CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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February 29, 2024 Start: 1:35 p.m. Recess: 3:02 p.m.

HELD AT: 250 BROADWAY - COMMITTEE ROOM, 14TH

FLOOR

B E F O R E: Oswald Feliz, Chairperson

COUNCIL MEMBERS:

Erik D. Bottcher Shekar Krishnan Vickie Paladino Sandra Ung

## APPEARANCES

Calvin T. Brown, Deputy Commissioner
Neighborhood Development Division at Small
Business Services

Raquel Olivares, Assistant Commissioner at Small Business Services

Emily Edwards, Executive Director for BID
Program and Organizational Development at Small
Business Services

Rafael Moure-Punnett, Bronx Community Board 6

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Christopher Leon Johnson, self

Justin Lerner, White Plains Road BID

Alyssa Tucker, Belmont BID

Marshall Strawbridge, Bronx Economic Development Corporation

Elizabeth Lovejoy, Bay Ridge BID

Pedro Suarez, Third Avenue BID

SERGEANT-AT-ARMS: Soundcheck for the

Committee on Small Businesses. Today's date is

February 29, 2024, being recorded by Danny Huang in

the 14th Floor Committee Room.

SERGEANT-AT-ARMS: Good afternoon and welcome to the New York City Council hearing of the Committee on Small Business.

At this time, can everybody please silence your cell phones?

If you wish to testify, please go up to the Sergeant-at-Arms' desk to fill out a testimony slip.

Written testimony can be emailed to testimony@council.nyc.gov. Again, that is testimony@council.nyc.gov.

At this time and going forward, no one is to approach the dais. I repeat, no one is to approach the dais.

Chair, we are ready to begin.

CHAIRPERSON FELIZ: [GAVEL] Thank you so much. Good afternoon, everyone. Great to be here with you today. I am Council Member Oswald Feliz, Chair of the Committee on Small Business. This is my first hearing as Chair of this Committee, and so I want to

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begin by thanking Speaker Adrienne Adams for trusting me to Chair this important Committee.

Small businesses are key contributors to the greatness and diversity of the City of New York, and it's a privilege to support them in my new role. Small businesses are the heart of our local economy. They create so many jobs for local residents. They also work so hard to keep communities vibrant and, of course, they work very hard to support their families.

Thank you all for joining today's hearing on how the Department of Small Business Services can encourage successful and diverse Business Improvement Districts throughout the city. I'd also like to thank my City Council Colleagues, representatives from the Administration, and the public for being here.

I would also like to acknowledge my

Colleague, Council Member Paladino, who has joined us
today.

Business Improvement Districts, also known as BIDs, are local business associations that work together to provide enhanced services and provide economic growth within neighborhoods to the benefit of all members and to the benefit of all

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| 2 | businesses. BIDs have been making positive            |
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| 3 | contributions to their communities in the City of New |
| 4 | York since 1982, when the laws enabling BID formation |
| 5 | were first adopted. Today, the city is home to about  |
| 6 | 75, 76 BIDs located across all five boroughs. In      |
| 7 | recognition of the role that BIDs play in funneling   |
| 8 | resources and improvements to their local             |
| 9 | communities, the Department of Small Business         |
| 0 | Services provides logistical support and oversight to |

help these organizations form and grow.

At the same time, it is important to recognize certain challenges and inequities in the opportunities and resources available to different BIDs and commercial corridors in the city. When this Committee last examined the issue in 2018 six years ago, BIDs offered testimony on a number of areas where the City could improve its programming, including strengthening support for microbusinesses and the smaller BIDs, also enhancing citywide management of public space and, of course, facilitating coordination and transparency across the numerous agencies that BIDs work with on a regular basis. These are considerations that remain relevant today. Yet at the same time, small businesses are

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also facing new challenges as the city continues to recover and adapt in a post-pandemic world.

At today's hearing, we look forward to hearing from the Department of Small Business
Services about how they have addressed these concerns, both the old and the new concerns since our previous hearing on the topic. I equally look forward to any testimony that BIDs themselves, or any other members of the small business community, would like to offer about their experiences and current needs and, of course, any additional areas where the City can continue to offer support.

Finally, before we begin, I want to thank
Rebecca Barilla and Jessica Boulet from Central Staff
for their work in putting the city together. I also
want to acknowledge my Chief-of-Staff, Theona Reets;
my Director of Community Engagement, Esperanza Diaz;
and my Special Assistant, George Cooke, all who have
joined us today.

I also want to acknowledge my Colleague, Eric Bottcher, who has also joined us.

I want to thank everyone in the who will be testifying today.

Thank you so much.

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| 2 | COMMITTEE COUNSEL BOULET: Thank you,                |
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| 3 | Chair Feliz. Good afternoon, everyone. I'm Jessica  |
| 4 | Boulet, Counsel to the Committee on Small Business. |

Before we begin testimony, I want to remind everyone who's joining on Zoom, you will be on mute until you are called on to testify.

I will call on public witnesses to testify after the conclusion of the Administration's testimony and Council Member questions so please do listen carefully for your name to be called.

Council Members, you will be called on for questions after the panel has completed their testimony.

I will now call representatives of the Administration to testify. We will be hearing testimony from the Department of Small Business Services.

I will administer the affirmation to, I believe we're joined by Deputy Commissioner Calvin Brown of the Neighborhood Development Division,

Assistant Commissioner Raquel Olivares, and Executive Director for the BID Program and Organizational Development, Emily Edwards. Panelists, please raise your right hands.

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| _ | COMMITTEE ON SMALL BUSINESS                         |
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| 2 | Do you affirm to tell the truth, the                |
| 3 | whole truth, and nothing but the truth before this  |
| 4 | Committee and to respond honestly to Council Member |
| 5 | questions?                                          |
| 6 | DEPUTY COMMISSIONER BROWN: I do.                    |
| 7 | ASSISTANT COMMISSIONER OLIVARES: I do.              |
|   |                                                     |

COMMITTEE COUNSEL BOULET: Okay. Great.

Thank you. At this time, I'd like to invite Deputy

Commissioner Brown to present testimony.

EXECUTIVE DIRECTOR EDWARDS: I do.

Good afternoon, Chair Feliz and Members of the
Committee on Small Businesses. My name is Calvin T.
Brown, and I'm the Deputy Commissioner for
Neighborhood Development. I'm joined here today by
Assistant Commissioner Raquel Olivares and Emily
Edwards, the Executive Director for BID Program and
Organizational Development, and we are pleased to
testify on SBS' role overseeing and supporting our
New York City Business Improvement Districts,
otherwise known as the BIDs.

SBS' mission is to unlock the economic potential and create economic security for all New Yorkers, connecting them to good jobs, creating

| stronger businesses and building thriving and vibrant |
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| neighborhoods. There are over 200 small businesses in |
| New York City, each contributing to a unique          |
| landscape in their community. SBS Neighborhood        |
| Development oversees and guides our network of        |
| Business Improvement Districts and invests in         |
| commercial corridor revitalization through community- |
| based development organizations. Business Improvement |
| Districts were created in the aftermath of 1970s      |
| fiscal crisis as a public/private entity that         |
| provides supplemental services to commercial          |
| corridors. Over 40 years later, our New York City     |
| network has grown to 75, representing the country's   |
| largest business improvement network and spanning     |
| neighborhoods in all five boroughs. Per SBS' FY22     |
| analysis of BID's trends, BIDs served nearly 300      |
| miles of commercial corridors and invested more than  |
| 187 million into local economies in the form of       |
| supplemental services such as supplemental street     |
| cleaning, neighborhood beautification, placemaking,   |
| and business attraction.                              |

BIDs are governed by locally controlled non-for-profit boards consistent of local property owners, merchants, and local electeds and residents.

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Working with city and local communities, BIDs serve as a powerful voice for their district and invest in the long-term success of the businesses in their commercial districts.

Among other responsibilities, SBS supports the BID formation process when local stakeholders are interested in exploring creating BIDs in their neighborhood. All formation efforts begin with the creation of a steering committee. SBS provides technical assistance to each BID and participates as an advisory member of each steering committee.

Under this Administration, two new BIDs have been created, two BIDs were merged. In partnership with City Council, we anticipate the creation of another BID, Cypress Hill, this year. We will always continue to provide such assistance to local communities and are happy to meet with Members of this Committee to explain the BID formation process in detail.

