

I'm Adam Friedman, Director of the Pratt Center for Community Development. My thanks to the Chair, Councilman Yassky, Councilman Jackson, and the members of the committee, for the opportunity to testify.

For the past two years Pratt Center has been working with community organizations and BIDs to understand the problems of local retailers and develop solutions.

Many of New York's locally owned retail businesses have not benefited from the city's strengthening economy. Improving economic conditions in their neighborhoods should have helped, but rising rents cut off that opportunity. Citywide, according to the Real Estate Board of New York, retail rents went up by 54% from 2001 to 2008.

Now in the economic downturn, already weakened independent retailers are fighting for survival. In survey after survey, New York City merchants cite high rent as the biggest challenge they face.

The recession has not changed the imbalance of power to help independent retailers because the decline in business has not been matched by a significant decrease in rents. Part of the reason for that disconnect is that national chain retailers are continuing to expand their presence in major shopping districts throughout the City. Even as some chains close outlets or go out of business, others are arriving for the first time. In addition, property

owners typically hold out in the hope of a high rent retail chain, even to the point of keeping property vacant for long periods of time.

Local stores that define a neighborhood, give it a focus and identity. Retail displacement unsettles residents as familiar and unique businesses and essential services are lost.

Also lost is the opportunity for local entrepreneurs to own and operate their own businesses. A 2008 study in Kent County, Michigan, concluded that if residents of the area redirected ten cents in every dollar of their total spending from chains to locally owned businesses, \$140 million in new economic activity would be generated for the region, including 1,600 new jobs. Research in other places around the nation supports this finding that local businesses are important engines of local economic activity.

The trend toward retail homogenization is not inevitable. More than 20 states and 50-plus cities are working with new or proposed laws to support local retailing. They are turning to land use tools that can be combined with smart incentives as part of a community planning process that encourages the types of businesses neighborhood residents want and need. Based on these efforts, Pratt makes the following recommendations:

1. **Create a citywide local retail retention task force** composed of elected officials, government agencies, community organizations and representative businesses to analyze the problem and seek consensus on new strategies. The goal of this group should be to develop a package of policies that includes financial incentives and regulatory procedures to specifically address the threats faced by local retail businesses;

2. **Use zoning to require space for small businesses, in commercial developments over 50,000 square feet;**
3. **Use zoning or permitting legislation to control number, type and size of retail establishments in targeted areas** to limit the number of national chain stores that can concentrate in an area. This will ensure that a majority of the retail establishments will be independent and locally-owned. Restrict ground floor sizes and ban banks and hotel lobbies from occupying storefronts in new construction, as was done by the City Planning Commission on 125th Street.
4. Control the escalation of rent in communities with struggling commercial corridors by **incentivizing property owners to keep rents low** using financial tools like the Real Estate Tax Abatements and Commercial Rent Tax Special Reductions developed by the Downtown Alliance and approved by the NYC Dept of Finance for Lower Manhattan. and
5. **Disincentivize the warehousing of empty storefronts** by increasing the taxes for vacant ground floor commercial space.

We have a significant amount of information on how other cities are handling this problem and we'll make it available to the Committee. We look forward to working with you.

For more information on the Pratt Center's work in support of neighborhood retail, contact Vicki Weiner, vweiner@pratt.edu.

Good afternoon Council members, my name is Stephen Null, in 1984 I founded the Coalition for Fair Business Rents and was the former owner of 3 small businesses in NYC. The bill before this committee today is an updated revision of a bill written in 1986 and introduced into the City Council by then Councilwoman Ruth Messinger. The bill was later revised and introduced by Councilman Stanley Michaels and finally by Councilman Guillermo Linares. The original bill took had every type of business and profession represented. It was fair to all parties involved and would have accomplished the goal of creating a commercial lease renewal process where both parties would “negotiate in good faith” to arrive at reasonable lease terms. The business community of New York City hoped the passage of this bill would again establish “bargaining in good faith between the landlord and tenant” when a commercial lease expired. For 40 years in New York City, whether under a strict commercial rent control law (like the law from 1945-1963) or unregulated, the practice and policy when a commercial lease expired, was for the landlord and commercial tenant to meet, face to face, and negotiate the new lease terms, with the outcome of this commercial lease renewal process being beneficial to the economy, society, workers, government, and to the community.

