

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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HELD AT: COMMITTEE ROOM - CITY HALL

B E F O R E: Oswald J. Feliz,
Chairperson

COUNCIL MEMBERS:

Erik D. Bottcher
Gale A. Brewer
Selvena N. Brooks-Powers
Shekar Krishnan
Vickie Paladino
Sandra Ung
Susan Zhuang

A P P E A R A N C E S

Tian Weinberg
Chief of Staff

Calvin Brown
Deputy Commissioner for Neighborhood Development

Taylor James
Staff Attorney with the Legal Aid Society's
Community Development Project

Matt Bauer
New York City BID Association

Jessica Walker
President of the Manhattan Chamber of Commerce

Pedro Suarez
Executive Director of the HUB Third Avenue
Business Improvement District

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COMMITTEE ON SMALL BUSINESS

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SERGEANT AT ARMS: This is a microphone check for the Committee on Small Business recorded on April 17, 2024 located in the Committee Room by Nazlie Patuvie(SP?). [00:00:14] -[00:01:55]

Good morning and welcome to today's New York City Council Hearing for the Committee on Small Business. If you would like to testify you must complete a slip in the back of the room with the Sergeant at Arms. Just a reminder, no one may approach the dais at any point during this hearing. Please silence all electronic devices. Chair, we are ready to begin.

CHAIRPERSON FELIZ: [GAVEL] Good morning everyone. It's a pleasure to be here with you today. I'm Council Member Oswald Feliz, Chair of the Committee on Small Business. Thank you all for joining today's hearing and thank you to my Council colleagues, representatives from the Administration and the public for being here today.

Today, we will hear from the Department of Small Business Services, SBS about how they understand storefront vacancy rates and trends in the city, including not only how they assess vacancies but also what those vacancies mean for cities small business and how vacancies can be kept at healthy levels for

1 commercial districts across the city that have
2 varying needs.

3 I would also like to acknowledge colleagues that
4 have joined us including Council Member Zhuang.
5 Local shopping areas are the heart of many New York
6 City neighborhoods. They are where locals go to
7 conduct the business of every day life and one of the
8 first things visitors see when they arrive to the
9 city.

10 Many thriving businesses on a well lite street
11 can be part of a sense of community and strong
12 neighborhoods. The opposite can also be true. A
13 high number of going out of business or prevent signs
14 might create a sense of unease or discourage new
15 businesses from opening up and investing there.
16 While some vacancies are inevitable in some ways as
17 new businesses come in and old ones leave, we know
18 that vacancy rates that are high and vacancy rates
19 that are lengthy indicate that something is off
20 balance.

21 We also know that vacancy rates in the City of
22 New York have been trending steadily upwards for at
23 least the last 15 years. Only four percent of store
24 fronts were vacant citywide in 2007. That number
25

1
2 rose ten years later to almost six percent in 2017
3 and in 2019, it rose further to almost eight percent
4 according to the data from the Department of Finance.
5 The pandemic raised that rate again to over ten
6 percent in 2020. Today, SBS reports that citywide
7 vacancies sit out an overall 11.2 percent. That is
8 barely below the peak of 11.3 at the height of the
9 pandemic.

10 There's nobody that hates vacant storefronts more
11 than I do. Vacant storefronts create many challenges
12 for our communities. Studies show that one vacant
13 storefront can drastically decrease the amount of
14 foot traffic in a commercial corridor affecting the
15 surrounding community and business corridor. At the
16 same time, vacant storefronts can create quality of
17 life issues. We've seen that in many areas in our
18 city. They turn into garbage dumping zones. They
19 turn into graffiti zones, things that we obviously
20 don't want in our commercial corridors.

21 Just as important as this big picture trend is,
22 what's happening in specific neighborhoods and retail
23 corridors across the city, the highest reported
24 vacancy rates are consistently in Manhattan with
25 Manhattan Community District 1 reporting a sky-high

1
2 vacancy rate of 22 percent. In fact, every single
3 community district in Manhattan has a double-digit
4 vacancy rate.

5 Brooklyn Districts also face high vacancy rates
6 of 12 percent on average while the Bronx and Queens
7 are tied for lowest at 8 percent. There could be
8 many reasons for these differences. Is the rent just
9 too high in some areas for businesses to succeed? Is
10 this a result of larger shifts in foot traffic and
11 shopping patterns or do certain neighborhoods just
12 need more investment from the city?

13 Does some areas benefit from forming a bid or
14 organizing into merchants association, other areas
15 with lower vacancy rates may be underutilized and
16 ready for more storefronts to open. Only the Small
17 Business Committee will see what's happening in their
18 day-to-day work, can tell us the story behind this
19 data. To give us that perspective, today we'll hear
20 from SBS to understand more about what these numbers
21 can tell us about what is behind the long term rise
22 and storefront vacancies, and also to explain what
23 tools and support are available and effective for
24 retail corridors experiencing high vacancy rates. I
25 equally look forward to hearing from members of the

1
2 small business community about the causes and the
3 impact of storefront vacancies in the neighborhoods
4 and welcome their input on additional areas where the
5 city may offer support.

6 Finally, before we begin, I want to thank Rebecca
7 Barilla and Jessica Boulet from central staff for the
8 work in putting this hearing together as well as my
9 Chief of Staff Theona Reets and my Deputy Chief of
10 Staff and Legislative Director Pierremore
11 Rodriguez(SP?) for all the help in putting this
12 together. Thank you so much and now, we'll pass it
13 on to - I'll pass it onto the Council to administer
14 the oath.

15 COMMITTEE COUNSEL: Thank you Chair. Good
16 morning everyone. I'm Jessica Boulet, Counsel to the
17 Committee on Small Business. We call on the
18 representatives of the Administration to testify
19 right now. We will hear from the Department of Small
20 Business Services and I will administer the
21 affirmation to our panelists today. I believe we
22 have with us Tian Weinberg, Chief of Staff and Calvin
23 Brown Deputy Commissioner for Neighborhood
24 Development.

1
2 Panelists, please raise your right hands. Do you
3 affirm to tell the truth, the whole truth and nothing
4 but the truth before this Committee and to respond
5 honestly to Council Member questions?

6 PANEL: I do.

7 COMMITTEE COUNSEL: Thank you very much. Chief
8 of Staff Tian Weinberg, I invite you to begin.

9 TIAN WEINBERG: Thank you so much. Good morning
10 Chair Feliz and Council Members Zhuang and members of
11 the Committee on Small Business. I am joined today
12 by our Deputy Commissioner for Neighborhood
13 Development Calvin Brown. We are pleased to be here
14 today to discuss how SBS improves neighborhood
15 conditions for businesses and local communities.

16 SBS's mission is to unlock NYC's economic
17 potential and create economic security for all New
18 Yorkers by connecting them to good jobs, creating
19 stronger businesses, and building thriving, vibrant
20 neighborhoods.

21 We do this through a wide variety of services:
22 From online education at our NYC Business Solutions
23 Centers, to pro-bono legal assistance for businesses
24 signing or renewing a commercial lease, to convening
25 small business thought leaders from across the nation

1
2 to explore creative approaches to commercial
3 revitalization. In the previous year, we made
4 history by launching the NYC Small Business
5 Opportunity Fund and distributing \$85 million in low
6 interest loans to over 1,000 small businesses, with a
7 significant 80 percent of the loans benefiting
8 minority or women owned businesses.

9 Across all our SBS divisions, our teams work
10 every day to make New York City the most desirable
11 place to start, operate, and grow a small business.
12 And under this Administration, we have made serious
13 inroads and hit major milestones in our commercial
14 recovery.

15 As Mayor Adams often says, public safety is a
16 pre-requisite to prosperity. Today, our streets are
17 safer, our sidewalks are cleaner and we have more
18 jobs than at any time in our city's history. One in
19 six businesses in NYC today open their doors under
20 the Adams Administration, according to the NYC
21 Economic Development Corporation.

22 These businesses are driving job creation,
23 tourism, and subway ridership as well. Since 2022,
24 small businesses with fewer than 50 employees have
25 accounted for 45 percent of New York City's overall

1
2 employment growth, despite only representing about a
3 quarter of the city's overall workforce. These
4 businesses have also contributed more than \$3.2 in
5 direct economic output to the city. Meanwhile, 62
6 million visitors brought in more than \$74 billion in
7 economic activity last year, and NYC hit a new post-
8 COVID high of 4 million subway riders in one day.

9 SBS is proud of the part that we have played in
10 supporting this incredible recovery. Since Last
11 November, SBS launched our Live NYC Map, which is a
12 real time database of more than 150,000 storefronts
13 and public spaces across the city's landscape and
14 it's the engine behind our Shop Your City website,
15 where New Yorkers can discover and support their
16 local small businesses.

17 This database is refreshed every 90 days and it
18 informs SBS outreach and program design and enables
19 the agency to meet our reporting obligations per
20 Local Law 152 of 2019. According to our databases,
21 citywide vacancy rates are declining, particularly in
22 outer boroughs, reflecting the success of the Mayor's
23 Blueprint for Economic Recovery.

24 Vacancies are being filled by a variety of
25 industries, including e-commerce resistant businesses

1 such as juice bars, sport stores, and coffee shops.
2 Grocery stores are up 11 percent, and our nightlife
3 industry is up an impressive 17 percent. These
4 insights inform our work with community-based
5 organizations and allow us to be more intentional
6 about the services we provide.
7

8 Our Neighborhood Development Division NDD
9 oversees NYC's network of 75 Business Improvement
10 Districts or BIDs. They themselves serve nearly 300
11 miles of commercial corridors and invest more than
12 \$187 million into local economies. During the Adams
13 Administration, we have allocated approximately \$27
14 million in grants to over 100 community-based
15 organizations and BIDs, spurring commercial
16 revitalization efforts across the city.

17 Our Avenue NYC Grant enables community-based
18 development organizations to hire dedicated, full-
19 time program managers and complete Commercial
20 District Needs or CDNAs. Our Neighborhood 360 Grant
21 provides organizations with the means to turn those
22 CDNAs into impactful commercial revitalization
23 interventions.

24 Neighborhood organizations are using these grant
25 programs in several creative and innovative ways.

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2 For example, in Brownsville's Pitkin Avenue BID, a
3 Neighborhood 360 grantee transformed a vacant
4 storefront into a two-week long Halloween destination
5 called the Haunted Villie. The event exceeded
6 expectations, transforming local perceptions by
7 offering a fun and safe activity in an area that
8 lacks many family-oriented community spaces. Haunted
9 Villie closed on Halloween day with a free event
10 welcoming more than 300 children and their families.
11 Since this event, six new businesses have opened
12 along the corridor.

13 The Brooklyn Chinese American Association used
14 their Neighborhood 360 support to connect local
15 entrepreneurs to property owners with available
16 commercial space using relationships they developed
17 while working on their CDNA, leading to three new
18 businesses opening in Sunset Park.

19 Coupled with a beautification blitz by Central
20 Astoria LDC to remove graffiti and clean up litter,
21 Neighborhood 360 grantee Queens Economic Development
22 Corporation will soon convene local property owners,
23 real estate brokers, and prospective business owners
24 for a guided walking tour of Astoria Boulevard. Our
25

1
2 grantee aims to fill approximately 20 vacant
3 storefronts through these strategies.

4 This year, we also continued our historic
5 investments in the city's BID network, with over
6 \$500,000 in BID Exploration and Formation in 10
7 neighborhoods and over \$2.5 million to 39 existing
8 smaller BIDs to enhance their programming and service
9 delivery.