As part of the Mayor Adams'

Administration's Blueprint for Economic Recovery, SBS

expanded our support of BIDs by developing historic

new grants to equitably rebuild New York City's

in New York City.

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commercial corridors. Delivering on the Mayoral initiative, SBS created the first ever BID

Development Grant, totaling over 1.4 million in FY23 and FY24. These grants are spurring BID development efforts by 21 different organizations and many of them in low-to-moderate-income communities. Over the past two years, we have also delivered approximately 3 million in grants to smaller BIDs that historically lacked the capacity and the resources of larger BIDs

Knowing that not every commercial corridor has the capacity to take on BID formation, SBS and the Mayor's Office of Equity launched the first ever Merchant Organizing Grant. We awarded over 2.4 million to 14 organizations in FY23, 915,000 to 11 organizations in FY24. We have helped create or revitalize merchant organizations in more than 20 neighborhoods throughout New York City that helps to build the capacity for merchant engagement and organizing and can serve as a catalyst for future BIDs. Since the beginning of his Administration, Mayor Adams has awarded 6.7 million in grants to community-based organizations working in LMI neighborhoods through our Avenue NYC and Neighborhood

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2 360 Grant Program. Avenue NYC enables community-based 3 organizations to hire dedicated full-time project 4 managers, complete commercial district needs assessments, otherwise known as CDNAs, and carry out impactful data-driven assessments of their 6 7 communities. Neighborhood 360 grant provides funding to CBDOs to address key findings and commercial 8 revitalization opportunities identified in the CDNAs. In addition to funding smaller BIDs, merchant 10 11 organizations, and community-based development 12 organizations, SBS plays an important oversight role for BIDs as well. My staff monitors the fiscal and 13 14 organizational health of all BIDs, manages each BID's 15 contract with the city, and collects annual reports 16 and audits. We manage the billing process, working 17 with the Department of Finance, to process more than 18 the 150 million received in assessments. SBS staff 19 also serve as representatives on all of the BIDs for 20 the Mayor, including their audit and finance 21 committees. Through this oversight role, we can 2.2 target our capacity building and technical assistance 2.3 services to address governance and compliance challenges within the BID network. We provide 24

customized one-on-one support, workshops, and

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training for BID staff and boards and facilitate best practice sharing and professional development opportunities for BID leaders.

Since the beginning of the pandemic, SBS has organized a monthly meeting with all BIDs, inviting city agency partners to provide updates to the New York City BID Network during those meetings. These meetings provide an opportunity for SBS to hear from the BIDs about the on-ground challenges and the real-world implications of City policies.

SBS also facilitates partnerships between BIDs, City Hall, including the Chief Public Realm Officer team on strategic initiatives that support small businesses and enhance the public realm. In 2022, Mayor Adams also established the first ever Small Business Advisory Commission, which is Chaired by SBS Commissioner Kim, where the New York City BID Association provides feedback on City policies impacting local businesses for joining us.

We remain committed as an agency to ensure that small businesses are thriving in every commercial corridor, and BIDs are a key partner to this work. Our historic programming over the past two years has supported thousands of businesses and will

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2 continue to work with our BID partners in making New
3 York City the best place to shop local.

Thank you, and we look forward to any questions that you may have for us. Thank you.

CHAIRPERSON FELIZ: Thank you so much for all the information, also for all the work that you and your whole team does in supporting our BIDs, our small businesses, and our commercial corridors. I have pages of questions but first hearing of the year on this issue so I just want to start with the very basics. Start with general information about how BIDs are funded so how are BIDs funded? Assessments, donations, elected officials, what else?

DEPUTY COMMISSIONER BROWN: You named the basics like through assessments that helps to fund BIDs, budgets, some BIDs get donations, they raise money through grants, but, like I mentioned in my testimony this year, we were able to support the smallest of our BID network through our Small BID Grant, which allowed them to amplify the work that they've been doing along their commercial corridors without any impact to their assessments.

CHAIRPERSON FELIZ: Okay, and what's the average budget/revenue of the average BID, but also

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2 the average budget of the larger BIDs and the smaller
3 BIDs.

DEPUTY COMMISSIONER BROWN: The average, so we'll call it the medium expense, is approximately 529,000. The smallest BID right now is 180th Street, and their BID has an assessment of about 73,000, and our largest expense BID is about 20 million.

CHAIRPERSON FELIZ: Okay, and we have a lot of BIDs in the City of New York. We also have a lot of Merchant Associations. What's the difference between both of them?

DEPUTY COMMISSIONER BROWN: The difference between a BID and a Merchant Associations is that a Merchant Associations is a voluntary organization that supports the merchants within a specific geography whereas a BID is legislated, and as part of that legislation, a geography is mapped, and every property owner within that that geography has to pay into the assessment.

CHAIRPERSON FELIZ: Okay. Questions about organizing a BID. What are some of the processes that need to happen in order to form a BID?

DEPUTY COMMISSIONER BROWN: As part of the BID formation process, it's a very community driven

that geography.

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process, which requires broad based community

support. Part of that is coalescing those

stakeholders in an identified geography to have

steering committee meetings to discuss key issues

that would contribute to the formation of a BID, like

what would be the boundaries, what would the budget

look like, what sort of services are needed within

CHAIRPERSON FELIZ: What are resources that you provide to commercial corridors that are in the process of forming a BID?

DEPUTY COMMISSIONER BROWN: My team provides extensive resources, technical assistance to any neighborhood that is interested in forming a BID. We attend all of the steering committees once they are formed. Even before a steering committee is formed, any interested stakeholder, we provide them with what we call the BID One-on-One about the essentials that are needed, what a steering committee should comprise of, so we provide a lot of resources for the formation and throughout the process.

CHAIRPERSON FELIZ: What are obstacles that you've seen when communities are trying to form

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a BID? What are obstacles and what are resources that
you provide so they could overcome those obstacles?

DEPUTY COMMISSIONER BROWN: Some of the obstacles is getting that broad-based support.

Everyone is not a fan of BID, but part of that is providing the education so my team provides a lot of resources to those steering committees to make sure that they're communicating properly what a BID is, what a BID does, what is entailed in the BID process so that it's clear to those stakeholders what that process looks like, timeline, budget, resources, and all those things that are required.

approximately 75, 76 BIDs in the state of New York,
26 in Manhattan, but we don't even have half of that
in Brooklyn and in the Bronx so what are factors that
you would say are playing a role in terms of boroughs
of Manhattan and the Bronx not having BIDs compared
to the numbers of all the boroughs?

DEPUTY COMMISSIONER BROWN: There are 12

BIDs in the Bronx, there are 22 in Brooklyn, 26 in

Manhattan, 11 in Queens, and 4 in Staten Island. When

it comes to BIDs, it's really about the location that

has to consist of commercial corridors so there's a

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lot of factors that go into the formation. We work with stakeholders throughout the BID process, offering technical assistance at every step so when it comes to the difference in geography, it's really about where there's commercial continuity, and we help them work through the boundaries, what makes sense, what's realistic. There are certain properties that are not assessed, whether they're City-owned, so we help them work through some of those issues to come up with reasonable boundaries for what a BID looks like.

CHAIRPERSON FELIZ: Okay. How many BIDs have been formed, let's say, in the last five years in the City of New York?

DEPUTY COMMISSIONER BROWN: In the last two years, we had two BIDs that were formed, the West Village BID and Castle Hill BID. We have 10 BIDs that are in our BID formation pipeline so we're hoping to see a lot more BIDs in the future, especially with the additional resources that the Mayor's Administration has provided us so we can provide that additional assistance through the BID formation process.

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CHAIRPERSON FELIZ: Okay. We obviously have thousands of commercial corridors in the city of New York, thousands of commercial corridors, but we only have about 75 BIDs, which means that an overwhelming percentage of our commercial corridors don't have a BID. Just wondering what resources, if any, are available to commercial corridors that don't have a BID?

DEPUTY COMMISSIONER BROWN: Any commercial corridor that's interested in having a BID, they can definitely reach out to my division, Neighborhood Development. We can walk them through what that process looks like. Even before a neighborhood or organization is interested in a BID, there's a lot of stakeholder engagement that is needed so depending on where they are in that process, we can help guide them about maybe you need to do merchant organizing first. If they're further along, there's other resources like the BID Exploration, which we were able to provide a lot of support to neighborhoods who are in that initial stage to give them that boost, that financial and resource boost so that they can really engage the stakeholders so there's resources. Even outside of the grants, like I stated, any

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neighborhood organization interested in a BID, they
can reach out to my team and we can walk them through
what those initial steps are.