Beginning in the early 1980’s, the practice of negotiating in good faith for lease renewals began to gradually stop. While most landlords continued to negotiate in good faith, the influence on the rental marketplace by the newer real estate speculators was growing. These speculators were buying property for the sole intent of “Flipping /selling ” and making a quick profit. Record real estate sales of commercial property occurred from 1986-1989 in NYC. By the late 1980’s, very few landlords were continuing the practice of negotiating in good faith lease renewal, with the results being widespread business closings in NYC.

The anti-small business environment created during the lease renewal process has only gotten worse through out the years, until today, very few landlords negotiate with their commercial tenants. The language used in the 1945 Commerce Rent Law to describe the commercial lease renewal process would apply today and anytime over the past 20 years:

“Unjust, unreasonable, and oppressive leases and agreements for the payment of rent for commercial space in certain cities having been and being now exacted by landlords from tenants under stress of prevailing conditions, whereby a breakdown has taken place in normal processes of bargaining and **freedom of contract has become an illusory concept**”.

Councilman Robert Jackson’s Small Business Survival Act is better than any of the previous bills because he has made it a simpler process, with no direct government involvement nor any government created formulas to determine the rent. The Bill provides for establishing guidelines in the commercial lease renewal process which bring back **bargaining in good faith** between the landlord and tenant, while keeping government and influence of the Real estate speculators out of the process.

Twenty years ago the opponents of this bill called it “Commercial Rent Control” because they could not argue the bill on its merits. It was a fair and reasonable approach to resolve a serious problem which existed. This bill is not rent control; it does not set nor control the commercial rents, but instead establishes guidelines for the commercial lease renewal process. Neither a single rent nor percentage is set by government; the final rent for each lease renewal will be determined by the mutual agreement of the landlord and tenant after “negotiating in good faith”. Only when they can’t mutually agree on the new rent will a mediator try to assist them to reach agreement. If mediation fails, then an Arbitrator will determine the new rent, and only on a case by case basis and only upon the arguments and facts presented by the landlord and tenant. Today, Arbitration is established worldwide, as the best process to resolve contract disputes and reach a settlement on non legal disagreements.

Another argument the opponents of this bill made was, “Government should not interfere in the Free Market System”, regulation of an industry, goes against the American capitalistic philosophy. What happened on Wall Street should make that line of reasoning ridiculous. To assist this committee on evaluating this bill, I respectfully recommend that

they add a sentence to the statement “government should not interfere in the free market system”. That sentence would be

“as long as the outcomes of the free market did not produce any negative consequences to society, the economy, job stability , government and to the community”. Furthermore, I hope the committee members ask each opponent of this bill to clearly state the benefits to society, economy, job stability, government and to the community of the “outcomes” resulting from the **unregulated commercial lease renewal process**. If they mention the rise in the real estate tax which allows more funding for teachers, police and services, I need to set the record straight that all increases in real estate taxes in commercial property are passed onto the commercial tenants who paid the landlord’s taxes.

I request permission to leave the list up during testimony for any comments or questions you may have to better assist you in determining the need and benefits of passing the Small Business Survival Act .

1985-present

Outcomes of “Unregulated” Commercial Lease Renewal Process in NYC

- 1. Closing of long established successful small businesses**
- 2. Layoff of employees**
- 3. Extortion becoming common policy**
- 4. Postponing or canceling planned capital improvements**
- 5. Forced to hire unskilled illegal employees**
- 6. Increase of “underground economy”**
- 7. Oppressive lease “pass alongs”**
- 8. Inflation**
- 9. Empty stores for longer periods of time**
- 10. Higher turnover rate for newer businesses – shorter learning curve**
- 11. Unfavorable Risk vs. Reward balance in NYC for startup new businesses**
- 12. Underutilization of government assistance programs**
- 13. Decline of newer immigrants choosing NYC to invest in American Dream**
- 14. NYC becoming less attractive for startups due to high costs**
- 15. Shorter lease periods**

Bronx Merchants Coalition
2255 Westchester Avenue
Bronx, New York 10462
718-828-4936

FOR THE RECORD

June 26, 2009

REF: Intro 847 Business Survival Act

Honorable Council Members;

My name is Robert Bieder; I am the chairman of the Bronx Merchants Coalition representing 12 merchants associations (see attached list) in the Bronx. Our associations' represent 3, 795 businesses located in Bronx community boards 9, 10, 11 & 12.

The Bronx Merchants Coalition is strongly urging the City Council to pass Intro 847 into law. In these troubled times the preservation of our merchant strips is of paramount importance to the survival of our city. Vacancy rates are on the rise and ever increasing rents can only lead to more of the same.