10 Knowing that not every commercial corridor has
11 the capacity to begin BID formation, SBS and the
12 Mayor's Office of Equity launched our first ever
13 Merchant Organizing grants, awarding over \$2.4
14 million to 14 organizations in FY23 and \$915,000 to
15 11 organizations in FY24. This investment helped to
16 either form or revitalize merchant associations in
17 more than 20 neighborhoods, planting the seeds for
18 future BID formation.

19 We tackled storefront vacancies by lighting up
20 commercial corridors too. This year, SBS launched
21 our first of its kind Commercial District Lighting
22 Grant with \$1.5 million awarded to 17 organizations.
23 This grant provides organizations with the money they
24 need to design, produce, and install customized and
25 creative community lighting projects, addressing

1 neighborhood concerns of insufficient lighting,
2 improving public safety and attracting businesses and
3 shoppers.
4

5 These are some of the tools that we are currently
6 using to reinvigorate our commercial corridors, but
7 district investments must also be coupled with
8 streamlining measures for entrepreneurs who want to
9 open up new shops.

10 That's why in the first days of his
11 administration, Mayor Adams called on the city's
12 enforcement agencies to review business regulations
13 and identify rules holding our economy back. Through
14 small business forward and in partnership with the
15 City Council, over 90 reforms have been implemented,
16 saving small businesses millions in deferred fines
17 and violations.

18 Additionally, through SBS's NYC Business Express
19 Services Team or NYC BEST, we provide new store
20 fronts with one-on-one assistance to get permits and
21 licenses needed to open faster.

22 We also provide free consultations at their place
23 of business and in multiple languages to educate
24 businesses on regulations and ensure they are
25 operating in compliance. This Administrations City

1 of Yes for Economic Opportunity will similarly do
2 away with outdated zoning rules, preventing
3 businesses from filling many vacant storefronts. It
4 puts forward 18 sensible policy changes that would
5 expand options for businesses to located closer to
6 their customers, support growing industries and
7 sectors, foster vibrant neighborhoods and commercial
8 corridors and provide businesses with simpler zoning
9 rules for the 21st Century.
10

11 We look forward to working with the Council and
12 the Department of City Planning to see these reforms
13 effectuated.

14 SBS remains committed to ensuring that small
15 businesses thrive in every commercial corridor. Our
16 historic programming over the past two years has
17 supported thousands of businesses and we will
18 continue working with this committee to make New York
19 City the best place to open, operate, and grow a
20 storefront business.

21 Thank you so much and we look forward to
22 answering any questions you may have.

23 CHAIRPERSON FELIZ: Thank you. Thank you so much
24 for all the information, for all the numbers, all the
25 data and also thank you for all the work that you do

1 for our small business in our business corridors.

2 So, we have many questions but before that, I want to
3 briefly acknowledge Council Members and Majority Whip
4 Selvena Brooks-Powers, who has joined us in person.
5 Council Member Erik Bottcher as well and also Council
6 Member Ung who has joined us via Zoom. A few
7 questions, general questions about storefronts and
8 storefront vacancies.
9

10 How many storefronts do we have in our city? How
11 many of them are vacant? And also, how do they
12 compare smaller storefronts versus the larger ones?
13 If that's information that we have.

14 CALVIN BROWN: Yes, we do. In terms of the broad
15 numbers and according to our latest quarterly
16 account, there's 144,359 storefronts. And what was
17 the second part? I'm sorry.

18 CHAIRPERSON FELIZ: How many of them are vacant?

19 CALVIN BROWN: Uhm and in terms of vacancy, about
20 16,384.

21 CHAIRPERSON FELIZ: Okay, and how long does the
22 average storefront vacancy remain vacant? Are we
23 talking about generally six months, a year?

24 CALVIN BROWN: Uhm, we don't have that data but
25 we can continue to analyze it but what we do know is

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2 that with the platform that we have to track
3 storefront openings and vacancies, every 90 days we
4 can see which storefronts open and which close.

5 CHAIRPERSON FELIZ: Out of all the vacancies that
6 we have, would you say they're generally larger
7 storefronts or smaller businesses or equally split
8 roughly?

9 CALVIN BROWN: Uhm, we haven't analyzed that data
10 but that's something that we can definitely look
11 into.

12 CHAIRPERSON FELIZ: How many jobs does the
13 average storefront generate? Smaller storefronts
14 versus the larger ones?

15 TIAN WEINBERG: That's a great question Council
16 Member. So, SBS, we look at businesses with fewer
17 than 50 employees and like I said earlier, those
18 businesses account for about a quarter of the city's
19 overall workforce and almost half of the job growth
20 in the last two years.

21 In terms of you specific question about
22 storefronts, we don't have that number specifically
23 handy, but as you know, a storefront business is
24 typically a business with at least a few workers.

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2 CHAIRPERSON FELIZ: Okay, do we know how much the
3 average storefront generate in taxes more or less?

4 CALVIN BROWN: No, in taxes, uhm we can get back
5 you on that data. I don't think we have that data.

6 TIAN WEINBERG: We would consult with the
7 Department of Finance for that.

8 CHAIRPERSON FELIZ: Okay. On the number of
9 vacant storefronts that you mentioned, I think you
10 mentioned something like 100 for 4,000 versus 16,000.
11 Uhm, how did we get that data? What are those
12 numbers based on?

13 CALVIN BROWN: So, we have a vendor that every
14 quarterly they canvas New York City throughout all
15 the boroughs and they document the number of
16 storefronts on commercial corridors and they also
17 document the number of storefronts that are vacant.

18 CHAIRPERSON FELIZ: And how accurate or more
19 specifically, how recent is that information that you
20 provided? Do they go around every six months?

21 CALVIN BROWN: Every 90 days they update the
22 data.

23 CHAIRPERSON FELIZ: Every three months. Can you
24 give us a general summary of how vacancy rates uhm,
25 compare for the three years, prepandemic vacancy

1
2 rates, pandemic vacancy rates and today's vacancy
3 rates?

4 TIAN WEINBERG: So, Council Member, what we are
5 seeing with our new vendor is a decline in vacancy
6 rate over the last few quarters. However, because it
7 is a new vendor the data doesn't exactly match to how
8 that data was being collected by the Department of
9 Finance in previous years. So, we can go into more
10 depth on you know providing an additional analysis if
11 you're interested in the long-term trends but
12 currently, we're working with you know every 90 days.

13 CHAIRPERSON FELIZ: Okay. Alright, so a few
14 questions about the data collection and want to
15 briefly recognize Council Member Paladino who has
16 joined us. Uhm, yeah, let's continue talking about
17 how this data is obtained. So, SBS is subject to two
18 major reporting requirements on storefront vacancies,
19 including Local Law 152, which requires that SBS
20 report on storefront businesses for a minimum of 20
21 community districts per year and also Local Law
22 157/95, which requires that the property owners
23 submit information related to their property.

24

25

1
2 So, how does SBS gather data to fulfill these
3 reporting requirements per year? So, I know you
4 mentioned there's a vendor for one of these.

5 CALVIN BROWN: Yeah, so Local Law 152, we've been
6 able to use this vendor to collect that information
7 and like we said, we get it every 90 days, so when we
8 have to do the reporting for 11- I'm sorry, Local Law
9 152, we're able to use the most accurate data that we
10 had from their last census and as it relates to Local
11 Law 157, which is like self-reported data, that data
12 is submitted to the Department of Finance, so we'll
13 defer to them to like their reporting habits - I
14 mean, their reporting methods and numbers.

15 CHAIRPERSON FELIZ: Okay and for Local Law 95,
16 does SBS take any steps to make sure that property
17 owners know their duty to report about their
18 property?

19 CALVIN BROWN: For Local Law 157?

20 CHAIRPERSON FELIZ: Local Law 157/95 as amended
21 yeah.

22 TIAN WEINBERG: So, Council Member, as Deputy
23 Commissioner Brown stated, you know we're really
24 focused on Local Law 152 where we have the data
25 through our Live NYC Platform. That is involving

1
2 canvassing across storefronts where canvassers are
3 walking you know the streets of New York and noting
4 the storefronts, taking pictures, understanding what
5 kind of businesses are in what corridors as well as
6 vacancies. It does not current involve engaging with
7 property owners in that process.

8 CHAIRPERSON FELIZ: Hmm, okay and how does SBS
9 use the data gathered for each of these Local Laws?

10 CALVIN BROWN: For Local Law 152, I mean and just
11 the data that we collect on storefront vacancy, it
12 helps inform our program designs. It helps us
13 identify where we see uhm, areas that we need to
14 focus on where there's high vacancies and then, you
15 know engaging our community partners on the ground in
16 those various areas about different strategies that
17 they may be able to employ to you know address those
18 vacancy levels in their districts.

19 CHAIRPERSON FELIZ: Okay and you mentioned that
20 based on the systems that we currently have, there's
21 no way of determining whether it's a long-term
22 vacancy or a short-term vacancy based on the
23 information that we have currently?

24 CALVIN BROWN: I mean we — since we started
25 collecting this data using this vendor and know that

1
2 it is collected every 90 days, we could start to
3 track to see if a property was vacant more than a 90
4 days or if it continues to end up on that list
5 because like I said, every 90 days, they show us
6 which storefronts had an opening and which was closed
7 so we can you know start to analyze that data to see
8 if there are any storefronts that are just
9 continuously on that list.

10 CHAIRPERSON FELIZ: Hmm, okay. A few questions
11 about the Live X, Y, Z data. So, last year, all of
12 you SBS partnered with Live X, Y, Z to create the
13 Live NYC Map which lets active and vacant storefronts
14 in a city. Why was this project implemented and how
15 much funding is going to this partnership?

16 CALVIN BROWN: So, we implemented this project so
17 we can just have a better count of you know what was
18 happening along commercial corridors and to really
19 understand where vacancies was - uhm, the vacancy
20 rate was high throughout the city. So, it's been
21 very helpful once again to inform how we do our
22 program designs where there's areas of target in the
23 city that we need to focus on to provide additional
24 support with all of the services that SBS provides.

1
2 And the total amount for this is \$1.6 million per
3 year and the last year is FY25 of funding.

4 CHAIRPERSON FELIZ: Okay and is this a
5 partnership that SBS plans to continue doing or plans
6 to continue.

7 TIAN WEINBERG: Yeah, we are certainly excited to
8 continue the work in terms of understanding
9 commercial corridors and vacancies and that's also
10 what we do in our neighborhood 360 and Avenue NYC
11 Grant programs which include a community district
12 needs assessment. That often involves working with
13 the organization on the ground to actually walk
14 through the commercial corridor and kind of do the
15 same thing that we're doing with Live NYC of actually
16 documenting everything in the commercial district.

17 So, storefront vacancy is certainly and data
18 collection is certainly a long-term entrust of our
19 agency.

20 CHAIRPERSON FELIZ: Hmm, okay and what feedback
21 have you received from small businesses or other
22 members of the public on whether to use the map? For
23 what purposes they use the map and whether it's been
24 helpful?

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2 CALVIN BROWN: Yeah, we know that a lot of our
3 BID partners use the map. They've been able to
4 create you know district profiles based on the
5 information that is received from the map and just to
6 continue on with what Tian said, we use it you know
7 to supplement the work that we do on a localized
8 level through our grant programs and working with any
9 community-based organizations.

10 CHAIRPERSON FELIZ: Okay, so I have some
11 additional questions about vacancy rates and trends
12 but I'll pass it on for now to our Majority Whip
13 Selvena Brooks Powers who has some questions.