CHAIRPERSON FELIZ: Does SBS provide any resources for communities that aren't interested in forming a BID, or let's say they tried but they weren't successful, are there any resources for those commercial.

DEPUTY COMMISSIONER BROWN: We do. We support commercial corridors through our Avenue NYC Grant, our Neighborhood 360 Grants. We have a very useful tool, which is the Commercial District Needs Assessments, which helps organizations who are supporting commercial corridors identify some of those challenges and issues along their corridor, and then my team also works with them to think about strategies for addressing those concerns that are highlighted in the CDNA.

CHAIRPERSON FELIZ: Okay, cool. Thank you for the information. A few more questions, and then I'll pass it on to colleagues and then I'll continue my questioning.

Just for general context and background for those that are with us today and don't have the

2 information. with them what's the total SBS budget, 3 and also what's your total budget for grants for

4 BIDs?

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DEPUTY COMMISSIONER BROWN: Our grants for BIDs is 5.3 million, which covered a number of the different programs that I mentioned like supporting merchant organizing, supporting BID exploration, and supporting the single districts where we provided funding to the small BIDs of our BID network. We can get back to you with SBS agency's budget.

CHAIRPERSON FELIZ: Okay, and what are some of the most used or most popular grants that BIDs usually apply for?

DEPUTY COMMISSIONER BROWN: They love the Small BID Grant, but our BIDs have also been beneficiaries of the Neighborhood 360 and Avenue NYC grant. Even though a BID has been formed, this analysis helps them assess some of the challenges that they have along their commercial corridor.

CHAIRPERSON FELIZ: Okay. Thank you so much for the information. I have some additional questions, but I'll pass it on to my Colleague, Council Member Paladino, for some questions.

## COMMITTEE ON SMALL BUSINESS

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a small business owner myself many years ago, but I was in business for over 30 years. My sister is a small business owner. My family had started a business here in New York in 1947 and closed it in 2014. It was down in the village, and I'm very familiar with small business.

However, when it comes to my District 19, you mentioned there's 11 BIDs in Queens. Can you name the areas? I know there's several, but can you name the 11 for me, please?

DEPUTY COMMISSIONER BROWN: In your

District, we have the Bayside Village BID, and we've

been funding merchant organizing groups, College

Point is one of them that's received the Merchant

Organizing Grant for the initial stages to coalesce

those stakeholders. In Queens in general, we have

165th Street BID, the 180th Street BID, 82nd Street

Partnership, Bayside Village as I mentioned, Downtown

Flushing, Gateway JFK, Jamaica Center, and Long

Island City Partnership, Myrtle Avenue, Queens, and

Steinway Street.

COUNCIL MEMBER PALADINO: The reason why I'm asking is because my community, which goes from

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College Point to Little Neck, Douglaston, and we got Flushing, North Flushing in between, and the only BID that really seems to be working out a bit is the Bayside BID, and I just had them in my office this week. I want to get more people involved because we do have the Whitestone Merchants Associations, we do have the College Point Merchants Associations, and listening to you speak and you mentioning the different services that you offer, I think one of the biggest things or challenges for me was trying to talk the people that have the Merchant Associations into becoming BIDs. We need some revitalization in College Point and on the Boulevard. What I'm going to ask you today is if perhaps we could chat after this meeting because I think what you need to do in my District anyway, I do a lot of town halls, I bring you to the people so that this way any questions that they may have, like I could put together a room of let's say a hundred different store owners, maybe more, from every piece of my District, every area, and I invite you to come and I give them the whole thing of what I want to do and this way it sparks their interest because I don't think, because I know they have to participate as stakeholders, which means

DEPUTY COMMISSIONER BROWN: No,

definitely. That would be great, and we can not only

talk about the full suite of services that we have in

Neighborhood Development, but the full suite of

welcome.

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COUNCIL MEMBER PALADINO: Thank you.

CHAIRPERSON FELIZ: Thank you so much,

Council Member Paladino, and now I'll pass it on to

Council Member Eric Bottcher.

COUNCIL MEMBER BOTTCHER: Hi. I'd love to get your thoughts on BID coverage for neighborhoods that are more residential in nature than commercial. In Council District 3, we have a lot of BIDs, and we love our BIDs. We have the Hudson Square BID, the West Village BID, the Village Alliance, the Meatpacking BID, we've got the Garment District BID, the Hudson Yards HK BID, we've got the Times Square Alliance, the 34th Partnership. They all do a great job, but we have a lot of residents who aren't included in a BID area and they want BID coverage for their neighborhoods because they see the difference in services. When you cross the street into an area that's covered by a BID, you get better sanitation, you get landscaping with tree pits and flower baskets from the light pools, you have new wastebaskets, you have augmented homeless outreach services, small business support, so much that comes along with a BID. In Chelsea, we don't have a BID for the largely residential area of Chelsea, and we hear year after

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year residents coming forward and they would like big coverage in Chelsea. The challenge is we don't have like big commercial anchor tenants that could help with the formation of the BID. Google, for example, they're already included in the Meatpacking BID. In prior years, I had heard from the prior Administration that residential neighborhoods shouldn't necessarily have BIDs, that it should be for more commercial neighborhoods. I'd love to get your thoughts on that and maybe some suggestions about how residents could form BIDs if they're not in a primarily commercial neighborhood.

DEPUTY COMMISSIONER BROWN: As you know,
Council Member, the way that the BID legislation is
structured, it really does require commercial
property owners. That would have to be a fuller
discussion to discuss what that mechanics will look
like. Right now, the way that BID legislation is
structured, it really does require a significant
amount of commercial property owners to contribute to
the assessment. There's no mechanism at this point
right now. There are some BIDs, let me take a step
back, that do assess residential properties, but not
at the level that they assess commercial properties

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2 so we're happy to have followup on the discussion 3 later on.

COUNCIL MEMBER BOTTCHER: One model would be the West Village BID, which is in what you could think of as a primarily residential area, the 7th Avenue South area of the Village, not your average BID. They've been able to cobble together enough commercial buildings to make it work. I would love to discuss with you and maybe we could do some public awareness out in our Districts about if folks want to follow the model of the West Village BID and cobble together something that might pencil out, how they would proceed with that.

DEPUTY COMMISSIONER BROWN: Yeah, we can definitely discuss that, and the West Village BID is fairly new so definitely a case study that we can continue to analyze.

CHAIRPERSON FELIZ: All right. Thank you so much for the questions. I would also like to recognize Council Member Krishnan who has joined us as well as Council Member Ung who has joined us via Zoom.

A few more questions about grants and processes etc. What steps does SBS take to make sure

## COMMITTEE ON SMALL BUSINESS

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2 that the local BIDs and the small business owners 3 know about these grants?

CHAIRPERSON FELIZ: Yes. Specifically, to the BIDs, we send out notices about upcoming grants. We have a BID bulletin that goes out to all the BIDs, but we also send out a bi weekly email that's corresponding that goes to the BIDs about information, and then even outside of that we send out correspondence to electeds, community boards, to a full suite of non-for-profit organizations that we have a listserv of about upcoming grant opportunities, and then we even, before the grant's application period closes, we provide opportunities for informationals about what the grant entails, when the deadline ends, and how to apply.

CHAIRPERSON FELIZ: Talk to us about the application process, timelines, documents needed, how lengthy are the applications, how quickly can a BID complete these applications generally, how long are these applications.

DEPUTY COMMISSIONER BROWN: It depends on the BID. Every organization, the capacity that they have, but my team specifically for the grants that we issue throughout our division, we're there to support

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them. As people know, there's a procurement process for accessing any City funds so we walk them through what that process looks like, the documents that they need. Luckily for the BIDs, sometimes we have some of those documents so we try to supplement where we can and then work through other information that they may need.

CHAIRPERSON FELIZ: How fast after completing the application could BIDs generally expect to receive the grant?

DEPUTY COMMISSIONER BROWN: Our grants are reimbursable grants so part of receiving the funding, you have to execute work that is within the scope of work and then once you provide us with that documentation, then you get reimbursed. Particularly for the single district Small BID Grant, we tried to minimize some of those hurdles where we can at least upfront some funding with the BIDs just identifying some of the work that they would execute so that way we can kickstart some of the work in their commercial districts.

