. Mahopac National Bank / Tompkins Financial Corporation
22. Glens Falls National Bank
23. The First National Bank of Long Island
24. Ulster Savings Bank
25. Tioga State Bank
26. Empire State Bank
27. The Westchester Bank
28. Walden Savings Bank
29. Saratoga National Bank & Trust Company
30. American Community Bank
31. Sterling National Bank
32. Ballston Spa National Bank

JUNIOR LENDER COMMITMENT:

1. New York Business Development Corporation

\$10,000,000 - Total Lender Commitments

Testimony of Brian Goldstein, Director of Operations

NYS SBDC before the

New York City Council

On Recovery from Hurricane Sandy

February 25th, 2013

Thank you Chairwoman Reyna, Chairwoman Koslowitz and the City Council Members for inviting us to represent the Small Business Development Center (NYSSBDC) to offer testimony at this afternoon's hearing. My name is Brian Goldstein, and I am the Director of Operations for the SBDC. Joining me today is two of our Regional Center Directors, Mr. Harry Wells from the Queens SBDC located at York College with Outreach locations in the Rockaways, Mr. Dean Balsamini from the Staten Island SBDC located at the College of Staten Island. These two Directors represent the eight SBDC Regional Centers from two of the hardest hit areas in the City from Hurricane Sandy, Staten Island, and Queens. All eight City locations have seen Hurricane Sandy impacted businesses from the disaster, as well as our locations on Long Island and the Lower/Mid Hudson, but along with Brooklyn and the southern tip of Manhattan, damages were most concentrated in their service areas.

I will give you an overview of the SBDC disaster response, and ask Mr. Wells and Mr. Balsamini talk about the activities in their respective areas. At the outset, I want to say that the SBDC, regrettably, has a great deal of experience in responding to natural and other disasters. Statewide, we have a mutual aid response commitment from every Center in the SBDC network as well as other states in the national program. Congress is considering legislation to codify this national mutual aid support so that out-of-state approvals would not be required in the future.

The SBDC has worked with thousands of small businesses during past disasters, from 9/11 through Hurricanes Irene and Sandy. The Irene event flooded the Southern Tier, Ice Storms a few years ago caused tremendous damage to crops and communities in Upstate NY. We also were a state that helped in the disaster response and recovery in Louisiana for Hurricane Katrina, based upon our experience following 9/11. From these disasters, the SBDC was and is prepared to help small business owners prepare and recover in a post disaster landscape. By the vary nature of our statewide network, we are on the ground locally when a disaster strikes New York. Our host higher educational institutions are better prepared than most entities to respond to emergencies and disasters due to their entrusted care of students, we benefit from those capabilities.

In NYC the SBDC has 8 full time Regional Centers, located in every Borough. In Manhattan we are located at PACE University, Baruch College, and Columbia University. In Brooklyn at City College of Technology, in The Bronx at Lehman College, in Queens at York College and LaGuardia Community College, and in Staten Island at The College of Staten Island. In every instance, while the campuses were recovering, SBDCs were anticipating small business needs in the short-term and long-term. I'd like to speak to you about those efforts.

Within a few hours of the storm passing, the SBDC staff started to assess the destruction in order to mobilize our efforts. Within two days, the SBDC State Director James King and two of the most senior Center Directors, with disaster recovery experience, toured Zone A areas along with local Regional Center Directors. It was realized very quickly that additional outreach locations were going to be necessary to properly respond to the storm damage, simply due to the expansive geographic area that was affected. A total of 18 temporary outreach locations were opened and staffed (full and part-time) in areas throughout NYC, Long Island, and Westchester to try and place the assistance where small businesses most needed help. Many of these Centers were set up alongside Business Recovery Centers (BRCs) and Disaster Recovery Centers (DRCs) with the Small Business Administration (SBA) and FEMA. Some were in communities that were isolated and needed help. An example of this is at the Rockaway Development and Revitalization Corporation in Far Rockaway. I have been here every week since the storm helping to coordinate our efforts.

From the time of the storm till the Christmas Holidays, the SBDC Centers were very active with small businesses looking for help. Because of the power outages, normal communications such as the Internet or even media and telephones were often not readily available. Since the holidays, the initial surge in flow of clients has slowed, but the absolute number of businesses still needing assistance has not been met.