14 MAJORITY WHIP BROOKS POWERS: Thank you Chair and
15 hello, good to see you guys. So, according to the
16 Department of Finance Data, my Council District,
17 Council District 31 is seeing the highest storefront
18 vacancy rate of all Council Districts in Queens. Do
19 you all have a sense of why that may be the case?
20 And how does SBS target any outreach it does to
21 improve vacancy rates? And how does vacancy data
22 guide SBS's efforts to improve vacancy in certain
23 corridors?

24 CALVIN BROWN: Well, vacancy rates is very
25 complex. The conditions are the factors that impact

1
2 vacancies in community districts may vary. What we
3 do is we do work with any local partner to understand
4 you know some of the challenges that they may be
5 seeing that may be contributing to the high vacancy
6 rate, but given the sort of nuance of the issue and
7 the complexity of the issue, we work with our local
8 partners to really understand what those challenges
9 are and then we see whatever resources – I mean,
10 sorry, utilize whatever resources that we have at SBS
11 whether it's outreach or any of our grant programs to
12 provide a more localized you know approach to it.

13 We also think in tandem with some of the
14 strategies that we have been using with the City of
15 Yes, it may remove some of the archaic zoning
16 barriers that prevent some spaces from being able to
17 be occupied. So, we think in tandem with our
18 strategies in the City of Yes that we may see a trend
19 of those spaces you know potentially being occupied.

20 MAJORITY WHIP BROOKS-POWERS: So, how are you
21 using the data in terms of how you're doing outreach
22 specifically in District 31 because again, a lot of
23 our merchant corridors, there are high vacancy rates.
24 I think about Merrick Boulevard and Laurelton, like
25 there is an entire block almost that's fully vacant.

1
2 And so, what is in the toolbox for SBS to be able
3 to address that because it's a blight on the
4 community and it's unsafe. There are times when we
5 have had people squatting in there. We've had to
6 call Law Enforcement to try and get them out because
7 there are unsafe conditions as a result of that.

8 TIAN WEINBERG: So, Council Member, really
9 appreciate the question and as you know, Commissioner
10 Kim is so dedicated to outreach and he's been to
11 every Council District himself. We would love to you
12 know take a tour of that specific area and engage the
13 property owners to better understand what's going on.
14 As Deputy Commissioner Brown said, there's a multi -
15 you know different tools that we can use as SBS.
16 First and foremost our business services. You know
17 our mobi van, we bring it out into the commercial
18 districts throughout New York City and we've really
19 focused on providing commercial lease assistance in
20 those areas where we can identify business owners who
21 are interested in moving into districts and work with
22 them to find beneficial lease terms that will
23 actually help them open the storefront and stay
24 operational for longer.

1
2 MAJORITY WHIP BROOKS-POWERS: But what about the
3 businesses that are like on the foreclosure list
4 right now? Because there are a couple of those
5 properties that if you look, they are on the
6 foreclosure. Thankful you don't have a lean sale
7 going on right now but if we did, they would be at
8 risk of being vulnerable to that as well. So, how
9 can you engage a business when they're at that point
10 already?

11 TIAN WEINBERG: That's a great question, so
12 storefront vacancy is definitely about opening
13 storefronts but it's also about keeping existing
14 storefronts operating. Our Commercial Lease
15 Assistance Program works with folks who are in the
16 process of you know lease issues with free legal
17 assistance, so we can definitely work together to
18 connect those business owners with that free pro bono
19 legal assistance. The only thing I would say is that
20 it's prelitigation, so if they are you know entering
21 into some sort of litigation, that does stop us from
22 working with them.

23 MAJORITY WHIP BROOKS-POWERS: In a few different
24 agency a crucial to the city's efforts to improve
25 vacancy rates, that includes the Department of

1
2 Transportation, who can help ensure that sidewalks
3 and streets encourage people to patronize local
4 businesses.

5 How does SBS coordinate with DOT to reduce
6 vacancy rates, if at all?

7 TIAN WEINBERG: That's a really great question
8 and I'll let Calvin speak to that.

9 CALVIN BROWN: Yeah, I mean we are in
10 coordination with other city agency partners around
11 the public realm and how we can improve those
12 conditions. Currently, any neighborhood that is
13 doing the commercial district needs assessment. You
14 know they identify those challenges and if they are
15 related to other agency where they fall under that
16 agencies purview, we engage that agency around
17 efforts to kind of address some of those challenges.

18 So, it's really taking a localized approach to
19 it. Just really understanding what the problem is,
20 where it falls under any of the agencies where
21 there's DOT or Department of City Planning and then
22 we engage our agency partners to kind of really help
23 with any of our local partners to address those
24 issues.

1
2 MAJORITY WHIP BROOKS-POWERS: And I do want to
3 take up an offer in terms of doing a tour. Obviously
4 I have a few different merchant corridors. I have
5 Merrick Boulevard. I have Mott Avenue, which
6 Commissioner Kim has come a few times to and I am
7 very thankful for. We also have Francis Boulevard.
8 We have a merchant strip on Beach Channel that could
9 use some uhm, support to really build it up and also
10 by the sea where you know we have a little bit of
11 ebbs and flows. Like we have a vacant spot by the
12 seat where Chase was in a long-term lease and they
13 have since removed all of their staff there. They're
14 still in the lease but we're trying to attract
15 another bank there. So, if there's a way that SBS
16 can play a role with that too, that would be helpful
17 in terms of that type of tenant for that particular
18 space.

19 But if there are other agencies that we can
20 invite to make it like a taskforce thing, I really
21 would appreciate that.

22 CALVIN BROWN: And I also want to just mention
23 that our grant program is open for Avenue NYC and
24 Neighborhood 360 so if you know any local
25 organizations that are doing commercial

1
2 revitalization work, we encourage you to let them
3 know that they should apply because the first you
4 know step is to really assess what is happening and
5 given those organizations the tools, so that over
6 time, we know that vacancies, they have this ebbs and
7 flows it goes up and down but we want to empower
8 those community groups to understand how to address
9 those challenges on a longer term.

10 MAJORITY WHIP BROOKS-POWERS: Thank you.

11 TIAN WEINBERG:

12 CHAIRPERSON FELIZ: Thank you so much. I just
13 want to reiterate one of the points mentioned by our
14 Majority Whip. Vacant storefronts do have a lot of
15 negative consequences. Not only graffiti issues,
16 garbage dumping issues but also, we've even seen in
17 some parts of my district and in the Bronx in
18 general, even leading to squatting, other general
19 public safety issues and you know it could easily
20 lead one or two vacant storefronts. It could easily
21 have a horrible domino affect in an entire business
22 corridor. So, really important that we give that
23 issue a lot of priority and a lot of attention. So,
24 a few questions about that and then I'll pass it onto
25 Council Member Zhuang and then Paladino who have

1
2 question and then Bottcher. Council Member Bottcher,
3 what in your view are the key driving factors behind
4 the long term rise in vacancies that we've seen in
5 our city and I know it depends on the neighborhood.

6 CALVIN BROWN: Yeah, I mean, I think that's sort
7 of the continuous theme that we have that we know
8 that vacancies is a very complex and very nuance.
9 Even in the study that DCP did back in 2019, where
10 they covered 24 neighborhoods. They said that there
11 was no clear pattern to the vacancy or the rent rates
12 but what they did identify is that in some of those
13 neighborhoods that had high vacancy is that it was
14 restrictive zoning land use requirements that
15 prevented some of these areas from occupying these
16 stores.

17 Just consider one of the proposals that they have
18 in the text amendment with the grandfathering rule.
19 Like if a place was vacant for more than two years
20 they are unable to occupy it with that same use, but
21 by removing that restriction, now you're freeing up
22 opportunities for these spaces to be occupied where
23 otherwise they wouldn't be able to under the current
24 rules.

1
2 CHAIRPERSON FELIZ: Okay, and when you see a
3 drastic change in vacancy rates in the neighborhood,
4 are there any automatic steps that SBS or any other
5 agency takes to try to understand that drastic change
6 in the commercial corridor?

7 CALVIN BROWN: Yes, we engage our local partners
8 to see what they're seeing on the ground. Uhm and
9 using the data that we now have with Live X, Y, Z, we
10 would you know keep our eye on those rates in those
11 particular neighborhoods. We encourage our local
12 partners to do very low hanging efforts to you know
13 address the public realm issues and the quality of
14 life that comes with vacancies. Like, repurposing
15 those spaces. Tian mentioned in Brownsville, they
16 did a haunted house and the meat packing district,
17 they did pop up coffee shops and art installation.
18 So, there is different, very low hanging fruit
19 interventions that our local partners can do to you
20 know improve the quality of life and the appearance
21 of those storefront vacancies. Just as you
22 mentioned, it can have a ripple effect, so if we're
23 starting to see an uptick, we engage our community
24 partners and just understand what those challenges

1
2 are and give them some of the strategies that we have
3 seen work in other neighborhoods.

4 CHAIRPERSON FELIZ: Okay and based on the areas
5 that you have analyzed, had conversations with small
6 businesses and the stakeholders, uhm, areas with high
7 vacancy rates, what are the top five reasons? I know
8 it depends on the specific neighborhood but what are
9 top five reasons that continue to pop up when your
10 having these conversations?

11 CALVIN BROWN: Once again, I mean, it could be a
12 landlord trying to hold out for the ideal rent. It
13 could be where they're located. If they're not in a
14 transit rich area, they're in an area that's not
15 transit rich, uhm it could be the buildout of the
16 space is not really reflective of the market and the
17 type of spaces that are in need for commercial
18 spaces.

19 So, once again, it's really engaging the local
20 partner, so that they can engage with the landlord
21 and really understand what those challenges are.

22 CHAIRPERSON FELIZ: Okay and going back to the X,
23 Y, Z map and system, any ways that we can improve
24 the system to make it more accurate, make it easier
25

1
2 to use or anything that we thought about of different
3 ways of improving it?

4 TIAN WEINBERG: Council Member, I mean the
5 feedback that you've given today about looking at
6 long term vacancies we'll certainly take back to the
7 vendor and think more about it. I'm happy to you
8 know hear more from this Committee about what you
9 would like to see.

10 CHAIRPERSON FELIZ: Okay, thank you. I'll pass
11 it onto Council Member Zhuang for some questions.

12 COUNCIL MEMBER ZHUANG: Hi. Thank you Chair. On
13 this map, I see they have the high vacancy rating on
14 Sunset Park. Do you have any updated data for this
15 one? For the uhm DOF data snapchat because this is
16 old data. Do you have new data?

17 TIAN WEINBERG: So, uhm that map if I am correct
18 is from the Department of Finance and our data is
19 slightly different in terms of a different source and
20 different sourcing process. But we are more than
21 happy to provide some more district specific data to
22 you and we can definitely have a meeting about that.

23 COUNCIL MEMBER ZHUANG: Okay, because according
24 to the data you guys provided today, uhm the Sunset
25 Park area had a high vacancy rate, 20 percent but in

1
2 my district in Sunset Park area, I see business
3 everywhere. They have illegal stray vendors
4 everywhere. Is there anything you guys to help about
5 those illegal vendors?

6 TIAN WEINBERG: So, actually uhm you know we do
7 have a vacancy rate for your district. We're seeing
8 it at about nine percent so that's in comparison and
9 again, they're not exactly apples to apples, and
10 that's is lower than the boroughwide average and it's
11 lower than the citywide average. So, we are
12 encouraged by that. In terms of street vendors, SBS
13 you know we're really focused; we see street vendors
14 as the city's smallest entrepreneurs.