CHAIRPERSON FELIZ: After submitting an application and completing all the requirements, how long are they generally reimbursed by?

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DEPUTY COMMISSIONER BROWN: Once we have all the invoices, 6 to 10 days before they receive their funding. Barring no issues, like sometimes, there may be like technical issues with ACH pay transfers, so like barring any issues it's 6 to 10.

CHAIRPERSON FELIZ: Now I could see a lot of challenges, especially for the smaller BIDs when it comes to staffing, not being able to have the capacity or the staff to timely complete the different processes so just wondering what type of help is available for these smaller BIDs who don't have a big staff.

question. I can't emphasize enough how we really do care for our small BIDs. We realize the utility and information that they provide to us about what's happening in their commercial corridors so when they're experiencing any contractual invoicing challenges, my division does have a team, our finance and operation team, that provides support one-on-one support to any organization that is finding the process difficult. Many of our small BIDs, we realized that they weren't used to getting funding in this way outside of discretionary so we had to

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educate them on that process so we do provide a lot of support to make sure that we can minimize any of the tension that they may be experiencing with procuring money from the City.

CHAIRPERSON FELIZ: What are examples of that in practice? What are examples of ways that you've helped those smaller BIDs in the past?

DEPUTY COMMISSIONER BROWN: I don't want to get into the weeds, but there's a document for getting reimbursed. We'll have someone from our contract management team who would be on the phone with them and walk them through the correct way of filling out those forms, just to make sure that by the time we get it, that we can minimize the time so that we can internally in SBS send it to the other division that will process those payments.

CHAIRPERSON FELIZ: All right. Thank you for the information.

Now, I'll pass it on to Council Member

Krishnan who has a few questions, and then we'll hear

from Council Member Paladino.

COUNCIL MEMBER KRISHNAN: Thanks so much,
Chair Feliz. Unfortunately, I can only stay for a few
minutes, jumping back to the Education hearing, and I

| apologize if this was already covered. I did want to  |
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| just highlight and the Chair's questions just now     |
| alluded to it too, the contracting process and the    |
| reimbursement and registration is a real issue and    |
| not just with BIDs, frankly, all across non-profit    |
| organizations and just the process of contracting and |
| registration reimbursement is really hurting both     |
| BIDs, as I said, as well as organizations so I just   |
| wanted to call attention to it because it seems like  |
| something that should be easy to fix, although I know |
| that it's unfortunately just has been a very          |
| disappointing reality of City government is that we   |
| can't figure this out, but I would urge you all to    |
| just really take a close look at how you can          |
| streamline reimbursements because it's putting        |
| organizations from BIDs to non-profits, they're       |
| fronting a lot of money, floating a lot of money, and |
| not able to get it back for a lengthy period of time, |
| and it just seems like there has to be a way to       |
| really cut through the bureaucracy of that process to |
| at least solve that piece of it.                      |

DEPUTY COMMISSIONER BROWN: Thank you. We continue to find ways so that we can minimize that impact, especially to our smallest organizations that

- 2 support our commercial corridors, but we'll
- definitely continue to work on ways that we can
- 4 minimize that time.
- 5 COUNCIL MEMBER KRISHNAN: Thank you. Thank
- 6 you, Chair.

- 7 CHAIRPERSON FELIZ: Thank you, Council
- 8 Member, and now Council Member Paladino.
- 9 COUNCIL MEMBER PALADINO: Okay. Now I did
- 10 | a little math, and I'm very curious, I go line by
- 11 | line, I guess that's just from being in business. I
- 12 see Fiscal Year was 187 million, Fiscal Year '23 had
- 13 | 1. 4 million was given in grants, 3 million were
- 14 given to smaller BIDs. Is this all-inclusive in the
- 15 | 187? And then an additional 2.4 million was given to
- 16 | 14 organizations in Fiscal Year '23 and another
- 17 | 915,000 was given to 11 organizations in Fiscal Year
- 18 | '24. How do we keep our records? How do we know how
- 19 | this money is being spent? When we give BIDs money,
- 20 | and this is an awful lot of money, I'm just real
- 21 curious how do we keep track of these numbers? What
- 22 | kind of reports, being a BID, having a board and
- 23 operating this as a business, how do we keep track of
- 24 | these numbers that I just just laid out for you.

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| DEPUTY COMMISSIONER BROWN: I believe the              |
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| 187 is the amount that BIDs invest into their         |
| neighborhoods in terms of the supplemental cleaning   |
| and some of the services that they do, the two top    |
| being sanitation and district marketing, but that's a |
| very good question, but we do keep track of how the   |
| BIDs are spending the Small BID Support Grant on some |
| of the services that they're doing. They provide us   |
| with a scope of work that they would be doing and     |
| then they provide us invoices that match that scope   |
| of work, and we also have audits that accounts for    |
| how BIDs are spending and that's even outside of our  |
| grants. That's one of the things that we as an        |
| oversight agency look at (INAUDIBLE).                 |

always steps in here some way, somehow. People do
things and, when I did a job for somebody, there was
a receipt, and then there was a running receipt if I
charge X amount of dollars to get something done, I
line item every contractor and what they did. Do the
BIDs do similar? If you allow a smaller BID, like
that's in my neighborhood, let's just say
hypothetical, 2 million dollars you give the Bayside
BID. What do they give you as proof as to how they

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used, because I know what the President of the Board of Directors makes. It's an awful lot of money. There is a little bit of that in there as well. I just am curious, I just want to make sure that every nickel and dime, especially with the City in this, in the position that we're in right now, BIDs are necessary, I want to see businesses grow, I want to do this town hall, but I also want to keep track of the bottom line. We're talking tens of millions of dollars and greed has a way of stepping in. Do they give you a receipt? We did this, we did that. How is it accounted for?

DEPUTY COMMISSIONER BROWN: As it relates to our grants, they do provide us with invoices. As it relates to just generally accounting, our BIDs do a wonderful job managing sometimes the limited resources that they have. As I stated, they do audits. We, when I say we, my team, we sit on their audit, their finance committee teams. When they provide new budgets, they have to provide budgets at the end. We get those budgets. They have to submit those budgets to SBS. There's accounting of it.

They're doing a tremendous job sometimes with limited resources, and this is why, SBS, we're here, my team,

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we are constantly trying to find ways to just help them do the work that they're doing.

COUNCIL MEMBER PALADINO: Wonderful. I look forward to working with you. Thank you so much. Thank you. Thank you.

CHAIRPERSON FELIZ: Thank you, Council Member.

On that topic of the smaller BIDs, are there any grants to help set the floor in terms of the in-house resources that smaller BIDs have? I could only imagine the grants and the opportunities that the smaller BIDs lose out on due to the fact that they don't have staff to make people aware of the grants available or don't have the staff to be able to fight for resources.

DEPUTY COMMISSIONER BROWN: Like I said, we have a BID support team that, any BID, small BID, can reach out to and we can assess what those challenges are. Sometimes the challenges are due to the assessments, but each year we survey the BIDs to see which BID would like to increase their assessment. We walk them through that process. We actually have an assessment increase webinar that's coming up to walk BIDs through the steps of how they

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| 2 | can increase their assessments, which is a            |
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| 3 | legislative process, but we want to make sure that    |
| 4 | they get the buy-in from the board, they engage       |
| 5 | stakeholders so that's one way that they can increase |

their capacity is by increasing their assessment.

CHAIRPERSON FELIZ: Have we thought about or explored any grants that could potentially set the floor in terms of funding for specific BIDs just to make sure that they are properly funded. For example, a BID that has a total budget of 90,000 dollars per year, bumping it up to 150,000 through grants and making that the potential floor.

DEPUTY COMMISSIONER BROWN: Something that we haven't explored, but welcome to follow up with you to walk through what that will look like.

CHAIRPERSON FELIZ: Okay, cool. A few questions about two different grants. I'll start with Small BID Support Grant. How much funding is available through the Small BID Support Grant program and what is the maximum that a BID could receive through that grant program?

DEPUTY COMMISSIONER BROWN: It was budgeted at 5. 3 million, but as I stated there were other things that the grant funded like merchant

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organizing, BID exploration, BID formation. Now what we call the Single District Grant, that went specifically to the BIDs, and a BID could receive up to 100,000, but it was based on their proposal and, once we evaluated their proposal, then we made a

CHAIRPERSON FELIZ: What's the minimum that they could receive under that program, and how is the amount determined? How do we determine what's appropriate for the award?

decision on what was appropriate for the award.