As communications returned to more normal conditions, to spread the word that help was available; the SBDC Disaster page has become a resource for many, our website and various tools for business owners, still facing extreme challenges has been heavily used. Our Regional Centers started by contacting their extensive client data bases to offer assistance. This helped spread the word of mouth because small business owners know small business owners.

In areas where power, phone, or internet service was slower to be restored, SBDC Business Advisors and our community partners have even gone door to door through business corridors to provide information. I have foot canvassed areas in the Rockaways to make sure businesses know where to go and that help is available.

One of our initial actions was to mobilize the mutual assistance agreement we have here in New York. The SBDC had 30 volunteers for deployment to the disaster area from every corner

of New York. We have had Business Advisors in from around New York State to help with recovery in some of the hardest hit areas. These are all experienced staff who only need briefing on specialized programs available.

This is still taking place and to date a total of 15 out-of-area Business Advisors have been working in the affected areas, sometimes filling in for local staff that simply needed a break or fully staffing one of our temporary Outreach Offices. I should add that even staff that are not re-deployed to the disaster areas are called on to ensure that services in their home area is not adversely effected while they are redeployed here.

The recovery activities of small, medium and even some larger firms in the disaster area has been slower than anticipated. While a surge of requests for assistance took place in the disaster region immediately following the hurricane, the power outages, damage to residences, family safety issues and holidays tended to distract business owners from the recovery effort.

Many of these business owners are burdened with additional debt from the recession and we have discovered that many businesses are owned or operated by persons nearing retirement and concerned about incurring long-term obligations. Others are not taking action because they have been waiting for a better deal (SBA disaster assistance, while long-term is perceived as expensive in today's interest rate environment, a 4% nominal rate). The approval process also has been slow.

In NYC, we have helped over 1,000 small businesses with their recovery efforts. This includes applying for SBA disaster loans, NYC Disaster and grant applications, and the various other programs that were available such as the Sales Tax Exemption Program (which has unfortunately ended), special programs from utilities or agencies as well as planning and strategizing for a post recovery operations that represent a different marketplace.

The SBDC is committed to making the recovery process for entrepreneurs and business owners as easy and confidential as possible during a difficult time. We anticipate that over the next several months, a renewed surge of businesses are going to be actively engaged in the recovery process and seeking help. In some areas the recovery will last years, which is less time than the experience with Hurricane Katrina. Many communities have a serious amount of work ahead before they are returned to the vibrant neighborhoods we expect. Our promise is to respond with the best service delivery system we can, including outreach locations, and make sure that the staff needed will be available.

I would like to ask Mr. Wells followed by Mr. Balsamini to relate their activities, experiences and observations. We then will be happy to answer any questions.

Thank you.

Committee on Small Business/Committee on Economic Development

February 25, 2013

My name is Dr. Robert Buka and I am a dermatologist in the South Street Seaport. Our Front Street office was destroyed by Tropical Storm Sandy on October 28th, 2012. Water filled our waiting and examination rooms, 4 feet high. Exam tables were lost, medical supplies were lost, ultraviolet devices used to treat eczema and psoriasis were ruined. One week prior, we had cared for an average of 112 patients each day among 3 physicians. But one week later, our staff of 25, consisting of nurses and auxiliary staff, was terminated. I had nowhere to employ them.

In 2007, we were thrilled to give the renewal of the South Street Seaport its first doctor's office. We moved in June and, by the new year, our schedule was booked with patients from the neighborhood. 93% of our patients came from the 10038 zip code, so we made our motto, "A Neighborhood Practice with a National Reputation". Our office accepted patients of varying demographics. We treated elderly patients from neighboring South Bridge Towers. We treated indigent patients from the Charles B. Wang Center in nearby Chinatown. We treated bankers and brokers with commercial insurance along Peck Slip.

In total, we suffered \$250,000 in damages to the Practice. Travelers Insurance offered nothing; sure enough, there was a flood exclusion to our commercial policy. Despite being located in Flood Zone A, our broker had failed to set up Flood Insurance. A formal complaint filed with the NY Department of Financial Services yielded no results. After a few months of paperwork, the SBS and affiliates provided us with a low-interest rate loan of \$25,000. There was a matching grant of \$10,000. FEMA is still deliberating. All these gestures are helpful and much appreciated. They also represent roughly 10% of our losses.

We must start over. We have worked hard to build a base of over 33,000 patients in the area and we will not let them down. We have every intention to return to this vibrant part of the City. The Seaport holds tremendous importance not only for NYC Tourism, but also residential expansion downtown. If we cannot support the rebirth of this neighborhood, we condemn it back to its checkered past of crime and abandoned buildings.