15 COUNCIL MEMBER ZHUANG: Hmm, hmm.

16 TIAN WEINBERG: And we really want to focus on
17 helping them become legal and finding creative
18 opportunities to grow their business in legal ways.
19 That sometimes may help fill storefronts. So, we
20 have a range of business serves from financing and
21 legal assistance that all New Yorkers are eligible
22 for and we can certainly engage with the vendors in
23 your area and work with our enforcement partners if
24 necessary.

1
2 COUNCIL MEMBER ZHUANG: Thank you and also one
3 more question. I have business corridor on 86th
4 Street and the city want to put a homeless shelter
5 there with 150 men with drug addiction. I get a lot
6 of complaints from the businesses around there. Do
7 you think that's going to affect the business there?

8 TIAN WEINBERG: I don't think that's something
9 that we can speak to but we can look a little bit
10 more into it and understand what's going on in the
11 district.

12 COUNCIL MEMBER ZHUANG: Yeah and also, I'd like
13 to see because I get a lot of complaints saying
14 that's going to affect that business and is SBS able
15 to get involved and the support you're guys are able
16 to give those business owners?

17 TIAN WEINBERG: Uhm we can certainly you know
18 join you to meet with those business owners and see
19 what services we provide, match the challenges that
20 they say that their facing.

21 COUNCIL MEMBER ZHUANG: Like, what's the
22 relationship? Do you guys work together in different
23 subjects between SBS and the uhm what's that program
24 called? Homeless service?

1
2 TIAN WEINBERG: We do work together and we love
3 working with all of our city agency partners. I
4 don't think that uhm we have looked specifically at
5 this issue quite yet and we can certainly engage with
6 our city partners as well as the neighborhood
7 partners on the ground. In general, with you know
8 groups like the Department of Homeless Services or
9 Social Services, we focus on helping folks who are in
10 shelter, you know gain employment across New York
11 City through our Workforce One Centers.

12 COUNCIL MEMBER ZHUANG: For me, I think it's very
13 important to help those people that are homeless.
14 Help them to get regular jobs, get training, find a
15 job and also, if SBS ever to I think it's a breach
16 connect between business and the homeless people.
17 That will be very helpful for our city. We really
18 able to resolve the issue about homeless. I'm
19 looking to see more the work you guys coordinate
20 together work for our community. Thank you.

21 TIAN WEINBERG: I appreciate that, thank you.

22 CALVIN BROWN: Yeah, and I just want to mention
23 Council woman, we do currently have an Avenue NYC
24 Grant in your area, so if there's any you know
25 additional suggestions or recommendations you have,

1
2 we can pass that on to the local group that is doing
3 the work in that area to address any of the vacancies
4 or commercial corridor challenges that you've
5 identified.

6 COUNCIL MEMBER ZHUANG: Thank you.

7 CHAIRPERSON FELIZ: Thank you. Thank you for the
8 questions. A few more questions on that same issue.
9 What tools does SBS have available to support an area
10 facing long term or high numbers of vacancies?

11 CALVIN BROWN: So, one of our you know most
12 useful tools is our commercial district needs
13 assessment and this is where a local group does a
14 sort of an assessment of their commercial corridors.
15 They look at the retail mix. They look at what is
16 vacant. They look at - they survey the consumers to
17 identify what sort of retail offerings they would
18 like to see. And having that localized data, I think
19 that is the most useful tool that any group or any
20 district can have because they are looking at
21 overtime how their commercial corridor is changing
22 and then once again, as part of that grant program,
23 we're trying to empower those groups to just
24 understand how to address those challenges along
25 their commercial corridor.

1
2 CHAIRPERSON FELIZ: Okay and based on all of the
3 systems that we currently have, any success stories
4 that stand out? For example, vacancy rates going
5 from ten percent to five percent, due to a program
6 that we implemented?

7 CALVIN BROWN: We haven't looked at how the
8 vacancy rate has changed but we do have good examples
9 of uhm - in Sunset Park, where the Brooklyn Chinese
10 Association was able to match entrepreneurs to vacant
11 spaces in their district. QEDC will be doing a
12 similar sort of corridor walk with potential
13 entrepreneurs who can access those vacant spaces and
14 then when we get those best practices, we like to
15 share that among the network and with other partners
16 so that we see that these things work in the
17 neighborhoods. That they may be able to be useful
18 tools in communities that are experiencing high
19 vacancy rates.

20 CHAIRPERSON FELIZ: Okay and what are some of the
21 regulatory measures that mostly affect storefront
22 vacancies? And also, do you see anything changing
23 based on the many conversations we're having with the
24 City of Yes proposals, also Local Law 151 of 2023?

1
2 Do you see any of those new potential reforms
3 affecting vacancy rates or trends?

4 CALVIN BROWN: Uhm, just knowing what is being
5 proposed by the Department of City Planning, the City
6 of Yes, I think once again, along with some of the
7 strategies that SBS has, working with our local
8 partners, employing some of our grant programs, uhm I
9 think in tandem; they would help open up
10 opportunities that are currently not there. So, you
11 know hopefully that would be uhm you know opportunity
12 to fill those spaces.

13 Once again, you know we know that there are
14 growth areas that things that are trending up, like
15 uhm juice bars and sports stores and coffee shops,
16 these are things that are doing well, so we are
17 identifying those things that are doing well, and
18 then looking at the sectors that are not doing so
19 well and seeing where we may be able to provide
20 support. Like, you know, toy stores or party supply
21 stores.

22 So, we're using that information that we're
23 collecting from Live, information that we're getting
24 from our local partners to feedback into our program
25 design to see where we need to pivot. As part of our

1 Avenue NYC and Neighborhood 360 grant, one of the
2 program components is storefront improvements. So,
3 we're trying to help our local partners be a vigilant
4 and identify these challenges that they are having
5 along their commercial corridors.
6

7 TIAN WEINBERG: Chair, I would like to highlight
8 that the Fordham Road BID is currently working with a
9 nonprofit to do temporary activations in three vacant
10 storefronts in your district. So, I think it would
11 be a great thing for us all to sit down together and
12 think more about some local interventions.

13 CHAIRPERSON FELIZ: Thank you, yup, thank you for
14 all the work that you're going doing. We love the
15 Fordham Road BID and we love the Fordham Road
16 Business Corridor, the busiest corridor in the entire
17 Bronx.

18 Yup, so now I'll pass it onto Council Member
19 Paladino and then Council Member Bottcher.

20 COUNCIL MEMBER PALADINO: Good morning. Thank
21 you Chair. As we know storefront vacancies now have
22 become somewhat rampant. Right now, in my district,
23 I have shopping centers that are just emptying out.
24 I've been in touch with the owners of the shopping
25 centers. They really are at a loss right now but my

1
2 biggest concern is the City of Yes and the economic
3 end of it. When we talk about moving stores or
4 people self-starting in their homes, actual
5 businesses that could be in bricks and mortar, how is
6 the City of Yes and this economic opportunity going
7 to impact the already very large number of storefront
8 vacancies that we do have?

9 CALVIN BROWN: I mean from what we know from the
10 City of Yes, there will be a limitation on those in-
11 home uses. So, not every business will be able to be
12 occupied within their home. But from an SBS point of
13 view, we look at — that's like a pipeline. You know
14 most bustling businesses started in their home and
15 working with those entrepreneurs, eventually maybe
16 they can you know take on those brick-and-mortar
17 spaces as we help them as we do as an agency, help
18 businesses to grow and to operate.

19 So, we feel like it's an opportunity to create
20 this sort of pipeline from in-home businesses to
21 brick and mortars. So, like I stated, there are
22 going to be limitations to what those in home uses
23 are and we just feel that this is another strategy
24 that we can take to address vacancies by making sure
25

1
2 that as those businesses grow, that there is spaces
3 that they can occupy.

4 COUNCIL MEMBER PALADINO: Okay, uh you know we
5 also have a lot of mom-and-pop stores that have been
6 struggling tremendously to keep their heads above
7 water. We also have a - it's actually, it's known as
8 Raindo by me and he used to have four stores. One of
9 which was on Long Island, three which were in Queens,
10 two which were in my district.

11 So, they are really one step away from closing,
12 due to this shoplifting crisis that we've got going
13 on. We've got the larger stores, which is CVS, and
14 our other stores like that, Walgreens. We go into a
15 CVS by me on the corner of the block of my office,
16 which is on Francis Boulevard and went into buy a
17 tube of toothpaste. It's of course locked up as
18 everything is now but the manager of the store will
19 only keep one tube of toothpaste behind the panel
20 with the lock. It's insanity, so how and do we
21 attract people to go back to brick and mortar when
22 they're so fearful of the shoplifting epidemic that's
23 going on? I mean we've got kids coming in in
24 bicycles and just bike riding through a store and
25 ransacking a store. And a lot of people think things

1
2 like that don't happen in District 19 but they do and
3 I want to know what can we do to help these people
4 out?

5 TIANA WEINBERG: This is such an important issue
6 and you know this Administration takes the retail
7 theft challenge very seriously, which is why the
8 Mayor has convened a retail theft taskforce with
9 local business owners, law enforcement, national
10 retailers, laborer, all sorts of folks to share you
11 know what's going on in their districts. What new
12 ideas, what new technologies are being implemented.
13 But Council Member specific to your district and what
14 might be able to help, I mean you know SBS is able to
15 help convene community partners and the NYPD through
16 the Community link Program, which addresses you know
17 quality of life issues, public safety issues.
18 Additionally, through our investments in our
19 neighborhood development division, such as our
20 Commercial District Lighting Grant. We help to
21 actually pilot innovative Commercial District
22 Lighting Program that help you know bring more light
23 into commercial districts. That obviously helps to
24 improve quality of life and make people feel safer,
25 which is a huge part of addressing this.

1
2 COUNCIL MEMBER PALADINO: I didn't realize I
3 could go through SBA to do that. This is great
4 because I know several corridors that could really
5 use the lighting because people stop going – you know
6 now it's spring, it's summer, it's going to be light
7 until 8:00, 9:00 at night. People are out, they're
8 bustling around but we're talking about it's
9 literally half a year where people stay home after
10 4:00 because they don't want to go out.

11 So, that's a good thing. Can I have just one
12 more moment? Thank you.

13 Here's something for you too. It seems that
14 illegal business such as smoke shops are thriving.
15 These are cash businesses that are selling illegal
16 products. What is the motivator for a legitimate
17 business to open when there are so many unfair
18 quality businesses, quantity of businesses opening?
19 Here in my district I have over 30 smoke shops and I
20 work with Anthony Meranda. We did buses on them. I
21 mean we really, we hit these places hard and yet
22 within four hours, they're open again but they open
23 under the guise of a convenience store because when
24 you go in, it's you know ice cream and lollipops and
25 bags of chips. What can you do on your end knowing

1
2 that these businesses are illegal? Can we do
3 anything as far as when somebody comes to you with a
4 convenience store and wants to open convenience
5 store. What kind of guidelines can we put in to try
6 to restrict them selling the paraphernalia that
7 they're selling and ultimately under the desks and
8 under the place, you know thousands and thousands of
9 dollars of illegal contraband?

10 TIAN WEINBERG: So, again this is a really
11 important question and so, thank you for asking it.
12 At SBS, you know we're really focused on helping
13 legal businesses open.

14 COUNCIL MEMBER PALADINO: I know you are.

15 TIAN WEINBERG: And uh we also you know do
16 potentially touch this through our Cannabis NYC
17 initiative, which is focused on helping legal,
18 licensed cannabis shops.

19 COUNCIL MEMBER PALADINO: And they're coming too
20 now. I have two and they're very nice. They're
21 lovely. They came to see me first; everything was
22 really done you know the right way. I'm very happy
23 about that.