DEPUTY COMMISSIONER BROWN: It was really based on the scope of work and the need. As the division that supports all BIDs, we knew that some BIDs had more needs than others so the way that we looked at it was what they articulated in their scope of work and it didn't make sense in terms of the budget and what we could necessarily award them. It wasn't really like a bottom, like a minimum. We made sure that no BID received less than 50,000.

CHAIRPERSON FELIZ: Okay. What are needs that would be covered under that program? I'm sure sanitation, security, event.

DEPUTY COMMISSIONER BROWN: I would say that the fact that they were given the opportunity to

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increase and amplify the work that they currently do and without any impact to their assessment. Some BIDs were very creative with some of the programming that they wanted to do to bring more foot traffic to their commercial corridors. Some did add additional funding to their sanitation or the district marketing or they boasted up their beautification so it really depended on the BID and what they felt was a need that they were unable to meet given their current assessment.

On how this funding could be used, and also can a small BID apply twice a year for that grant if they have two different initiatives, one that they think about after they submitted the initial application?

DEPUTY COMMISSIONER BROWN: The way that our grants work is on the fiscal year, so there's only one opportunity to apply at the beginning, but we make sure that there was ample enough time for all BIDs who were eligible to apply so you would only have one opportunity to apply for the grant. The grants do have to follow what we call the Neighborhood 360 rules so there's certain limitations of what is allowable and disallowable in terms of what they were able to use the funding. Now, if they

was awarded to them.

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had any changes to what they originally proposed to us, we did allow an opportunity for a budget modification and, once again, that's where my team will work with them to understand what they needed to change and how they need to reallocate funding that

CHAIRPERSON FELIZ: What has been the overall feedback from small BIDs on that funding? Any challenges that they've talked about including, for example, the timelines when they receive the funds?

DEPUTY COMMISSIONER BROWN: Yes, I mean we will acknowledge that the timeline and getting the money out but, like I said, we've been working to make sure that we can streamline it as possible, but the overall feedback has been great. The BIDs love the grant. As I stated, it takes the pressure off of their assessments so they can really think creatively. We love this grant because it allows our BIDs to get out of the normal rote of what they do and to think and really envision the future of these commercial corridors by amplifying the work that they're currently doing.

CHAIRPERSON FELIZ: Can you talk to us a little bit more about those challenges? Is it

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challenges related to the timeline regarding the application or when they receive the grants? Could you give us some examples of those challenges?

DEPUTY COMMISSIONER BROWN: This year has been typically late just given OMB's OTP spending freezes but, like I stated, is that there are procurement documents that each BID has to provide us in order for us to release the funding. Sometimes we have to go back, and it can vary across the BID network depending on the turnaround time in terms of providing those documents. Once those documents are provided, we work as fast as we can to expedite any reimbursement that comes with this grant.

CHAIRPERSON FELIZ: Okay. Thank you for the information on that.

Now moving on to a different grant, the BID development program. Could you talk to us a little bit about that grant?

DEPUTY COMMISSIONER BROWN: Yes, so currently in FY24, we have 10 organizations that are receiving the BID Development Grant under our BID formation and then we have four that are receiving our BID Exploration Grant, and this has been a wonderful addition to our sort of support providing

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neighborhoods an opportunity to explore what a BID can do. Part of it is making sure that they have funding to do what we call demonstration projects so they can demonstrate for those stakeholders within this identified geography what it would look like to provide some of those services, and then the BID formation grant, these are organizations that are already in our BID pipeline who are in one of the various phases of the BID formation process, and the BID Formation Grant has allowed a number of those groups to advance, the additional support has allowed them to advance. It's one of our, I mentioned in my testimony, Cypress Hills is going into legislative because they were a recipient of that BID Formation Grant and been able to use those resources so they can do the additional outreach to get them to the last phase of the BID formation process.

CHAIRPERSON FELIZ: How does the funding work for that program? The BIDs haven't been formed yet, they're probably not a 501(c)3 so who generally receives...

DEPUTY COMMISSIONER BROWN: You don't have to be a 501(c)3 to be a recipient of any of the grants that we receive.

| 2  | CHAIRPERSON FELIZ: Right, so how could                |
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| 3  | that potentially help a BID? How could that help form |
| 4  | a BID when they're not                                |
| 5  | DEPUTY COMMISSIONER BROWN: Usually                    |
| 6  | there's an organization who is helping to facilitate  |
| 7  | the steering committee and outreach. Some of those    |
| 8  | organizations work with consultants that can help     |
| 9  | them move the process along.                          |
| 10 | CHAIRPERSON FELIZ: Okay, so I guess local             |
| 11 | Community Board or Merchants Associations, that type  |
| 12 | of                                                    |
| 13 | DEPUTY COMMISSIONER BROWN: Yes.                       |
| 14 | CHAIRPERSON FELIZ: Got it. Okay. How much             |
| 15 | funding is available through that grant and also      |
| 16 | what's the maximum, what's the minimum that could be  |
| 17 | received?                                             |
| 18 | DEPUTY COMMISSIONER BROWN: For the BID                |
| 19 | Formation, it was up to 100,000 dollars and then for  |
| 20 | BID Exploration it's 20,000 dollars per organization  |
| 21 | CHAIRPERSON FELIZ: Sorry, could you                   |
| 22 | repeat that one more time?                            |

DEPUTY COMMISSIONER BROWN: Per organization, 20,000 dollars for BID Exploration, and then for BID Formation, it is up to 100,000 dollars

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per organization depending on where they are in the
BID formation process.

CHAIRPERSON FELIZ: Okay, and what would be covered under the exploration stage? I guess doing merchant organizing, outreach?

DEPUTY COMMISSIONER BROWN: Yeah, it's like merchant organizing, but we do have a deliverable because part of it is making sure that they do the prerequisites to get them into the BID formation pipeline so part of it is doing a needs assessment of their neighborhood, identifying who the stakeholders are so that and a demonstration project are like the main deliverables for BID Exploration, the 20,000 dollars grant. BID formation, like I said, it depends on where the steering committee is in the BID formation process. If they're in the planning phase which is the initial stage of the BID formation process, many of the organizations use it to support hiring a consultant that can help facilitate those steering committee meetings. If you're in the outreach phase, that requires a lot of on the ground work so it supports a lot of the outreach that is done to the stakeholders, and then if you're in the legislative phase, there's some mail-ins, there's

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some district plan work that they have to do so it really depends on where they are in the phase.

CHAIRPERSON FELIZ: Yeah. What has been the overall feedback from BIDs and members of a community trying to form a BID? What has been the overall feedback on this grant and the funding?

DEPUTY COMMISSIONER BROWN: It has been amazing. It has been amazing. I think we even appreciate it because we got to see organizations that may have stalled because they didn't have the resources to move forward. Now, we're seeing those organizations advancing in the BID formation process.

CHAIRPERSON FELIZ: Okay. Now moving on to general budget questions. Has any BID funding been halted due to the PEGs? Also how has the SBS been affected by PEGs?

DEPUTY COMMISSIONER BROWN: I can say specifically and fortunately Neighborhood Development within SBS has had a minimum impact to the PEGs, but it has not impacted the Small BID Grant funding.

CHAIRPERSON FELIZ: Okay. Some final questions. One of the biggest issues that we hear from small businesses and commercial corridors are quality of life and safety general issues. Are there

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any grants specifically on those issues? Safety,quality of life, not including of course sanitation,

4 that's a little bit separate, but general safety.

DEPUTY COMMISSIONER BROWN: Even outside of our grants, and I can speak on it, Mayor Adams has convened a Retail Theft Task Force. Many of our BIDs are part of the task force, helping to develop and think about best practices or ideas that can approach these quality-of-life issues. We use our division, Neighborhood Development, we convene a monthly BID call, and we hear from the BIDs directly about some of the concerns they have on their corridors. If it relates to a particular agency, we make those connections. We also direct BIDs to Community Links, which is a process that comes out of the First Deputy Mayor's Office, and Mayor Adams has tasked NYPD to work with other agencies to address any chronic issues that are happening in these districts. A lot of our BIDs submit concerns to the Community Links and, Community Links would then support whatever those concerns are.

CHAIRPERSON FELIZ: Okay. All right, so we talked about the small BID Support Grant, also the

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2 BID Development Program. Any other grants that are very popular that we're going to talk about today?