Small businesses make up the vast majority of this cities workforce. Small businesses also lead in creation of new jobs. Without the right of arbitration small businesses will continue to disappear.

As goes our merchant strips so goes our communities.

Thank you for your consideration,

Sincerely,



Robert Bieder, Chairman

BRONX MERCHANTS COALITION MEMBER GROUPS

Working for a Better Bronx

Bronx Merchants Coalition
2255 Westchester Avenue
Bronx, New York 10462
718-828-4936

Burke Avenue Business Association:

Contact: Rev. Keith Thompson *Business:*
Telephone: 914-227-8115 E-Mail: bmgt@bronxmiracle.org

Boston Road Merchants Association:

Contact: Glenn Samuel (President) *Business: Allstate Insurance*
Telephone: 718-231-2100 E-Mail: glennsamuel@allstate.com OR a007102@allstate.com
Alt. Contact: Alex Douglas *Business: Lipkind Shoes*
Telephone: 718-547-7540 E-Mail: lipkindshoes@verizon.net

Pelham Bay Merchants Association:

Contact: Sherry Scanlon (President) *Business: Pelham Bay Home Center*
Telephone: 718-863-7529; © 917-701-5720 E-Mail: pelhambayhc@aol.com

Throggs Neck Merchants Association:

Contact: John Cerini (President) *Business: Capital Shield Agency*
Telephone: 718-829-3200 E-Mail: johncerini@optonline.net
Alt. Contact: Tom Melendez (Vice President) *Business: Copy That*
Telephone: 718-892-1859 E-Mail: tommel61@aol.com

Assn. of Merchants & Business Professionals of Westchester Square:

Contact: John Bonizio (President) *Business: Metro Optics*
Telephone: 917-912-5130 E-Mail: jbon913@aol.com
Alt. Contact: Joe Regina (Secretary)
Telephone: 917-375-2825 E-Mail: joearegina754@aol.com

Morris Park Alliance:

Contact: Robert Ruggiero (President) *Business: Ruggiero Funeral Home*
Telephone: 718-828-1800; © 917-335-1246 E-Mail: frs726@aol.com
Alt. Contact: Sal Paljevic *Business: Conti's Bakery*
Telephone: 718-239-9339 E-Mail: spaljevic@optonline.net

Bronx Merchants Coalition
2255 Westchester Avenue
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Castle Hill Merchants Association:

Contact: Joe Coiro (President) *Business: Coiro, Wardi, Chinitz & Silverstein*
Telephone: 718-824-6500 E-Mail: coirowardi@aol.com
Alt. Contact: Bob Bieder *Business: Westchester Square Plumbing Supply*
Telephone: 718-828-4400 E-Mail: wsp@hotmai.com

BID – White Plains Road:

Contact: Larry Prospect (Executive Director)
Telephone: 718-881-3086 E-Mail: wprbid@pelhamparkway.com

City Island Chamber of Commerce:

Contact: Peter LaScala (President) *Business:*
Telephone: 718-885-9100; (h) 718-885-2272 E-Mail: wpjl73@aol.com
Alt. Contact: Paul Klein (Vice President)
Telephone: 718-885-3090; ©917-841-9317 E-Mail: exotiga@att.net

East Gun Hill Road Merchants Association:

Contact: Art Templeton (President) *Business: Gun Hill Auto Parts*
Telephone: 718-231-1818 E-Mail: gunhillautoparts@yahoo.com
Alt. Contact: Mike Rey (Secretary) *Business: Village Cosmetics*
Telephone: 718-652-2006 E-Mail: villagecosmetics@hotmail.com

North White Plains Road Merchants Association:

Contact: Dr. Joseph Vetere (President) *Business:*
Telephone: 914-261-7869 E-Mail: askdrvetere@aol.com
Alt. Contact: Krystal Serrano (Vice President) *Business:*
Telephone: 914-497-1931 E-Mail: kserrano@unitedcaribbeancongress.org

Allerton Avenue Business Association:

NIDC
William Foster 718-231-9800 x13

TESTIMONY BY
FIRST DEPUTY COMMISSIONER ANDREW SCHWARTZ
NEW YORK CITY
DEPARTMENT OF SMALL BUSINESS SERVICES
BEFORE
THE SMALL BUSINESS COMMITTEE
OF THE
NEW YORK CITY COUNCIL
JUNE 29, 2009

Good afternoon Chairman Yassky and members of the Small Business Committee. My name is Andrew Schwartz and I am First Deputy Commissioner for the Department of Small Business Services (SBS). I am joined today by SBS Deputy Commissioner David Margalit and representatives from the New York City Economic Development Corporation (EDC). Thank you for the opportunity to testify regarding Intro 847-A.