24 TIAN WEINBERG: That's really good to hear.
25

1
2 COUNCIL MEMBER PALADINO: And their goal is to
3 see these illegal shops close down but it's around
4 Robin. I'm not going to tie you up with that. Also,
5 sidewalk, we reached to you and we're going to
6 arrange for a business resource roundtable and we're
7 in the process of that but we have to fill out the
8 multiple of pages of paperwork. I'd just thought I
9 would give you a chuckle with that but thank you very
10 much for your time. I appreciate and look forward
11 to, we have a lot of work to do and I look forward to
12 working with you. Thank you very much.

13 TIAN WEINBERG: Thank you Council Member.

14 CHAIRPERSON FELIZ: Thank you so much Council
15 Member Paladino and speaking about that general
16 safety issue. You mentioned Walgreens; there's
17 actually a Walgreens one minute away from where I
18 live that's actually closing down due to the issue of
19 retail debt and you know the other day I visited a
20 CVS around the outer section of the Bronx. Not only
21 did they have items locked up but also once they
22 freed the items, they would bring it to the cashier
23 due to the issue of retail debt. So, uhm you know I
24 always tell myself, I hope this is something that
25 doesn't become the norm and anytime I speak to a

1
2 small business, that is literally the very first
3 issue that they bring to us, so something that I
4 think all of us are giving attention but I think it
5 needs a little bit more attention than what we're
6 giving it.

7 So, on that issue, is there any type of help that
8 we could potentially give to the small businesses on
9 that issue? I know you mentioned the lighting
10 program, any help that we could give directly to the
11 businesses potentially for example, grants so they
12 could cover security related expenses or you know
13 whatever security cameras, plexiglass for bodega's?

14 TIAN WEINBERG: Absolutely Council Member. Uhm,
15 so our approach here has been to really engage with
16 the local precinct. They're able to give
17 walkthroughs for all of these businesses to help them
18 assess their security needs, understand where they
19 should be putting cameras, what other sorts of safety
20 measures they should be taking. The crime prevention
21 team at the NYPD has also developed a protocol to
22 work really closely with commercial district leaders
23 to ensure that you know there's a direct line of
24 contact to the local precinct to make sure that folks
25 understand how the NYPD works, understand how to

1 reach out to them and that's really been our focus is
2 in developing those neighborhood relationships with
3 local precincts. I do also want to highlight and I
4 should have mentioned this Council Member Paladino
5 that the Queens DA has okay - yes, the Queens DA has
6 a program which we find encouraging. Again, looking
7 at repeat offenders, looking at hot spots, and
8 through the Retail Theft Taskforce convened by the
9 mayor, he's convened all of the DA's on this issue
10 because it's certainly across government needed
11 approach and the DA's have a big hand in it as well
12 and they are trying to work creatively, so Council
13 Member, maybe we could you know work with the Bronx
14 DA together on this.

16 CHAIRPERSON FELIZ: Yup absolutely and also, any
17 trends that we've seen on that issue? Have we seen
18 retail theft increase in the last two years or
19 anything showing that we might be moving in the right
20 direction on that issue or are the numbers still
21 being analyzed?

22 TIAN WEINBERG: Uhm, I would have to defer to the
23 NYPD on this but overall, we are encouraged that
24 public safety numbers are you know showing a safer
25 streets and safer corridors.

1
2 CHAIRPERSON FELIZ: Okay and to what extent would
3 you say retail theft plays a role on the issue of
4 vacant storefronts? Would you say that's you know
5 one of the top five reasons for the going out of
6 business problem that we're seeing in many
7 communities?

8 TIAN WEINBERG: Uhm, I would say it's certainly
9 something that comes up when we talk to folks but as
10 Deputy Commissioner Brown says, each neighborhood is
11 very different and each one requires a tailored
12 approach and each store owners experience is also
13 very different, so that's why we're really focused on
14 making sure there's like equitable access to Law
15 Enforcement officials and ensuring that relationships
16 there are strong so that people can ask for help when
17 they need to. We don't want there to be any sort of
18 stigma or hesitancy in terms of asking for assistance
19 from your local precinct.

20 CHAIRPERSON FELIZ: Thank you. Thank you so
21 much. So, now we'll hear from Council Member
22 Bottcher and then from Council Member Brewer.

23 COUNCIL MEMBER BOTTCHEER: Thank you Chair. I
24 would love to drill down a little bit more on Local
25 157 of 2019. Local Law 157 of 2019 requires that at

1
2 the start of year, building owners with storefront
3 and second floor commercial space as well as
4 commercial spaces in residential buildings are
5 required to register with the City Department of
6 Finance as part of their annual income and expense
7 filings. The size, location, occupancy status,
8 monthly rent, lease status, and owner contact
9 information for each space. Can you give us an
10 update on how that's working with all those data
11 sets? Particularly monthly rent and lease status, is
12 that information being reported by building owners?

13 CALVIN BROWN: So, that is self-reported data and
14 we would have to refer to DOF to speak on their
15 reporting requirements because that information goes
16 directly to DOF. We manage the Local Law 152 using
17 the platform, so we have a sense of what the
18 storefronts are but that data on the first floor,
19 second floor and the sizes of the spaces, that
20 information is sent to DOF.

21 COUNCIL MEMBER BOTTCHE: The information is
22 collected by Department of Finance but as the
23 Department of Small Business Services you ostensibly
24 received that information. You analyze it, you
25 publish it?

1
2 CALVIN BROWN: Uhm, we do get it but we don't
3 verify the legitimacy of that data. We rely on DOF
4 and their reporting practices so we have it but we
5 don't verify whether or not it's accurate or not.

6 COUNCIL MEMBER BOTTCHEER: What's your opinion
7 about the compliance with Local Law 157 as the agency
8 that is concerned about small businesses. This data
9 set, are you analyzing it? Is it complete? Can you
10 give us an update on the data set?

11 CALVIN BROWN: I mean, I would just say our
12 opinion of it, any information that we get that can
13 help us address any of the concerns that we have
14 along commercial corridors, we welcome that
15 information, whether it's complete or not complete,
16 we use a variety of tools so if it can supplement any
17 of the information that we have, you know we use what
18 we can.

19 COUNCIL MEMBER BOTTCHEER: Do you have the data;
20 do you possess the data on monthly rents and lease
21 status for storefronts and commercial spaces in New
22 York City?

23 TIAN WEINBERG: Uhm, if we do it would be through
24 our CDNA's which are neighborhood research studies
25 basically that we help to fund in partnership with

1
2 community-based organizations. When they identify
3 challenges such as retail vacancy, we support them in
4 doing that tailored review in their neighborhood,
5 which may include convening property owners and
6 looking at data like that through systems like
7 Property Shark.

8 CALVIN BROWN: Yeah, and the most comprehensive
9 data that we have is the one that we collect through
10 Local Law 152.

11 COUNCIL MEMBER BOTTCHEER: The hope was for the
12 storefront tracker as it was called was that this
13 would provide us with an automatic regularly updated
14 data set for storefront vacancies citywide so we
15 wouldn't have to necessarily rely on ad hoc walking
16 surveys of neighborhoods and we would get to over
17 time see vacancies, lease terms, rents and really get
18 a handle on the problem. It sounds to me like Local
19 Law 157 isn't fulfilling that promise. That it
20 sounds like an incomplete dataset that provides some
21 information but it's not the tool for you that it
22 could be as you seek to support small businesses in
23 New York City.

24 TIAN WEINBERG: Council Member, I really
25 appreciate your attention to this. So, we have been

1
2 looking at Local Law 152 and working with Live X, Y,
3 Z through our Live NYC map which does citywide
4 surveying and walking through corridors on a citywide
5 basis every 90 days. So, I do want to you know
6 establish that this is a citywide data base where it
7 doesn't necessarily, where I'm hearing you know your
8 interest is in the second-floor vacancies as well.
9 This is really focused on ground floor level and
10 again walking through storefront, sorry - through
11 commercial districts, doing a visual canvassing and
12 so, certainly there is more to do across all of our
13 communities. We really do think that community-based
14 partnerships are the key to that because that also
15 helps us serve as solutions to challenges that are
16 identified.

17 COUNCIL MEMBER BOTTCHE: So, Local Law 152 seems
18 to be working in your opinion with respect to helping
19 to provide data about storefront vacancies citywide,
20 whereas Local 157 the self-reporting data through the
21 Department of Finance doesn't seem to be a primary
22 tool for your agency at this time.

23 TIAN WEINBERG: We're really focused on using the
24 new tools that we have which coincide with Local Law
25 152 but would definitely you know have to have a

1
2 conversation with the Department of Finance at the
3 table to understand better if there are any you know
4 sort of improvements on that front.

5 COUNCIL MEMBER BOTTCHEER: I will just finally
6 note that Local Law 157 says that owners who fail to
7 register or provide or who provide inaccurate
8 information will face fines and I think that would be
9 a good follow-up to this as to speak with the
10 Department of Finance and get an update on their
11 implementation of Local Law 157, if it's even being
12 implemented as the law requires. Thank you.

13 TIAN WEINBERG: Thank you.

14 CHAIRPERSON FELIZ: Thank you so much Council
15 Member Bottcher and now, let's hear from Council
16 Member Gale Brewer.

17 COUNCIL MEMBER BOTTCHEER: And it was the then
18 Borough President, Gale Brewer's law. I didn't see
19 you there.

20 COUNCIL MEMBER BREWER: I do think it does need
21 help because many of the owners are not complying, so
22 we have been in touch with Finance about it but it
23 does need some assistance.

24 I was next door, I'm sorry, so I didn't hear
25 everything but this is a topic that I've been working

1
2 on for a very long time. What tools, I call it the
3 Blaze Law, that's Blaze's Law, the one with the
4 making sure that there are, there's a map. So, I
5 call it Blaze's Law. They don't know Blaze but you
6 know Blaze, okay. So, the question is, how are all
7 of these databases so to speak helping you, whether
8 it's Blaze's, it's 152, 157. If it was fully
9 implemented, helping you to identify where the
10 vacancies are and what you're going to do about them.

11 They are creating havoc. They're creating havoc
12 because there is homeless, garbage, the business next
13 door is hurt, the police have to put extra time in
14 and the owners, as far as I know don't get city,
15 state, or federal tax right offs. They get some
16 depreciation. We've been talking about this for 30
17 years. And so, my question is, do you have enough
18 tools and if you have the tools, what are you doing
19 with them? Now, you can't force an owner to rent
20 right? I understand that but you can have what I
21 did, which is we have on the upper west side, the law
22 that if you are a 151 you can't come in with a big
23 storefront on Amsterdam and Columbus, get the hell
24 out, you're not allowed. 40 feet is you know, you
25 can't have a storefront bigger than that unless

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2 you're grandfathered in and banks anywhere can't have
3 more than 25 feet. What that does is it helps when
4 the big store comes in then leaves, you don't have
5 this big space. So, is there some way maybe of
6 cutting up some of these big spaces? We've lost a
7 lot of Walgreens, a lot of CVS's for whatever reasons
8 and they sit empty. So, my question is, I guess you
9 know a bigger question. I did pass under Amanda
10 Burden; I did pass legislation that cuts the size of
11 the zoning discussion. It's made a huge difference.
12 You don't see many vacancies when you have to have a
13 small store. So, this vacancy issue, I thought it
14 would end sort of once the pandemic ended. It has
15 not. It has continued to be a problem. So, I guess
16 with my question, will all these different tools,
17 what are we doing to be able to address? Others
18 would like to have a mandated art program in the
19 space. When those spaces are empty, there's no
20 lighting at night. There is people creating havoc
21 outside that space. People are sleeping outside that
22 space. I understand that but it's because it's
23 vacant. So, what could we do with all of this data?