I ask the City to better recognize businesses that have been so deeply affected in this Area. These businesses were the first to take a chance in 2006 and 2007 when the Seaport was being rebuilt. A few square blocks that are known for their rich history but also their tremendous neglect. We brought them back to a revitalized, unique, bustling cobblestone nook in the City, only to be washed away just a few months ago. Please support us as we bring back a future to this incredible neighborhood we've come to love and serve so well.

To Whom It May Concern:

February 24, 2013

My name is Tehela Nimroody and I am the owner of Il Brigante Restaurant, one of the restaurants on Front Street that was devastated by hurricane Sandy with over 5 feet of salt water. Along with 13 other businesses, my space is rented to me by Durst Corporation, which has been unable to restore basic services like electricity, heat, fire sprinklers systems, etc., so that I have been forced to be closed since the hurricane, with a tentative restoration date of May, although Durst Corporation has refused to commit to this date on paper.

My rebuilding cost is likely to be over \$100,000. I am not sure of this number because I have not yet been allowed by Durst Corporation to re-enter my space and start rebuilding. In addition to the rebuilding costs, I have lost so far 4 months of revenue. While other businesses with the same amount of damage were able to rebuild and open within one month, the particular circumstances surrounding Durst Corporation's issues with essential services has added an additional blow to the damage of the hurricane that puts added strain to my ability to reopen, considering the loss of revenue. In addition, like most of the other businesses on Front Street, I did not have flood insurance and was therefore only reimbursed a grand total of \$10,000, despite having a comprehensive insurance that cost me \$10,000 a year and which I have been paying for 6 years. My insurance summary sheet actually said I have \$1 million in flood insurance and there was just a little asterisk excluding zone A.

While I very much appreciate the grants offered by Downtown Alliance and NYC Small Business Services, these grants will only be released after I have already spent money out of my pocket to rebuild. These grants, once they are released, will total \$35,000. This is not nearly enough for my building costs. In addition, I will need operating costs to cover various city permits and overhead for the first few months, in which I believe business will be a fraction of what it was prior to the hurricane, considering the devastation to the entire area. On Front Street, the 100 Durst Corporation residential tenants were all forced to leave and it is not clear how many will return so I am unsure as to how long it will take for business to return to a level that affords me the opportunity to cover my costs. In order to keep afloat, I will need additional grants and am hoping that some of the money recently released by the federal government for Sandy relief can be allocated to small business like myself on Front Street.

I thank you for very much for your consideration of my plight and hope that the funds necessary to keep my business afloat will be available.

Sincerely yours,

Tehela Nimroody

ACCION

Fast, Furious and Uncoordinated

Paul Quintero
CEO, Accion East and Online

February 25, 2013

Testimony to joint New York City Council Committees on Small Business and Economic Development

Background

It was the mother of all storms and for the first time, the warnings lived up to the hype. The breath of the impact actually halted the City. A city that never sleeps was nevertheless forced to stand still as the public transportation system idled all residents and the block by block re-powering slowly progressed.

At Accion East and Online, we too were physically displaced from our office the week of Superstorm Sandy. While forced to work virtually from home, cafe or any place our staff could use to power up a laptop to continue our mission, we never stopped lending. Thanks to having outsourced the servers for our mission-critical lending information system, we were able to underwrite and fund loans each day of Superstorm Sandy.

No sooner had the storm passed and the end of the month occurred (ironically, on Halloween), than we started receiving calls from clients who were unexpectedly affected from the storm and were now seeking assistance from us in the form of repayment flexibility or additional funding. In similar speed, the City had announced an emergency loan program aimed at assisting businesses with good financial and tax records and strong personal credit scores.

The week after Sandy, Accion announced its own program, aimed at assisting those with challenged credit and who maintained less formal record keeping than the City's program required. We closed our first Sandy Recovery Loan that same week and by the end of November expanded our program in size and breadth through the inclusion of a grant for each loan recipient that was equal to 15% of the loan. The grant was truly no hassle, no headache and no kidding (see attached program description and illustrative Sandy Recovery Business Loan recipient).

As Accion enters the final stage of its emergency response stage (expected to end March 31), the Small Business and Economic Development Committees of the New York City Council have asked for input on the City's response to use for the inevitable next one. I want to break the lessons into two categories: (i) things that worked well and (ii) things that could be improved.