DEPUTY COMMISSIONER BROWN: I would keep going, our Avenue NYC, our Neighborhood 360, these are grants that really support commercial corridors. We had the opportunity to have a new grant this year, which was a Commercial District Lighting Grant, which provide an opportunity for those organizations to bring additional light into their commercial corridors, not just the typical holiday lights, but lights that may speak to the identity of a neighborhood, lights that will bring people to those commercial corridors, and it was one of our most popular grants, meaning that in the application process we had the largest number of people applied for it so it's been one of our popular grants for FY24, but all of our grants in Neighborhood Development are geared towards building a capacity and supporting commercial corridors and the small businesses within them.

CHAIRPERSON FELIZ: Yeah. Could you talk to us a little bit more about the Neighborhood and the Avenue NYC grant? What are services that would help cover?

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DEPUTY COMMISSIONER BROWN: The Avenue NYC and Neighborhood 360, this helps build the capacity of the organization because, as part of those grants, they have to hire a dedicated full-time person to really work on this grant. As part of those grants, organizations learn about how to assess the challenges on their commercial corridors. They also learn how to do outreach to the stakeholders within the corridors that they're serving and then, working with my team, work on a scope of work that can address some of the challenges that they have identified so this is a part of building a capacity, so even once the grant ends, this organization is left with those skills on how to really identify some of these issues and how to think through ways of addressing those concerns. Further, we always connect all of our grantees back to the largest services that we have at SBS, whether it's NYC Best who can help get through the red tape or bringing out our Mobie mobile unit who can come directly to those commercial corridors and hear some of the concerns directly from those small businesses so our grantees basically act like an ambassador to some of the services that we have at SBS and to really promote some of the larger

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2 resources that the agency has to support commercial corridors and small businesses.

CHAIRPERSON FELIZ: Okay. Are there any grants available to help reactivate disadvantaged commercial corridors? Let's say corridors that have a high vacancy rate, those corridors, I'm sure that it's going to be very difficult for them to perform a BID, or to even get resources given that they're not organized.

DEPUTY COMMISSIONER BROWN: Yeah. This is where the Commercial District Needs Assessment comes into play because I think if there's a commercial corridor that is experiencing those sorts of challenges, having that sort of assessment can then help formulate what the intervention should be. Now, it does require a community partner. That's where, we're welcome to if there's any neighborhoods that, you can identify that have those challenges, we have to connect it to a community partner who can help facilitate the grant.

CHAIRPERSON FELIZ: Okay. Cool. Any questions?

COUNCIL MEMBER PALADINO: Yes, I do. I have a lot.

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2 CHAIRPERSON FELIZ: The floor's all yours.

COUNCIL MEMBER PALADINO: I'm very excited only because I want to see more people participate. I see the reasons why they may not because of the organization fee and how you set up. It's already like at 100,000. I know my people are strapped. Some areas are really, one of the main reasons why they don't start a BID is because of the startup and then getting the other stores to participate. That's why you coming in and talking to them and making them understand exactly what it is they're going to benefit by their investment, what their investment is going to ultimately give them back, which is a tremendous amount. Now, I do holiday lights for the Whitesell Merchants, I fund that, I do other little things, but they need to get involved in this, and I really think that being just a Merchants Associations, while it's good and it's communityorganized and all of that, I think the bottom line is a constant line is what it costs to participate. They always see, and I try to explain to people, you have to first put in order to get out, and that's why I'm really dead set on getting you over to my District and doing what needs to be done. There needs to be

2 more of this. Thank you. My head's spinning. Thank
3 you very much.

DEPUTY COMMISSIONER BROWN: You're welcome, Council Member.

CHAIRPERSON FELIZ: Thank you so much, Council Member.

just want to thank you all for all the work that you do to support our small businesses and our BIDs. Our BIDs are, again, the heart of our economy. They do so much for our communities. They're the ones that make sure that our communities are vibrant. Our BIDs make sure that our commercial corridors are corridors where people want to come to shop, to eat and visit so I just want to thank you all for all the work that you do, and I'm looking very forward to working together.

DEPUTY COMMISSIONER BROWN: Yes and,
Chair, I just wanted to mention we got that number.
The adopted budget was 283.5 million for SBS.

CHAIRPERSON FELIZ: Sorry, repeat that again.

DEPUTY COMMISSIONER BROWN: 283.5 million.

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much. Alright, thank you so much.

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2 CHAIRPERSON FELIZ: 283.5 million. That's 3 the total budget for SBS?

DEPUTY COMMISSIONER BROWN: Yes, for FY24.

CHAIRPERSON FELIZ: Perfect. Thank you so

DEPUTY COMMISSIONER BROWN: Thank you.

CHAIRPERSON FELIZ: Now I'll turn back to our Moderator, Jessica Boulet. Thank you so much.

COMMITTEE COUNSEL BOULET: All right.

Thank you very much. Thank you, Chair. We will now

12 turn to public testimony.

I'd like to remind everyone that each panelist today will have two minutes to present their testimony and recording is not permitted while providing testimony. This is being live-streamed on Council website.

We'll start first with those who have joined us here in person. I will call individuals by name and you may step up to the table. We will start with Rafael Moure-Punnett from Bronx Community Board 6, Nicole Paynter from the NYC BID Association, and Christopher Leon Johnson.

CHAIRPERSON FELIZ: I just want to briefly thank you, Rafael, District Manager of Community

- 2 Board 6. We've been working very hard to organize
- 3 merchants in the East Tremont section of the Bronx.
- 4 Hopefully, we could realize the BID in that high-
- 5 needs area of the Bronx, which has so much potential.
- 6 COMMITTEE COUNSEL BOULET: All right. I
- 7 will call each of you by name and if you could wait
- 8 until the Sergeant has started the timer.
- 9 Council Members, if you have questions
- 10 for a particular panelist, let me know, and you may
- 11 | ask after each panelist has completed their
- 12 testimony.

- I would like to welcome first, Rafael
- 14 Moure-Punnett.
- 15 RAFAEL MOURE-PUNNETT: Thank you, Council
- 16 Member. I'd like to thank the Committee for allowing
- 17 | me to speak and thank Council Member Feliz for
- 18 | graduating on his new role. I'm looking forward to
- 19 | working with him on working with merchants in Council
- 20 District 15 and in Community Board 6.
- 21 My name is Rafael Moure. I'm the District
- 22 | Manager of Community Board 6 and, as the Council
- 23 Member mentioned, the Board has been working on
- 24 organizing merchants along East Tremont Avenue in the
- 25 | neighborhood of East Tremont, and I wanted to speak

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to some of the challenges in merchant organizing and trying to access SBS funding in neighborhoods that are low income and there isn't already infrastructure in merchant organizing. East Tremont used to be a bustling commercial district that people from all over the city knew about. When FDR was running for re-election, he would drive down East Tremont Avenue to see voters. This was a key area in the Bronx, and when the economy of the Bronx changed in the 70s, it became very depressed and has yet to recover. There is no Merchant Associations. There was one for a couple of years. There was an attempt at forming a BID, which fell apart because of infighting over who would get the Avenue NYC SBS funding, and so I think really what I want to highlight for the Committee is the challenge in accessing Avenue NYC funding in neighborhoods where there isn't an infrastructure of non-profits that can apply for the money, and that's what we're seeing in East Tremont. In Fiscal Year '23, I spoke to several non-profits about applying for the Avenue NYC funding, and no one really felt that it was within their wheelhouse, and no one applied for the funding, and money that SBS has ready and available to support businesses wasn't spent in a

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low-income neighborhood that could really benefit 2 3 from assistance from the City in merchant organizing. Part of what I think the feedback that I wish SBS was 4 5 here to hear is that SBS, I think could look more proactively in how to promote Avenue NYC funding. 6 They mentioned they have a mailing list, but if you're not already doing merchant organizing, you're 8 not going to be on that mailing list and be aware of these funding opportunities when they come around. 10 11 Another thing that we think that SBS could really 12 expand upon is being more proactive and thinking about what kind of non-profits in a neighborhood 13 14 could access this funding.

CHAIRPERSON FELIZ: Cool. Sounds good. Thank you so much for the testimony.

RAFAEL MOURE-PUNNETT: Thank you.

COMMITTEE COUNSEL BOULET: If there are no more questions, then I would like to call Nicole Paynter.