24 CALVIN BROWN: Yes, very good question Council
25 Member. So, as stated, with Local Law 152, we do

1 collect the number of vacancies every 90 days
2 quarterly, so we have a count of which openings
3 happen citywide, at the borough level, Council
4 District Level, and then where the closings are. We
5 use that information one, to understand where the
6 vacancies are high and then we use the tools that we
7 have like grants. It was mentioned that we uhm,
8 launched a commercial district lighting grant, so
9 those areas that were you know the perception of
10 safety, making sure that those areas had an
11 opportunity to increase their level of light in, and
12 increase the level of safety but we also have other
13 tools like our grant programs, the CDNA's.

14 COUNCIL MEMBER BREWER: They don't want grants,
15 they want loans.

16 CALVIN BROWN: They don't want grants, they want
17 loans?

18 COUNCIL MEMBER BREWER: Oh I'm sorry, they want
19 grants, I'm sorry, they don't want loans. But they
20 don't even – grants I'm just saying at least in
21 Manhattan, it doesn't make a huge, they got to rent.
22 They got to rent it.

23 CALVIN BROWN: Yeah, these are grant programs
24 that – yeah, these are grant programs that we offer
25

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2 and part of it too, I think I stated it earlier, is
3 that we want to help build the capacity of that local
4 group so that we are giving them the tools to
5 identify those challenges on their commercial
6 corridors. Any grantee that works with us, we expose
7 them to the other resources that SBS has like our New
8 York Invest Team, our Compliance Advisors, so they
9 can be out there on the corridor. So, it's about
10 using multiple approaches to address this, whether
11 it's our lighting grant, tracking the vacancies, and
12 then working with our local partners.

13 COUNCIL MEMBER BREWER: Okay. Does the 152 data
14 go into Blaze's database or are they separate?

15 CALVIN BROWN: Well, it's our data Blaze. It's
16 the Live NYC map, yes.

17 COUNCIL MEMBER BREWER: I know but I'm — but does
18 it go into that 152 goes into that database?

19 CALVIN BROWN: Yes.

20 COUNCIL MEMBER BREWER: That's the database that
21 152 creates, is that what your saying?

22 CALVIN BROWN: Yes, and we'll be able to have a
23 more accurate account of what's happening every
24 quarter.

25

1
2 COUNCIL MEMBER BREWER: Okay, okay, I mean I
3 guess what I'm saying is, it's my impression that the
4 vacancies are not going down. They seem to be
5 increasing particularly of larger businesses and at
6 least in Manhattan where rents are high and the
7 stakes are high. All of these grants are not going
8 to make a big difference, so I guess what I'm saying
9 is, you need a louder voice about people renting and
10 not having them stay vacant for months and months and
11 months. Somebody needs to say something because
12 obviously, we don't know what the advantage is to the
13 owner. The owner tells me there is no advantage but
14 he or she is waiting for the larger I hate to say
15 chain store or somebody to come in. They mostly want
16 chain stores and of course, I don't want chain
17 stores. I want the local flavor but so there's a -
18 people are very attached to their local stores and
19 this is a quality-of-life issue. And so, I think you
20 know maybe we should have taxing, this will be a
21 state issue on vacancies. In other words, if you're
22 a vacant store, tax it. That might be something I
23 know you don't want to suggest taxing. I understand
24 that but they will keep them vacant for a very long
25 time unless there's some instrument that says, this

1
2 is no longer an option for you. So, you do need to
3 think a little bit more in my opinion holistically
4 about this issue. It is contributing to the vacant,
5 to the crime issues. And so, I would love to see
6 more discussion then with all due respect, a lighting
7 program. We don't need lights in Manhattan. We got
8 plenty of lights. We need them to be filled. We
9 need them to be filled, that's what we need.

10 CALVIN BROWN: Yeah, no, we definitely understand
11 what you're saying and very good point. Even though
12 it may not seem that way, I think there's a slow and
13 steady downtrend that we have been observing in terms
14 of the vacancy. So, we're going to try to you know
15 capitalize off of that momentum and make sure -

16 COUNCIL MEMBER BREWER: But what numbers do you
17 see this year versus last year? Did you give those
18 numbers earlier in terms of the vacancies?

19 CALVIN BROWN: So, the current vacancy rate is
20 11.3.

21 COUNCIL MEMBER BREWER: Citywide.

22 CALVIN BROWN: Yeah, citywide.

23 COUNCIL MEMBER BREWER: And what was it last
24 year? At least 22 versus 23, whatever you want.

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2 TIAN WEINBERG: The uhm, earliest comparison we
3 have is quarter three of 2023. It was 11.6 and then
4 today, 11.3 citywide. Similarly in Manhattan,
5 although Council Member, you're pointing out I mean,
6 Manhattan is seeing this issue more than the other
7 boroughs.

8 COUNCIL MEMBER BREWER: Much more.

9 TIAN WEINBERG: On the same timeframe from
10 quarter three 2023, we see 15.7 decreasing by 7 basis
11 points to 15.0 today.

12 COUNCIL MEMBER BREWER: Okay, yeah I do think
13 that we have - the other thing is just finally I'll
14 say, you could have some art programs in the
15 vacancies and make them more mandated, not if you'd
16 like to but that issue is something has to be
17 happening in that space and whether it's
18 Shoshana(SP?) or some other organization to be part
19 of the way in which you deal with vacancies. I have
20 not heard you talk about that. Do you have an
21 opinion on that?

22 TIAN WEINBERG: We love community art and we do
23 want to highlight one specific, a couple specific
24 examples of how we've been working with the community
25 groups to do this and Council Member Bottcher's

1
2 District with the Meat Packing District BID. They
3 transformed eight storefronts.

4 COUNCIL MEMBER BREWER: Jeffrey does everything,
5 so take him out of the equation. Go ahead.

6 TIAN WEINBERG: Into the theater performances
7 spaces, I mean just to highlight that, the Downtown
8 Alliance is also working on activating vacant
9 storefronts to help promote the holiday season and we
10 also piloted a program called building creative
11 capacity last year outside of Manhattan and Queens
12 with the Asian American Foundation and they funded
13 murals and other sorts of artist activations in those
14 neighborhoods.

15 COUNCIL MEMBER BREWER: But I'm just maybe some
16 of your grants could go toward that. I do the same
17 thing, art for art on the Avenue, Shoshana I got it
18 but it's still a big problem so I'll leave it at
19 that.

20 TIAN WEINBERG: Appreciate it, thank you.

21 CALVIN BROWN: Thank you.

22 CHAIRPERSON FELIZ: Thank you. Thank you so much
23 Council Member Brewer and thank you for all the work
24 you've done on the different local laws that we're
25 talking about today. A few more questions on that

1
2 issue. So, obviously every commercial corridor is
3 different. In some commercial corridors, the vacant
4 storefront problem is so severe that it makes it
5 almost impossible for any business to want to come
6 there. Just imagine opening up or trying to open up
7 a business in a block with four other vacant
8 storefronts. Just imagine how the foot traffic is in
9 that community and also quality of life issues in
10 that community. It could make it almost impossible
11 for any business to want to come there.

12 So, I don't know if Council Member Brewer
13 indirectly asked this question but any grants
14 available to encourage businesses to come to
15 neighborhoods that have some type of storefront,
16 vacant storefront emergency?

17 CALVIN BROWN: Well, I mean, our grants work with
18 local community partners and in part of our grant
19 programs, we do have a storefront improvement
20 component, so once they've this assessment of their
21 corridor, vacancies is one of their top challenges we
22 provide them with best practices and tools so that
23 they can engage with those landlords to try to
24 activate those spaces. Some of them you know what
25 was mentioned by Council Member, like repurposing

1
2 those spaces or doing pop ups in those spaces, just
3 to kind of minimize the impact that it's having on
4 the quality of life.

5 CHAIRPERSON FELIZ: Okay, well I guess in the
6 future hopefully we could continue talking about
7 potential grants that we could work on just to help
8 businesses that want to invest in areas that we could
9 even call risky due to the high amount of vacant
10 storefronts. I mean again, just imagine trying,
11 thinking about opening up a restaurant in an area
12 with high vacancy rates and also quality of life
13 issues in the community, right? Nobody would want to
14 come to that restaurant. It will be very difficult
15 for any small business owner to say, this is going to
16 be the community where I'm going to invest my time
17 and energy. So, yeah, I look forward to continuing
18 that conversation and I'll pass it on to Council
19 Member Paladino for a second round of questions.

20 COUNCIL MEMBER PALADINO: Thank you. Two things.
21 Gale brought up a very good point about fining
22 because I just talked about some of my shopping
23 centers, now they're privately owned and I know for a
24 fact that one of my owners because it took them two
25 years before he would even talk to me on the phone.

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2 He is deliberately letting these storefronts go
3 vacant. It's an eye sore. Is there any sort of
4 fines? You know when Council Member brought that up,
5 I thought that was a really good idea. Is there any
6 way this is privately owned, that he could face a
7 financial consequence to the fact that he is
8 deliberately, deliberately not filling his stores?
9 He has owned this shopping center since 1957. He
10 owns 50 something other ones along with this one.
11 This is a hub. This is where I grew up. It was a
12 go-to for people who lived in my community in part of
13 my district known as Whitestone and yet this has
14 become not a nice place to be.

15 So, I was just wondering, that makes a lot - I
16 thought that makes you know, I hate penalizing people
17 with fines but if it's the only thing that's really
18 going to shake them up and there's some sort of
19 consequence, only then are we going to see something
20 really happen here. You know we're talking about; we
21 can't sugar coat the fact that there's rampant crime
22 in the city, which is preventing people from opening
23 small business in what was once good areas to go to.
24 You know my Chairman here has brought up a very good
25 point. You had a row of very nice stores at one time

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2 and now they're empty. They're empty since COVID
3 most of them, right? Pre-COVID, Post-COVID, they
4 never could rent again. You have one guy who wants
5 to go in and put in a really nice restaurant,
6 something small, something cute and he's afraid or
7 she's afraid to do that because while our DA in
8 Queens is doing her best with the passport situation
9 and we work very closely with our precincts, we all
10 know there's not enough cops to do the job. We know
11 that there's security people that are standing guard,
12 cannot stop what's happening.

13 So, let me go back I diverted, I'm sorry. Let me
14 go back to these large box stores as Council Member
15 Brewer brought up. We have it also a what once was a
16 very large Waldbaum's. They broke into a CVS and now
17 Northshore Farms and they're being ransacked that CVS
18 and they're facing closure. So, I guess if we come
19 back to empty storefronts, stay on the topic Vic.
20 Empty storefronts and what kind of - what can we do?
21 And let me go back again to the City of Yes, I
22 realize what you're saying is it being a pipeline?

23 I'm going to tell you right now, if someone is
24 allowed to make a barbershop in their garage, not
25 going to happen?

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CALVIN BROWN: Not allowed.

COUNCIL MEMBER PALADINO: That's going to come under a code?

CALVIN BROWN: As the minimum is stated now, you cannot have a barbershop in your home.

COUNCIL MEMBER PALADINO: Well, if the City of Yes passes?

CALVIN BROWN: You will not be able to have a barbershop in your home.

COUNCIL MEMBER PALADINO: And yet, we just had an economic City of Yes conference, I think it was last week a meeting where they did say specifically the person who was speaking on behalf of City of Yes said specially, nail salons, barbershops, are going to be allowed to open in homes.