What worked well?

- **ANNOUNCEMENT SPEED.** The reaction time by the City was nothing short of breathtaking. On Thursday, November 1, the City announced its emergency loan program and there was sufficient detail about the program to allow us to customize our approach to augment (versus replicate) the effort.
- **SIZE.** The announcement of \$5 million and then \$10 million of capital for the program for loans capped at \$25,000 was clearly a big response to a big storm.
- **ENGAGING THE PRIVATE SECTOR.** Whether it was the original capital from Goldman Sachs, the selection of NYBDC to underwrite and process loans or additional grant support from banking institutions, the City clearly leveraged private sector funders and operators for increased flexibility and

to alleviate fiscal constraints. This enhanced the effectiveness and implementation speed of the entire program.

- **COORDINATION WITH NONPROFIT PARTNERS.** The Solution Centers, particularly the Brooklyn and Staten Island centers, worked in close coordination with Accion throughout those chaotic first weeks after the storm. The communication flow was and is ongoing and the dissemination of information of Accion's program was shared throughout the Solution Center network and beyond.

What could have been improved?

- **LIMITED INTAKE CAPACITY.** The City leveraged its existing Solution Center network to serve as intake for the initial wave of funding and other requests. Quite reasonable. However, despite the spike in demand for support in the wake of the storm, there did not appear to be a commensurate increase in resources to address the demand and as a result, many businesses that applied in November ended up waiting almost two months before being matched to Accion for their funding needs. By that time, many were already a month or two behind on mortgage and others frustrated with delay.
- **LIMITED/LACK OF INVESTMENT IN NONPROFIT SECTOR.** To my knowledge, not only was there a lack of temporary capacity building at the Solution Centers, but each nonprofit partner (ourselves included) had to raise our own resources to temporarily staff up our intake capabilities to address the need and demand for capital. Given the significant level of funds raised by the City and the critical role that community development financial institutions (CDFIs) such as Accion and others play in the delivery of services, some level of investment would have maximized program effectiveness. The nonprofit sector in New York City remains not only an important service delivery mechanism/distribution channel for capital and support services to businesses, but arguably it is the only alternative in these emergency situations and when trying to serve 'challenged' entrepreneurs.
- **SEQUENTIAL VERSUS PARALLEL PROCESSING.** Instead of working with a handful of proven nonprofit micro and small business lenders upfront (in addition to the for profit partner NYBDC) to speed the delivery of capital to entrepreneurs, the process took a sequential approach. It began with the Solution Centers, and then went to the NYBDC and after declination, returned to the Solution Centers to later be matched with organizations like Accion. Accion serves credit challenged and 'thin-file' business owners every day. Allowing organizations like Accion to be part of the process from the beginning would have expedited support for many entrepreneurs given our fast turnaround time.
- **LIMITED INPUT FROM NONPROFITS ON PROGRAM DESIGN.** Taking a page from how the Federal Reserve pulled in all the top money center banks to quickly address the potential melt-down of the financial markets, I believe that greater upfront discussion and planning with a handful of key players in the micro and small business lending field would have optimized the effectiveness, breadth and response time of the City's emergency loan response program. This might have sacrificed a few days on the timing of the announcement at the front end, but would have accelerated turnaround time and avoided the several months of delays clients experienced at the back end.

So, what's next?

On the whole, the City's response was timely, appropriately sized and performed with significant engagement with the private sector. We are all better off as a result of the City's timely execution.

There are, however, improvement opportunities that would maximize the effectiveness of the response program. I believe that the City and leading micro and small business lenders like Accion should make time to craft a template for a more robust and effective emergency loan program for the next big storm (whether it is snow, wind and/or rain) while the lessons are still fresh in our minds.

In addition, it would be important to have a similar effort (but with a wider audience) to begin substantive discussions on developing a plan or plans for the broader recovery efforts required for the hardest hit communities of New York City. A lot of effort has been spent on securing funds for the recovery effort; it is less clear to me whether there is a real plan on what to do with those funds once they become available.

On behalf of the board, staff and clients of Accion East and Online, we commit ourselves to both of the above efforts to ensure we minimize the avoidable adverse impacts on small business owners from future natural catastrophes.