The mission of SBS is to make it easier for companies in New York City to start, operate and expand by providing direct assistance to business owners, fostering neighborhood development in commercial districts, promoting financial and economic opportunity among minority- and women-owned businesses, preparing New Yorkers for jobs and linking employers with a skilled and qualified workforce.

We certainly share concerns faced by businesses regarding adequate space, relocation costs, rents and other difficulties faced during the current economic downturn.

Accordingly, SBS and EDC offer many programs that support the over 200,000 small businesses in the City. On a community level our Business Improvement District (BID) program and Avenue NYC provide support for local businesses and commercial districts throughout the City. The network of 64 BIDs and numerous Local Development Corporations that receive grants through Avenue NYC, know the property owners in their districts and the needs of their communities. When they encounter an increase in commercial vacancies, they can assist in marketing available properties, help attract businesses to those spaces and aid in linking businesses to services they need.

The Department of Small Business Services also provides direct assistance to small business owners through NYC Business Solutions - a suite of services to help businesses start, operate and expand in New York City. The services are provided at no cost and address the needs of entrepreneurs and businesses of any size and at any stage. Services include business courses, financing assistance, incentives assistance, legal review of contracts and leases, navigating government & regulations, selling to the government, Minority & Women-owned Business Enterprise certification, hiring assistance, and training employees. NYC Business Solutions is launching several initiatives to meet the needs of more small business customers such as developing a legal seminar on commercial leasing and establishing a satellite NYC Business Solutions Center in Washington Heights. Last year, NYC Business Solutions helped 170 clients secure over \$11.8 million in financing and 400 businesses hire over 5,000 employees.

The Department of Small Business Services also oversees NYC Business Express (www.nyc.gov/businessexpress), a city-wide initiative that will revolutionize the way businesses do business with the City of New York by making starting, operating, and expanding a business in New York City clearer, faster, and simpler. By the end of 2009, the one-stop online tool will have all the license, permit and tax information and applications needed to do business in New York City and will allow businesses to access consolidated information about their interactions with the City.

One area of assistance directly related to rental space, is guidance to business owners in the negotiation of commercial leases. Leasing appropriate and adequate space is a key concern for a retail business. It is essential that an owner strategically plan the location

of their business, provide for growth, and consider what the market may be like when the lease is due for expiration. There is also the fundamental question of whether to purchase or rent space, enter into a long term lease and negotiate an option to renew. Aside from the length of a renewal and the amount of rent, there are numerous other issues involved in negotiating a commercial lease, including whether the landlord or the tenant will bear the costs of various items, including utilities, taxes, and building maintenance. There are often questions regarding use of the space, hours of operation and renovation costs. These are areas subject to negotiation between the landlord and tenant. In every case, it is always advisable for a business owner to have an attorney review these legal documents to ensure that the owner fully understands all terms and provisions prior to signing the lease. Working with the Legal Aid Society, SBS will be providing workshops with small business owners to provide precisely this type of assistance.

The proposed legislation would represent a substantial departure from the current market for leasing space and involve City government in the process. As the Council is likely aware, the bill raises legal issues that will require further analysis, including issues arising under the federal Constitution – for example, under the Contract Clause and other provisions relevant to private property rights. It is also worth noting that the bill apparently intends to place the decisions of special arbitrators beyond the reach of judicial review. While the Department is of course supportive of mediation and arbitration in many instances, the absence of judicial review will have to be considered.

In addition, we are concerned with the amount of personnel and administrative resources that would be needed to implement the bill. With thousands of properties subject to its provisions, there would be considerable effort required to track cases going through the mediation and arbitration process; making final determinations of properties that are exempt from the renewal provisions, ensuring that landlords have complied with the strict 180 day notice provision and additional unforeseen matters.

A last, but not least concern is the issue of cost. Mediation and arbitration, which are at the heart of this bill, while generally less expensive than litigation, can still be lengthy and costly. It would be unfortunate for a tenant to be left with rental terms she still will not accept and receive a substantial bill for mediation and arbitration services.