NICOLE PAYNTER: Thank you. Chair Feliz and members of the New York City Council Committee on Small Business, my name is Nicole Paynter, and I am testifying today on behalf of the New York City BID Association. I'm also the Executive Director of the

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| Columbus Avenue BID on the Upper West Side of         |
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| Manhattan. The New York City BID Association          |
| represents all of the City's 76 Business Improvement  |
| Districts, which are as diverse as the city itself.   |
| The Association's mission has always been to support  |
| small businesses, to keep our neighborhoods clean and |
| safe, and to bring prosperity to our communities. We  |
| are proud to serve nearly 300 miles of commercial     |
| corridors, including around 100,000 businesses, and   |
| to invest more than a combined 187 million dollars in |
| services back into our communities. Some additional   |
| statistics from the Fiscal Year '22 22 BID Trends     |
| Report is included in our written submitted           |
| testimony.                                            |

at the Department of Small Business Services. We interact with several of the divisions within SBS, including Business Services and the Office of Nightlife. We work most closely with the Neighborhood Development Division. This team is led by Deputy Commissioner Calvin Brown and is tasked with BID oversight and support, creating capacity building opportunities for community-based organizations, and the development and management of grant programs that

2 deliver critical resources for BIDs. This includes the Small BID Grant Program, Avenue NYC, Neighborhood 3 4 360, and others. We are very grateful for the partnership of Mayor Adams, SBS Commissioner Kim, and 5 the City Council in recent years. In particular, we 6 7 want to thank everyone for their advocacy and support of additional funding for small BIDs through the 8 Small BID Grant Program to deliver critical services. As a part of the Rebuild, Renew, Reinvent Blueprint 10 11 for Economy Recovery, Mayor Adams laid out an 12 ambitious plan to form new BIDs, expand current BID 13 catchment areas, and to provide additional assistance 14 to small BIDs to serve districts across the city. 15 Small BIDs are hard at work to deliver on the promise of this funding which is being put to use on 16 17 everything from graffiti removal and street 18 beautification to lights for Ramadan celebrations and 19 business attraction efforts. This program was 20 launched in Fiscal Year '23 and renewed in Fiscal Year '24. We are hopeful this funding will be renewed 21 in Fiscal Year '25. Ultimately, we hope this program 2.2 2.3 is baselined in order to create certainty for small BIDs. Unfortunately, due to the challenges of 24 25 contracting with the City, BIDs are again awaiting

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contract registration and rushing to deliver these services as quickly as possible before the fiscal year ends, which is not ideal. Despite these challenges, we do want to commend SBS for the urgency, nimbleness, and creativity that they have shown in standing up this grant program. Baselining this funding this funding would ensure that BIDs can strategically plan to use this funding for the most important needs of their districts moving forward. We strongly urge Mayor Adams and the City Council to continue to support our small BIDs through this new program. In addition to the critical work our BIDs do on the ground.

CHAIRPERSON FELIZ: All right, please conclude.

NICOLE PAYNTER: We're proud that two BID leaders, Matthew Bauer and Nina Flores, have been serving on the Mayor's Small Business Advisory

Commission. We hope that we can continue to work with the SBS, the Mayor, and the Council to advance reform efforts to reduce red tape, encourage entrepreneurship, and stem the tide of storefront vacancies. Thank you.

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CHRISTOPHER LEON JOHNSON: Hello. My name is Christopher Leon Johnson. Oh, sorry.

COMMITTEE COUNSEL BOULET: Were there any questions?

CHAIRPERSON FELIZ: No, no questions.

COMMITTEE COUNSEL BOULET: All right. In that case, I will invite Christopher Leon Johnson.

CHRISTOPHER LEON JOHNSON: All right. Hello. My name is Christopher Leon Johnson, and I want to say this right now. I know that there's a lot of BIDs that do the right thing. They clean up streets, they work with the small business owners, and they make sure the streets are safe and the business are safe with the NYPD, and they work with community boards and the business management, all agencies like this one, Columbus, but there's one BID that I know it's going to be in the small business for FY25 and FY26, which is going to be based in North Brooklyn. It's going to be called a North Brooklyn BID. Now, I want to say this right now, that the City Council you as the Small Business Chair, the Chair of the Worker Protection need to decline funding for the North Brooklyn BID, and I'll tell you why. Because the North Brooklyn BID will be ran by

2 Katie Denny Horowitz, who is corrupt, who mentioned 3 on camera that there is no need for North Brooklyn 4 BID, but she wouldn't be the head of it, and all this is about with her is trying to collect money from business owners, and I smell a lot of corruption, I 6 7 smell a lot of extortion going to happen if this get 8 approved. Now, we all know that where was like, I don't know if Lincoln Restler was here today, but this needs to be sent to the Ethics Committee because 10 11 Lincoln Restler has a big stake with this North 12 Brooklyn BID idea that they have planned out for the 13 City of New York. This need to be rejected. Katie 14 Denny Horowitz is connected to a seven-time stalker 15 that is named Kevin Lechera (phonetic) and a anti-16 police racist named Ryan Knoen (phonetic), who both 17 are members of Brooklyn Community Board 1, and I'll 18 tell you guys this right now, if this ever happens, 19 and I know very soon it will happen, they're going to 20 extort all the business, owners saying if you don't 21 do this, we're going to screw your business over. 2.2 They did this with the Open (INAUDIBLE) Streets. All 2.3 hell is going to break loose, and it's going to set all the Community Boards back and all the BIDs back 24 25 because the BID gotta do the right thing but this one

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that they cooking up in North Brooklyn is going to do
a lot of damage to all the BIDs in New York City
because they, like I said, it's on camera, they was
at a movie theater inside the Wythe Hotel and the
person that's going to be on the board mostly going
to be the chair of the board, Katie Denny Horowitz,
mentioned that well, there's no need to BIDs, we just
want to collect money from business owners, on
camera, I recorded it. It's at a Wythe Hotel with
Linky Restler and Emily Gallagher was there.

CHAIRPERSON FELIZ: All right, please conclude.

CHRISTOPHER LEON JOHNSON: So I'm going to conclude right now. Linky Restler and Emily Gallagher was there and Kristen Gonzalez was there. Like I said, they said that there's no need for North Brooklyn BID, but we just here to collect money from business owners. I know, like I said, I will never disparage any other BID because I don't really know them, and I know they're doing the right thing for their BIDs in the communities that they serve, but this one that they try to cook up in North Brooklyn, which serves Greenpoint and Williamsburg. Wait, wait. It's under Linky Restler, under Emily Gallagher...

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SERGEANT-AT-ARMS: You may begin.

JUSTIN LERNER: Hi. My name is Justin

Lerner, Executive Director of the White Plains Road

BID. My experience with Small Business Services has

been overall very positive. They've helped us

throughout COVID. I don't know if it was an official

grant or whatever, but they definitely provided a lot

of face masks and Purell and had a lot of guidelines

to help keep our storefronts open so I don't want

that to go oversighted because they really did help

us through a very dark time.

In regards to the grants and the funding that was being discussed. I do agree that they do have a lot of open grants that we can take advantage of, but I also do agree that somehow since our budget couldn't really afford for the reimbursements, finding a different way of working on those grants, and I think that they have been working on that and SBS might be looking to fund a grant for us where they would hire somebody directly where we wouldn't have to come out-of-pocket for that so I'm not sure the last time that's been updated. I think we spoke to them last year on that, but I think that they might be working on that. I hope that they are, and

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we look forward to working on that grant and finding that study with them. I'm done.

COMMITTEE COUNSEL BOULET: All right.

5 | Short and sweet. Thank you very much.

Next up, we'll have Alyssa Tucker.

SERGEANT-AT-ARMS: You may begin.