Yours in the mission,



Paul Quintero, CEO

Accion East and Online

Attachments

- Accion's Sandy Recovery Loan and Grant Program
- Sandy Loan Client
- Program Stats through February 22, 2013



Photograph by Damon Jacoby

Accion East and Online Sandy Recovery Business Loan + Grant

Loans from \$1,000 to \$25,000 for businesses affected by Superstorm Sandy in New York City. For the first 3 months – no payments and 0% interest.

15% of total loan offered as a grant.

RATES, FEES AND TERMS

- No monthly payments and 0% interest for the first 3 months
- After three months, loan locks in at a very low 4.99% rate
- Loan term up to 60 months
- No prepayment penalty
- A 3% to 5% closing cost and a \$30 application fee, if approved.

LOAN PROGRAM BENEFITS

- Additional grant worth 15% of total loan
- Free financial education
- Opportunity to build credit
- Fast turnaround – less than 10 days from completed application to closing

For more information visit www.accionusa.org/sandy or call (866) 245.0783

Accion East and Online is a nonprofit organization that offers small business loans from \$500 to \$50,000 and financial education to small business owners in the United States.

LOAN REQUIREMENTS CHECKLIST

- A credit score of 525 or higher
- Sufficient cash flow to comfortably support monthly loan payments
- Less than \$3,000 in past due debt
- No bankruptcies in the past 12 months or foreclosures in the past 24 months
- No late payments on your rent/mortgage in the past 12 months
- You own fewer than four mortgaged properties
- Six months or more in operation and sales
- All required licenses to operate the business
- Proof of storm related damage

Note: A qualified cosigner and proof of household income may be required.

Octavio Hoyos
Saniall Commercial Cleaning Services
Queens, NY



On the evening of October 29th, as the water level rose up to the first floor of many buildings in his Howard Beach community, Octavio watched helplessly as his car became submerged with water. “If I had only moved my car a block and a half away from my house, it might have survived the storm,” he explained. Octavio’s car, rendered inoperable, was tied to his livelihood, his business, [Saniall Commercial Cleaning Services](#). Without his car,

Octavio could not get himself or his cleaning supplies to work.

Octavio had lived around the country working for the second largest commercial cleaning franchise in the world. Deciding to move back to his hometown of New York City, he drew on his experience to launch his own business. Saniall has expanded to service 15 clients across Queens and Brooklyn. Seeking to further grow the business, Octavio started working with Accion Loan Consultant, Rachel Greenwald, after meeting her at the New York Business Expo.

When Rachel called Octavio to check on him after the storm, he needed to replace his car and damaged equipment. Rachel brought his story to the Accion team who had already begun working on a program to aid business owners caught in Sandy’s wake. In a matter of days, Octavio received a loan from Accion’s Sandy Recovery Loan Program to buy a new car and replenish his damaged supplies. With a 3-month grace period, very low 4.99% interest rate and a 15% grant on top of the loan, Octavio was able to get back on his feet quickly.

Loan Program Status

	Total:	%	Amount:	%	
Disbursed	38	29.2%	\$ 443,798.26	24.5%	Actual Loan Amount
Approved	3	2.3%	\$ 47,000.00	2.6%	Actual Loan Amount
Submitted to UW	3	2.3%	\$ 55,500.00	3.1%	LC Suggested Amount
In Process	34	26.2%	\$ 541,316.61	29.9%	LC Suggested Amount
Withdrawn	43	33.1%	\$ 656,059.00	36.2%	
Declined	9	6.9%	\$ 68,500.00	3.8%	
Total:	130	100.0%	\$ 1,812,173.87	100%	
Disbursed/Approved	41	32%	\$ 490,798.26		
Total Activity:	78		\$ 1,087,614.87		*Disbursed +Approved + Submitted + In Process

Average Disbursed Loan Size: \$ 11,678.90



**Comments of Leah Archibald, Executive Director of the East Williamsburg Valley Industrial
Development Corporation
Aftermath of Hurricane Sandy
February 2013**

My name is Leah Archibald, and I am the Executive Director of EWVIDCO. EWVIDCO is a membership organization that promotes the development and retention of production, manufacturing and industrial service businesses thus improving neighborhoods in North Brooklyn and surrounding communities. We connect businesses with resources and opportunities to maximize their competitive advantage in the marketplace. In 2011 EWVIDCO served over 280 businesses in a variety of ways including helping link them with financing and employees, and assisting them with City and State incentive programs.