CALVIN BROWN: Oh sorry, I missed spoke. I read the text and I didn't see barbershops as one of the examples.

COUNCIL MEMBER PALADINO: Well you take - don't worry about it. I'm not holding your hands over the fire for that.

CALVIN BROWN: But going back to your example about the big box store, unfortunately SBS is not an enforcement agency but if there's dumping that's

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2 happening at the mall that's impacting the quality of
3 life, we can contact DSNY because they are the
4 enforcement agency for dumping and then we can you
5 know we talked a lot about the coordination with one
6 Local Law 157. This is a conversation that we can
7 definitely engage our agency partners at DOF just to
8 kind of really analyze the data that they're having
9 but we're not an enforcement agency, so we couldn't
10 leverage any fine.

11 COUNCIL MEMBER PALADINO: I know and I don't mean
12 to lay that at your feet. I understand that. I'm
13 just thinking of different ways and again, to
14 Brewer's point, it was the smaller stores. These
15 smaller stores that are going to become home
16 businesses, these are businesses that are supposed to
17 be going into bricks and mortar. I am against the
18 City of Yes economically. I am against the City of
19 Yes housing. I'm against it period. I want people
20 out of their pajamas. I want them in office
21 buildings again. I know it sounds somewhat
22 antiquated, as people have used that word quite a
23 bit. It's not antiquated. It's called bring
24 business back to New York City in our five boroughs.
25 We need people to feel safe to open up a business.

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2 We need people to feel secure financially with the
3 help of small business. We know all the ways to go
4 about it. We need the people to get the gumption to
5 come back and the more we keep telling people they
6 can stay home; we are just going to see homeless.
7 We're going to see it just go exactly the opposite
8 way of what we want. We want our city back. We want
9 it back economically. We want it back mentally and
10 physically, don't you? You want the heartbeat back
11 don't ya? Right, thank you very much.

12 CALVIN BROWN: You're welcome.

13 TIAN WEINBERG: Thank you Council Member.

14 CHAIRPERSON FELIZ: Thank you. Thank you so much
15 Council Member Paladino. A few more questions before
16 we conclude. On the issue of vacant storefronts. Of
17 course sometimes we have landlords who are you know
18 with good reason taking their time looking for a
19 tenant, a tenant that will bring good business to the
20 corridor. You know bring good jobs, bring good foot
21 traffic rather than you know rushing to rent and
22 potentially renting to, for example, smoke shop as
23 we've seen in many areas and of course we don't want
24 to harm those property owners. We want to be helping
25 them to bring a business to their property but at the

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2 same time, we do have landlords and property owners
3 that are as my colleagues mentioned literally just
4 warehousing their properties.

5 So, just curious, is there anything within our
6 power that we can do to push that specific group of
7 landlords? I know the commercial vacancy that's over
8 state issue but anything that - any tools that we
9 have within our power as a city to I guess push
10 landlords to start looking for tenants?

11 CALVIN BROWN: I mean hopefully, we can encourage
12 them to open up those spaces with the City of Yes and
13 some of the additional opportunities that they will
14 be able to you know put in those spaces like life
15 sciences spaces or a maker spaces that will be
16 allowed to be in commercial districts where
17 currently, they're not allowed to be. These are
18 clean production spaces. They have to adhere to all
19 of the environmental review stuff, so they can be
20 adjacent to those other commercial uses. So, with
21 these additional uses, maybe there's an opportunity
22 for them to envision a different use for those spaces
23 that they're leaving vacant.

24 TIAN WEINBERG: And I would add on top of that, I
25 think continued engagement on this topic is just so

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2 important. In our testimony, we highlighted the
3 central Astoria LDC, which is doing a walk and tour
4 with the Queens Economic Development Corporation,
5 really working to engage the landlords and property
6 owners and bring them in on the shared community
7 vision right. Help them understand the impact that
8 it's having in the community. Make them feel
9 responsible as a stakeholder for it. And so, you
10 know that's the type of work that we hope to be able
11 to continue and will continue through our NDD work.

12 CHAIRPERSON FELIZ: Thank you and also on that
13 issue, what are ways that the City of Yes would
14 encourage property owners to rent? So, you mentioned
15 something about use this? Could you elaborate on
16 that?

17 CALVIN BROWN: So, it's part of the City of Yes.
18 There are amendments that would remove the
19 grandfather law. So, if a space was vacant for more
20 than two years, they couldn't put a noncompliance use
21 in their if it was a commercial use but now they will
22 be able to do that. Opening up other opportunities
23 in commercial districts for maker spaces, these are
24 like bakery, pottery places. They will now be able
25 to be in commercial districts where previously, I

1
2 mean currently under the rule, they wouldn't be able
3 to and the re-envision like amusement stuff, like
4 arcades, comedy shows, things that will help with the
5 nightlife. These are land uses that wasn't
6 envisioned when the current zoning was put into
7 place, so they are revising the zoning amendment to
8 make sure that these are additional opportunities
9 that landlords can utilize for activating those
10 spaces.

11 CHAIRPERSON FELIZ: Got it, okay and final
12 question, so, about 20 years ago, our vacancy rates
13 were at about four percent back in 2007, four
14 percent. Today, the number nearly tripled. It's at
15 about 11.2 or 11.3. Is there any city, state or
16 federal regulation or laws that we could pass that
17 you think would drastically change the numbers back
18 to what they were? City of Yes I'm sure is one of
19 them. Anything else that we thought about?

20 TIAN WEINBERG: Uhm, City of Yes will underscore
21 again but we are actually in the process of convening
22 SBS's from cities all over the country to talk about
23 the shared you know challenges that all cities are
24 facing from commercial vacancy to retail theft and
25

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2 so, we're hoping that as part of that conversation,
3 we'll be able to surface new ideas.

4 CHAIRPERSON FELIZ: Thank you. Thank you so
5 much. Does anyone else have any other questions?
6 Alright, well thank you so much for joining today.
7 We really appreciate all the work that you do on the
8 issue of supporting our small businesses and
9 reactivating vacant storefronts. There's a few
10 pieces of legislation that I'm currently working on
11 and look forward to chatting with all of you related
12 to this issue including one that would give grants
13 for business that want to invest in areas with severe
14 vacancy rates and another one that would waive
15 permits, construction with DOB permits, which are
16 very costly to businesses that want to come
17 specifically to areas that have high vacancy rates.
18 Just to make sure that we're encouraging people to
19 look into these communities and hopefully rent there
20 and bring good foot traffic and life to these
21 communities.

22 But thank you so much and we look forward to
23 continuing our work but yeah, thank you for joining
24 today and also for all the information.

25 CALVIN BROWN: Thank you.

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2 CHAIRPERSON FELIZ: Thank you. The panel is now
3 excused. [01:28:50]-[01:31:21]. Thank you so much.
4 I'd like to recognize Council Member Shekar Krishnan
5 who has joined us. We will now turn to public
6 testimony. I'd like to remind everyone that I'll
7 call individuals by name to testify. Please begin
8 once the Sergeant has started the timer. I will open
9 it up for any Council Members questions after all the
10 panelist have completed their testimony.

11 I remind all members of the public that this is a
12 government proceeding and the quorum shall be
13 observed at all times. As such, members of the
14 public shall remain silent at all times. The witness
15 tables are reserved for people who wish to testify.
16 No video recording or photography is allowed from the
17 witness table. Further, members of the public may
18 not present audio or video recordings as testimony
19 but may submit transcript of such recordings to the
20 Sergeant at Arms for inclusion in the hearing record.

21 If you wish to speak at today's hearing, please
22 fill out an appearance card with the Sergeant at Arms
23 and wait to be recognized. When recognized, you will
24 have two minutes to speak at today's oversight
25 hearing topic, vital corridors, storefront vacancy

1 rates and trends. If you have a written statement or
2 additional written testimony you wish to submit to
3 the record, please provide a copy of that testimony
4 to the Sergeant at Arms.
5

6 And now, we would like to call up Taylor James
7 for your testimony. Oh, actually I'll call Taylor
8 James and then Matt Bauer and then Christopher Leon
9 Johnson. All of you could join us at the table and
10 we'll have Taylor testify first. [01:32:55] -
11 [01:33:09]. Alright you may begin when ready.

12 TAYLOR JAMES: Thank you for this opportunity to
13 comment on the storefront vacancies. My name is
14 Taylor James and I'm a Staff Attorney with the Legal
15 Aid Society's Community Development Project, a unit
16 that addresses some of the most urgent problems
17 facing New York City's small businesses, including
18 the threat of displacement.

19 We work with grassroots organizations to help
20 make sure that people of color, immigrants, and other
21 low-income residents that have helped in building our
22 city are not displaced.

23 Through our representation of commercial tenants,
24 meetings with community organizers and supporting
25 small businesses, unregulated rents continue to be a

1
2 common concern when discussing commercial
3 displacement. For entrepreneurs displaced by
4 excessive rent increases, finding a new brick and
5 mortar location for their business venture is a huge
6 challenge. We routinely hear from commercial tenants
7 that are at risk of displacement. It is important to
8 note that these mom-and-pop businesses have the most
9 profound effect on the character and social fabric of
10 the neighborhoods experiencing this phenomenon. For
11 example, our clients, a Washington Heights restaurant
12 owner of 40-years, was given an eviction notice along
13 with seven other Latinx-owned businesses. The
14 businesses' owners were each given the option of
15 paying higher rent and for the restaurant, it
16 essentially doubled the current rate of \$5,000 a
17 month.

18 Our client could not afford that option. Since
19 there is no law preventing a landlord from doubling
20 the rent, a long-term tenant has no protections to
21 ensure stability. In the process, much is lost. An
22 eviction meant our client was not only losing their
23 restaurant but their life savings.

24 Black and Brown owned businesses in gentrifying
25 areas are still at risk of displacement due to the

1
2 cost of rent in storefront vacancies. When they
3 cannot afford to renew or enter into a lease, these
4 neighborhoods transform physically and culturally.
5 The Legal Aid Society recommends when addressing
6 storefront vacancies SBS should address landlord's
7 unregulated ability to increase rent and hold
8 storefronts vacant. Thank you.

9 CHAIRPERSON FELIZ: Thank you. Thank you so much
10 and now we'll hear from Matt Bauer from the New York
11 City BID Association.

12 MATT BAUER: Hi, good morning Chair Feliz and
13 member of the Council Committee on Small Business.

14 CHAIRPERSON FELIZ: Please turn your mic on.

15 MATT BAUER: Opps sorry and I am testifying on
16 behalf of the New York City BID Association which
17 represents all 76 of the city's business improvement
18 districts. BIDs annually invest \$145 million in
19 private assessment funds to create the foundation
20 necessary for retail corridors to thrive. On a daily
21 basis, BIDs are our frontline workers dedicated to
22 combating commercial vacancies in our neighborhoods
23 by providing a clean and safe shopping environment
24 with our supplemental security and sanitation
25 programs. Our streetscape improvements including

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2 plantings and street furniture provide ongoing and
3 highly visible stewardship in our areas. Our
4 marketing special event and publicity programs help
5 build the customer bases of our member businesses,
6 all with the direct purpose of helping our members'
7 cash registers ring. Moreover, our work with social
8 service agencies and city agencies aid the many in
9 need who are part of our communities.

10 We deeply appreciate the guidance, camaraderie
11 and meaningful support provided by the wonderful team
12 at SBS. Their Neighborhood Development staff are
13 here with us every step of the way, and we constantly
14 utilize their business support staff to aid our
15 businesses in navigating licenses, permits and
16 understanding city regulations.