ALYSSA TUCKER: I'm Melissa Tucker. I'm testifying as Executive Director of the Belmont BID. I congratulate Council Member Feliz on his appointment as Chair of this important Committee and congratulate all the Council Members for their new terms. The Belmont BID works to advance the economic well-being of local businesses in the community at large. We work daily to support and promote our small businesses and help keep our neighborhood clean and safe through our supplemental services. SBS helps build thriving neighborhoods in an abundance of ways, most notably by supporting BIDs and small businesses, and we are appreciative of the work they do daily. We are especially thankful for your advocacy and support surrounding the additional funding for small BIDs of which we are. In Fiscal Year '23 and '24, funding from the small BID grant enabled us to expand on our critical services and broaden our initiatives. If

| this program were to be baselined, it would create    |
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| more certainty for small BIDs and allow us to         |
| strategically plan to use the funding for the most    |
| important needs of our districts. It's challenging to |
| introduce new projects or expand operations, even     |
| with additional funding, due to limited staff. If SBS |
| were to introduce a new multi-year grant,             |
| specifically for additional staffing, I believe it    |
| would significantly help BIDs better serve our        |
| districts. While we are grateful and commend SBS for  |
| their work, it has been challenging contracting with  |
| the City due to timely contract registrations. We     |
| believe SBS should offer more grants directly to      |
| small businesses as well, things like storefront      |
| improvements, equipment, and safety upgrades. The     |
| Belmont BID also respectfully requests SBS review the |
| BID Trends Report. Just as our neighborhoods are      |
| unique, our BIDs are too, and what is needed in one   |
| district doesn't necessarily mean it's needed in      |
| another. A similar budget doesn't mean similar needs. |
| We question its value, particularly after it was used |
| to provide data for Comptroller Lander's analysis of  |
| the financial and operations practices of             |

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2 SERGEANT-AT-ARMS: Thank you. Time 3 expired.

ALYSSA TUCKER: I'm sorry?

5 SERGEANT-AT-ARMS: Time has expired. Thank 6 you.

COMMITTEE COUNSEL BOULET: All right.

Thank you very much, and we will be sure to look at the full written statement as well.

Next, I will call Marshall Strawbridge.

SERGEANT-AT-ARMS: You may begin.

MARSHALL STRAWBRIDGE: Good afternoon.

Thank you. My name is Marshall Strawbridge. I'm the Director of Small Business and Community Outreach at the Bronx Economic Development Corporation. As the Economic Development Agency for the Bronx Borough President, I represent the Borough President on each of the 12 Business Improvement Districts in the Bronx. To avoid going over time and reiterating things that have been shared before, I just want to second a lot of stuff that has been said about the grant-making operations at SBS and how the reimbursement to invoice system places a financial strain on a lot of our smaller BIDs. The Bronx has a majority of BIDs that operate under 500,000 dollars,

you very much.

| so they depend on the grants that SBS provides. I     |
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| also want to emphasize the role that SBS plays in     |
| providing technical support to its executive          |
| directors. Many of our executive directors operate as |
| the sole employees of their organizations, and so     |
| that places a lot of responsibility on them as the    |
| directors there, and so one of the initiatives that   |
| SBS and Bronx EDC alongside the Bronx Borough         |
| President have launched recently is the Bronx BID     |
| Leadership Support Initiative where Bronx EDC is      |
| providing technical support along with additional     |
| resources to BIDs thanks to a grant from SBS. This is |
| an initiative that's still in its infancy, but it's   |
| something that we are excited about and have gotten   |
| positive feedback from by both SBS and the BID        |
| directors themselves. I think it's something that we  |
| should emphasize as being a priority to continue in   |
| future years, both in the Bronx and expanded to other |
| boroughs. Thank you.                                  |
| COMMITTEE COUNSEL BOULET: Great. Thank                |

Next up, we have Elizabeth Lovejoy.

SERGEANT-AT-ARMS: You may begin.

| 2  | ELIZABETH LOVEJOY: Good afternoon, Chair              |
|----|-------------------------------------------------------|
| 3  | Felice and Members of the New York City Council       |
| 4  | Committee on Small Business. My name is Elizabeth     |
| 5  | Lovejoy, and I am testifying today as Executive       |
| 6  | Director of the Bay Ridge Fifth Avenue Business       |
| 7  | Improvement District in Brooklyn. The Bay Ridge Fifth |
| 8  | Avenue Business Improvement District represents 300-  |
| 9  | plus businesses ranging from diverse restaurants and  |
| 10 | retail establishments. Our mission is to be a partner |
| 11 | to local property owners, merchants, residents,       |
| 12 | elected officials and community organizations to      |
| 13 | improve neighborhood conditions that promote economic |
| 14 | and cultural vitality of the commercial corridor. We  |
| 15 | applaud Mayor Adams and the Department of Small       |
| 16 | Business Services' advocacy to renew additional       |
| 17 | funding for small BIDs and look forward to continued  |
| 18 | funding in Fiscal Year '25. As a small BID operating  |
| 19 | within a fixed budget and bolstered by additional     |
| 20 | grant funds, the Bay Ridge Fifth Avenue BID is        |
| 21 | evolving with innovative ideas and initiatives.       |
| 22 | Nevertheless, the challenge of illegal dumping        |
| 23 | persists along the commercial corridor, defying any   |
| 24 | remedy solely through increased funding for           |
| 25 | supplemental sanitation. We respectfully implore the  |

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| New York City Council to work with the Department of  |
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| Sanitation to intense lifetime to intensify litter    |
| basket pickups and/or enact regulations specifically  |
| designated to deter illegal disposal. Moreover, in    |
| our endeavor to cultivate an inclusive and welcoming  |
| district, we adorn it with holiday lighting during    |
| both the Christmas and Ramadan seasons. Giving the    |
| rising costs involved, we pursued discretionary       |
| funding to ensure continued installations in the      |
| upcoming fiscal year, however the acquisition of such |
| funds entails a cumbersome process, and we earnestly  |
| hope for strides to streamline bureaucratic           |
| procedures and minimize unnecessary delays. We        |
| eagerly anticipate advancing our crucial initiatives  |
| with your invaluable support. Thank you.              |
|                                                       |

COMMITTEE COUNSEL BOULET: All right, thank you very much.

I believe we have Pedro Suarez.

SERGEANT-AT-ARMS: You may begin.

PEDRO SUAREZ: Yes, I'm here. I'm not able to turn on my camera for some reason. It says the host has stopped it. Alright. There we go. Apologies.

Good afternoon, Chair Feliz and Members of the New York City Council Committee on Small

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Business. My name is Pedro Suarez, and I'm testifying today as Executive Director of the Third Avenue Business Improvement District in the Bronx. The BID covers the commercial area between East 148th Street and East 153rd Street, primarily along Third Avenue in the Bronx. Our mission has always been to support small businesses, keep our neighborhoods clean and safe, and bring prosperity to our communities. We are proud to be the first and oldest of our kind in the Bronx, serving the growing South Bronx community since 1988. The Third Avenue BID covers an eightblock facing area, which includes over 200 commercial tenants. BIDs interact with several of the divisions within SBS, including Business Services and the Office of Nightlife. We work most closely with the Neighborhood Development Division. This team led by Deputy Commissioner Calvin Brown is tasked with BID oversight, creating capacity-building opportunities for community-based organizations, and the development and management of grant programs that deliver critical resources for BIDs. I'm very grateful for the partnership with Mayor Adams, SBS Commissioner Kim, and the City Council in recent years, in particular, thanking everyone for their

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advocacy and support of additional funding for smaller BIDs like myself through the Small BID Grant to deliver critical services.

One thing that I wanted to add and mention is that BIDs in many parts of the city face unique challenges, particularly in the South Bronx. Our BID is located within the center of the opioid epidemic and crisis so that adds an additional layer of complexity to the issues that we're trying to address, and I would also add that the assessments that are delivered to BIDs don't often reflect the volume of visitors that we receive. The Third Avenue BID is the second most heavily trafficked BID in the entire city, second only to Times Square so that's something that I would like folks to keep in mind as they think about the different supports that are needed for the smaller BIDs that we often face a high volume of traffic.

SERGEANT-AT-ARMS: Thank you. Time has expired.

PEDRO SUAREZ: Thank you so much for your time today.

COMMITTEE COUNSEL BOULET: All right.

Thank you very much.

Thank you to all our panelists in person and on Zoom. Is there anyone else that I may have missed in the room or on Zoom?

Great. In that case I will turn it back over to Chair Feliz for closing remarks.

CHAIRPERSON FELIZ: All right. Thank you so much to everyone who joined us today. Thank you to everyone who testified.

Our small businesses are really important parts of our city and, of course, our BIDs do crucial work in terms of helping our small businesses survive, thrive, expand, and do the great work that they do in our city so we look very forward to working with all, including our BIDs, Small Business Services, and all the different agencies to make sure we're continuing to provide for our small businesses in the City of New York.

I want to thank everybody who testified, and with that said, today's hearing is hereby adjourned. Thank you so much. [GAVEL]

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World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date March 11, 2024