EWVIDCO helps the nearly 1000 industrial businesses in North Brooklyn to grow in order to keep their 11,700 quality blue collar jobs in our community. North Brooklyn needs these jobs. Nearly 40% of North Brooklyn residents work in industrial jobs, and local businesses report that nearly 40% of their workforce resides in the local zip codes. Over 15% of local residents indicate that they walk to work each day, which is double the borough-wide average. Poverty in Williamsburg and Greenpoint is still quite high; 36% of local residents live at or below the poverty line. English is a foreign language to many residents; in these neighborhoods nearly 20% of the residents do not speak English well, or at all, and over 30% are foreign born. Finally, education levels are quite low, with nearly 70 % of working-age individuals possessing a high school equivalency or less.

These are good jobs with low barriers to entry. The average production wage for a manufacturing job is over \$10,000 more than the average wage in retailing and restaurants. Further, these jobs are better quality—over half of manufacturing jobs have health coverage compared to 18% in the food service industry and 38% in retailing. In North Brooklyn local industrial jobs pay an average of 73% more than retail, with industrial average wages of \$52,842 compared with \$30,620 in local retailing.

Manufacturing is still viable in North Brooklyn. Analysis of NYS Department of Labor data shows that in 2009, there were still 11,700 manufacturing workers and 830 firms in the zip codes that correspond with the North Brooklyn and Greenpoint / Williamsburg IBZ/OMB's. This represents 14% of the City's manufacturing employment base. The continued significance of the manufacturing base in North Brooklyn undermines the conventional wisdom that “manufacturing is dead”, and calls into question the purpose of increasing pressure on a significant number of blue collar jobs in a struggling economy.

Many of the businesses in EWVIDCO's service area sustained significant damage as a result of Hurricane Sandy. In addition to the businesses located in Greenpoint and North Brooklyn that were washed out by storm surges other businesses located around the Newtown Creek were damaged when the sewers overflowed. As a result many of the businesses in the area were in



need of funding and support as they dealt with property damage, lost sales, and navigating the insurance claims process. EWVIDCO was able to provide support to businesses owners in our service area by doing multiple foot tours of the affected areas, maintaining a dialog with business owners and elected officials and by hosting an event at our offices to educate business owners on what resources were available during that difficult time. Presenters at EWVIDCO's hurricane relief workshop included members of the SBA and FEMA to talk about programs available to hurricane impacted businesses and families through the Federal Government, NYCEDC and NYBDC to discuss the Hurricane Sandy Loan fund, New York State Department of Financial Services to address insurance claims concerns, and many elected officials who wanted to meet directly with business owners to determine the scope of the damage. Shortly following the hurricane event EWVIDCO arranged for Mayor Michael Bloomberg to tour several of the storm ravaged businesses along the Newtown Creek. Today EWVIDCO is still assisting businesses as they recover from the devastation caused by the storm. To date we have helped sixteen businesses apply for loans through the Hurricane Sandy loan fund and three were approved so far. We foresee a need at least until the summer of 2013 and possibly beyond.

In total, 31 individuals attend our storm relief workshop. Additionally, we direct mailed information about relief programs to 100 businesses in the affected area on two separate occasions. We had direct requests for assistance from 71 businesses. Additionally, we worked with the multi-tenanted GMDC building on Manhattan avenue on their flooding and power outage issues—our work there impacted an additional 75 businesses. Issues that affected these businesses included loss of electrical service, difficulty navigating insurance claim process, financial needs for repairs and working capital, flooding, property damage, loss of computer systems and records, need for temporary space, phone lines down, contacts for cleanup service providers. Many problems were resolved within days, but some issues, such as phone service for Allocco Recycling and Lucky's Tomatoes and electrical service for the GMDC building dragged on for several weeks until they were finally resolved. We continue to work with small GMDC tenants to assist them in recovery—many are entitled to NYC grants as their business was disrupted for more than 2 weeks.