17 Our BIDs appreciate the positive steps that have
18 already been taken by city government to better
19 understand and address the concerns of brick-and-
20 mortar businesses including creating the vacancy
21 database, the one stop shop NYC business portal, EO2
22 which curbs burdensome fines and creation of the
23 Small Business Advisory Commission and the Mayor's
24 Retail Theft Task Force, both of which I have the
25 honor of serving on.

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2 We are pleased that many of our commercial
3 corridors, both in the CBD and throughout the
4 boroughs are filling up again post pandemic with
5 pedestrian number and sales figures rising. We want
6 to continue these positive trends while addressing
7 persistent vacancies in some corridors. Factors
8 contributing to retail vacancy can vary upon the
9 neighborhood. For example, some corridors may depend
10 upon office workers to do back and forth's, while
11 others may be deeply effected by changes in
12 transportation or ongoing infrastructure projects.
13 And quality adaptability of older buildings, stock
14 and growth, competing commercial destinations, staff
15 away from interest in other commercial retail
16 corridors at the expense of providing venting,
17 backfill protectors and creating gas connections to
18 convert retail to food related use are also
19 frequently cited issues. We just want to say again
20 how important it is to keep our corridors safe and we
21 - and the issues of unlicensed cannabis shops in our
22 neighborhoods that are effecting things. Businesses
23 don't want to be near them.

24 And we just want to just conclude by saying
25 thanks to the many Council Members that serve on our

1
2 boards in our districts and we just appreciate all
3 that you do to support businesses in our communities.
4 Thanks so much.

5 CHAIRPERSON FELIZ: Thank you. Thank you Matt
6 for your testimony and also for all the work that you
7 do in Madison Avenue.

8 MATT BAUER: Thank you.

9 CHAIRPERSON FELIZ: A quick question for both of
10 you. Uhm, what are some of the issues that you've
11 seen being to commercial vacancy in the area, in the
12 commercial district that you work in. I know you
13 mentioned regulations. What are some of those
14 regulations? Also, what else have we seen leading to
15 those commercial vacancies?

16 MATT BAUER: Well, I mean the biggest issue of
17 course is just maintaining strength of the
18 relationship with their clients and creating products
19 and services that people want, which has always been
20 an issue. You know the competition among the brands
21 but really retail theft has been a big issue in our
22 neighborhood. I should tell you five years ago, if I
23 got a call from a reporter and asked maybe you know
24 what theft was like, they would say oh, it's like in
25 every neighborhood around the country and then you

1 know three years ago, we said actually, it really is
2 an issue. We really do have to address it, so you
3 know that's you know and the efforts by placing
4 additional police officers in our neighborhood really
5 has helped and that really has made a difference in
6 more outreach with the police department in terms of
7 creating the window film that goes on stores. Which
8 I think you know your legislation that would actually
9 provide grants to small business really would be
10 very, very helpful in providing that and actually
11 we've worked a lot with our neighborhood crime
12 prevention officers in getting - making sure that the
13 services that they're getting in the stores for
14 additional security really help and that would be
15 really helpful in your particular ground. I think we
16 could work very much with you and the NCO's.

18 CHAIRPERSON FELIZ: Okay.

19 TAYLOR JAMES: On my end, I'm seeing like
20 business owners that are near a vacant premises and
21 that effects our foot traffic. Recently a juice bar
22 called me this week and had that issue. In addition
23 to that, I think that if there was more funding for
24 legal services for lease negotiations, we would be
25 able to put things in the lease, like good guy

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2 clauses and things to protect people when they have
3 issues with their lease and like as you know, like
4 another issue is that a lot of times it's a money
5 issue for small business and it would be very helpful
6 to have more opportunities for grants as opposed to
7 only loans.

8 CHAIRPERSON FELIZ: Okay, thank you. Thank you
9 so much for your testimony and for all the
10 information.

11 TAYLOR JAMES: Thank you.

12 CHAIRPERSON FELIZ: I look forward to working
13 together on all those issues.

14 TAYLOR JAMES: Thank you.

15 CHAIRPERSON FELIZ: Thank you. The panel is now
16 excused. [01:40:49]-[01:41:16] Is there anyone in
17 the room who would like to testify in person before
18 we move on to the testimony? Alright, so we'll move
19 onto the Zoom panelists. We're joined by four
20 panelists. Marshall Strawbridge, Jessica Walker,
21 Kevin Alexander, and Pedro Suarez. So, we'll start
22 in that order. We'll start with Marshall
23 Strawbridge. You can start whenever you're ready.

24 SERGEANT AT ARMS: You may begin.
25

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2 CHAIRPERSON FELIZ: Alright, it seems like
3 Marshall dropped off, so we'll move on to Jessica
4 Walker from the Manhattan Chamber of Commerce.

5 JESSICA WALKER: Hi and thank you much for having
6 me and for doing this important hearing. I am
7 Jessica Walker, the President of the Manhattan
8 Chamber of Commerce. We are a business organization
9 representing businesses of all sizes.

10 I'll try to be brief here. In February we held a
11 summit all about what was happening with Manhattan
12 storefronts and in terms of the major storefront
13 industries, what our experts told us is that
14 restaurants are rebounding, tourism continues to grow
15 but retail employment is really where things are flat
16 and that really is the target here.

17 In terms of the elevated vacancy rates in
18 Manhattan, a few things. One, the impact of the
19 legal weed shops is masking the vacancy levels. We
20 think that it's actually much higher and we do
21 support the closure of these illegal shops but when
22 that does happen we're going to see even more vacancy
23 obviously. This is all happening, the vacancies in
24 Manhattan is happening for two major reasons. One,
25 reduced demand; obviously businesses need customers

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2 and that for retail is because of the move to e-
3 commerce and the move to remote work especially in
4 Manhattan.

5 The other major reason, which has come up today
6 is retail theft. Happy to talk more about that. In
7 terms of solutions, some of the things that we want
8 to point out. One, our chamber along with the other
9 boroughwide chambers has been running a program
10 called Small Business Resource Network since October
11 2020, it has done door to door outreach, mostly to
12 storefront businesses and it's a great program.
13 We're seeking a restoration of funding in the city
14 budget.

15 Two, our chamber is now launching a retail
16 storefront accelerator because we're seeing a surge
17 of entrepreneurship. The goal here is to try to take
18 those successful e-commerce businesses and help them
19 open a successful brick and mortar shop in Manhattan.
20 Applications are open now. Happy to talk more about
21 that.

22 And then the final recommendation is around ways
23 to increase foot traffic and demand, especially
24 because we're starting to see our tourism come back
25 in terms of people from other states and other

1
2 countries. We really think we want to focus on local
3 and regional residents.

4 SERGEANT AT ARMS: Your time is expired.

5 JESSICA WALKER: And so there are certain things
6 we support casinos, we support major art
7 installations like the Gates, which was very
8 successful. I'm happy to answer any questions.

9 CHAIRPERSON FELIZ: Thank you. Thank you so much
10 for your testimony and thank you for all the work
11 that you do. Thank you. We don't have any questions
12 so we'll move onto the next panelists. Pedro Suarez
13 from the Third Avenue BID.

14 SERGEANT AT ARMS: You may begin.

15 PEDRO SUAREZ: Thank you Chair Feliz and members
16 of the Small Business Committee. I am Pedro Suarez,
17 Executive Director of the HUB Third Avenue Business
18 Improvement District in the Bronx. The BIDs mission
19 is to keep one of New York City's most traffic
20 commercial districts clean, safe, attractive and
21 well-programmed for businesses.

22 Our current storefront vacancy rate is currently
23 estimated at 15.89 percent as of the end of the 2023
24 based on Live X, Y, Z data which is the vendor that
25 SBS alluded to earlier. This is a four percent

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2 increase from data collected in 2020. Factors
3 contributing to vacancy rates include lasting impacts
4 of the COVID pandemic on business owners, rent
5 increases, the financial impact of theft and
6 perceived public safety and online competition. This
7 is not an exhaustive analysis as the BID recently
8 launched its 2024 community survey and hopes to
9 launch a more in-depth commercial district needs
10 assessment in the coming year.

11 As mentioned, the SBS is partnering with other
12 city agencies and has taken many steps over the years
13 to support BIDs and small businesses across the city
14 but some steps that the city can take to reduce
15 vacancy rates include continued focus on access to
16 capital for new and existing businesses, a greater
17 investment in public safety and crime prevention in
18 commercial districts, a greater investment in
19 technical assistance for small businesses around
20 online marketing.

21 I look forward to continuing partnering with the
22 city to support the hub and small business in the
23 South Bronx. Thank you.

24 CHAIRPERSON FELIZ: Thank you. Thank you so much
25 for your testimony and also, thank you for all the

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2 work that you do for the people and also businesses
3 and Third Avenue. I actually used to work in Third
4 Avenue when I was Tenant Lawyer at Legal Services, so
5 all of you are doing a great job. It's a very
6 vibrant commercial corridor in the Bronx. Quick
7 question, what are the top issues that you've heard
8 on the ground that are leading to the commercial
9 vacancies that we continue to see?

10 PEDRO SUAREZ: I mean theft as mentioned by my
11 colleague on the call is a huge one. Uhm, I can tell
12 you; you know I was just talking to a local business
13 last week tenants who sells educational supplies for
14 local teachers and educators, uhm, you know there are
15 things being stolen from CVS just down the block that
16 are being sold by unlicensed illegal vendors on the
17 street. Uhm it's that blatant in terms of the theft
18 that's happening. Burlington Coat Factory has had to
19 uh you know hire off duty Police Officers, which is
20 very expensive. Most businesses in the corridor
21 particularly small mom and pop shops can't afford to
22 hire off duty police officers. There is a need for
23 additional security. Security cameras in general,
24 crime prevention but a lot of that is also a
25 reflection of poverty rates, folks struggling with

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2 mental health as well as drug addiction that are
3 robbing a lot of these stores. As you know, the
4 Third Avenue Business Improvement District is at the
5 center of the opioid epidemic in the city and so if
6 that issue is not addressed, you're going to continue
7 see high rates of theft and uhm and mental issues of
8 folks in the district, which is contributing to that.
9 So, I would say theft has been a huge one. We lost
10 Walgreens. I want to say a few years ago is my
11 understanding due to the theft issue as well and that
12 continues to be a huge issue that local business
13 owners have flagged in the area. And so, safety you
14 know is going to deter people from coming to the
15 district and so, we really need to address that.
16 We're working very closely with the precinct and have
17 applied for additional funding to implement more
18 public safety initiative in the corridor but again,
19 the underlying issues need to be addressed in terms
20 of drug addiction, poverty rates, which are at a
21 record rate right now in the Third Avenue area.

22 CHAIRPERSON FELIZ: Thank you. Thank you so
23 much. Thank you again for your testimony and for all
24 the work you do for the people and businesses in
25 Third Avenue in the Bronx. Thank you.

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2 So, we have two other Zoom panelists who joined
3 but then dropped off. I'll call them again just in
4 case they were able to join again. So, Marshall
5 Strawbridge from the Bronx Economic Development
6 Corporation. Alright, we'll move onto the next Kevin
7 Alexander from the Rockaway Development and
8 Revitalization Corp. Alright, so we don't have any
9 other panelists. So, I just want to thank everybody
10 who testified today. Everyone from the
11 Administration and the public as well and thank your
12 Rebecca Barilla and Jessica Boulet for all the help
13 in putting this hearing together. This hearing is
14 hereby adjourned. [GAVEL]

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C E R T I F I C A T E

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 May 20, 2024