At present we have 16 businesses are in the process of applying for financial assistance. 3 businesses were approved and received money so far. 11 are still in the application process. We are continuing to do outreach for grant and loan programs and envision doing so for a substantial amount of time.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: 2/25/13

(PLEASE PRINT)

Name: Bobby Buka, MD JD

Address: Excellence in Dermatology

I represent: 220 Front Street

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: 2/25/2013

(PLEASE PRINT)

Name: Quintana O'Neill

Address: 25 Elm Place, Suite 200, Brooklyn

I represent: Brooklyn Chamber of Commerce

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: THOMAS BERTON

Address: 333 PEARL ST., 19M, NY, NY 10038

I represent: MANHATTAN BY SAIL, INC

Address: 225 BROADWAY, #3407, NY, 10007

(PIER 17, SOUTH ST. SEAPORT)

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/28/13

Name: Jonathan Goumpia (PLEASE PRINT)

Address: EDC / IDH Program

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: ELIZABETH BERGER (PLEASE PRINT)

Address: PRESIDENT, DOWNTOWN ALLIANCE

I represent: _____

Address: 120 BROADWAY 33RD FL NY NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: CLAUDIO MARINI (PLEASE PRINT)

Address: 225 FRONT STREET

I represent: BARBARINI

Address: 225 / 227 FRONT STREET

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Mary McLaughlin

Address: 130 Bay St

I represent: SI Chamber of Commerce

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/25/13

(PLEASE PRINT)

Name: PAUL QUINTERO

Address: _____

I represent: ACCION EAST + ONLINE

Address: 115 E. 23rd St 7th Floor, NYC, NY 10010

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Kyle Kimball

Address: MC CFO EDC

I represent: 110 William St

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Robert Walsh Commssiaer (PLEASE PRINT)

Address: MC SBS

I represent: 110 William St

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 25 Feb 2013

Name: Bettina Damiani (PLEASE PRINT)

Address: _____

I represent: Good Jobs New York

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/28/13

Name: Catherine McVay Hughes (PLEASE PRINT)

Address: _____

I represent: CB1 Manhattan

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Walter Oden

Address: 26 Federal Plaza NYC

I represent: USSBA

Address: 86 Federal Plaza

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Terri Coaxum, Regional Advocate

Address: _____

I represent: SBA

Address: 26 Federal Plaza, NYC

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/25/13

(PLEASE PRINT)

Name: FERNANDO DALLOS

Address: 213 FRONT ST NYC NY 10038

I represent: Stella Restaurant

Address: SAME

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/25/13 2/25/13

Name: DIANE HORVATH (PLEASE PRINT)

Address: 36 PERK SUP NY NY 10036

I represent: NEISON BLUE (HISTORIC FRONT ST)

Address: 36 PERK SUP NY NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/25/13

Name: AMANDA BYRON ZINK (PLEASE PRINT)

Address: 85 SOUTH ST 8N NYC 10038

I represent: SALTY PAW

Address: 36 PERK SUP NY NY 10036

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

Name: Kevin Alexander (PLEASE PRINT)

Address: 1920 Mott Avenue, Far Rockaway NY 11691

I represent: Rockaway Development & Revitalization Corporation

Address: 1920 Mott Avenue, Far Rockaway, NY 11691

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: LINDA BARAN

Address: STATEN Island Chamber of Commerce
130 Bay St.

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Monica Byrne

Address: 293 Van Brunt St Bklyn 11231

I represent: Restore Red Hook

Address: Same

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/25/2013

(PLEASE PRINT)

Name: Melissa Chapman 2515 Glenwood
Brooklyn NY 11210

Address: ~~25 Elm Place, Suite 200 Brooklyn NY 11201~~

I represent: Brooklyn Chamber of Commerce

Address: 25 Elm Place, Suite 200 Brooklyn NY 11201

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/25/13

(PLEASE PRINT)

Name: Brian Goldstein

Address: 22 Corp. Woods Albany NY 12246

I represent: NYS SBDC

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: NAUCH PLOEGER

Address: 1375 BROADWAY

I represent: MANHATTAN CH OF COMMERCE

Address: SAME

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/25/2013

(PLEASE PRINT)

Name: SUNG SOO KIM, SMALL BUSINESS

Address: 146-03 34th Ave. CONGRESS

I represent: Flushing, NY 11354

Address: Small Business Congress, Inc.

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/25/13

(PLEASE PRINT)
Name: Harry Wells
Address: York College 9420 Guy Brewer Blvd
I represent: York SBDC
Address: 44-50 Guy Brewer Blvd

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 2/25/13

(PLEASE PRINT)
Name: Dean Balsamini
Address: College of Staten Island
I represent: Staten Island SBDC
Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

Name: *Edward D. Sheffe* (PLEASE PRINT)

Address: *55 Liberty St.*

I represent: *Manhattan CBI, Chair, Disaster Relief Task Force*

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