It is our hope that with the multi-pronged approach of services offered by SBS and EDC to small business owners, New York City can continue to grow its commercial areas. As we have done with Business Express, the coordinated inspection program, and various types of business tax relief, we look forward to continuing to work with the Council on ways to assist small business.

Thank you. We would be happy to respond to questions following EDC's testimony.

**Testimony of Michael N. Meola, Senior Vice President,
New York City Economic Development Corporation
at a hearing of the New York City Council
Small Business Committee
June 29, 2009**

Thank you Chairman Yassky and members of the committee for inviting the New York City Economic Development Corporation (NYCEDC) to testify on Intro 847-A. My name is Michael Meola and I'm a senior vice president at the NYCEDC. I'm joined by James Harris, and by Francesco Brindisi, who heads our research department. I'd like to structure my testimony in two parts; first I'll give a quick overview of some of NYCEDC's initiatives that I think are relevant to the concerns that Intro 847-A seeks to address, and then I'll discuss the current real estate market to give some context.

NYCEDC's primary mission is to create jobs and help grow businesses both large and small throughout the five boroughs. We do this in a myriad of ways, and I'll speak about just a few of them that are most relevant to today's subject.

In the last several months we have launched a number of initiatives directed particularly at small businesses and entrepreneurs that we are very excited about. Our JumpStartNYC program is a 5-day boot camp followed by a 10-week internship to help laid-off workers transition to new positions in media, tech and financial services. Successive classes of 50 will serve several hundred participants over the next two years.

As we all know, New York City is a worldwide center of finance and innovation, however, it does not have the critical mass of successful startups and entrepreneurs that we see, for instance, in Silicon Valley and Boston. Through our business incubator program, and related efforts, we are seeking to strengthen links between university research programs, successful media and technology companies, sources of risk capital, and entrepreneurs. Our first business incubator, focused on the needs of entrepreneurs in tech, web 2.0, green industries and energy efficiency, and finance, was launched this spring at 160 Varick Street in Hudson Square. 160 Varick Street will house over 70 workers in up to two dozen companies when it is at capacity. NYU Poly will be providing a range of services to insure that these startups and small businesses succeed, including business plan coaching, marketing advice, financial planning services, and pro-bono legal advice. We are also working on launching incubator's for several other industries including fashion, media, food manufacturing, as well as programs to assist freelancers and self-employed knowledge workers. We will be making announcements on these initiatives over the next several months

Another program to support entrepreneurial businesses is the NYCEDC angel venture fund. Under this program, the NYCEDC is investing up to \$3 million of its funds, to be matched 2 for 1 by private investors, to create an investment fund of \$10 million, and thus increase such funding in NYC by 25%.

To address the needs of existing small businesses in these challenging times we launched Capital Access- a \$5 million dollar loan guarantee facility using NYCEDC funds, to leverage a total of \$14 million in new lending. The program works with lenders such as Citibank, Accion NY, Nonprofit Finance Fund, Brooklyn Coop Federal Credit Union and Seedco. Loans are targeted to micro and small businesses, with loan amounts from several thousand dollars up to a maximum of \$250,000. Since the program was launched earlier this spring we have sponsored 48 loans, injecting over \$1 million in new funds into communities throughout the five boroughs.

Another exciting initiative is our FRESH program to spur the development of new full service supermarkets in communities that have had a lack of affordable and high quality food. Developed in conjunction with the Department of City Planning and the Department of Health and Mental Hygiene, the FRESH program targets zoning incentives and financial incentives to projects that include supermarkets.

These are just the newest among the ways in which the NYCEDC, working closely with SBS and many other City agencies, provides services and assistance to small businesses and entrepreneurs. It is also worth mentioning that NYCEDC and SBS provide a range of incentives to businesses large and small, including benefits to reduce energy costs. For example, through our Business Incentive Rate (BIR), non-retail businesses that increase employment

and perform an energy audit can qualify for reductions on their electricity bills of 10%-15%.

In addition to these initiatives, the Administration has worked to reduce the tax burden on sole proprietors, freelancers, and other small businesses through reform of the Unincorporated Business Tax (UBT). Building on initiatives undertaken in 2007, a new major small-business tax relief measure is currently being advanced in Albany. If enacted, the legislation will effectively exempt 11,000 of the firms paying the UBT, those with taxable incomes of \$100,000 or less, providing relief to half the businesses subject to the UBT.

I now want to take a few minutes to comment on trends in the real estate market. While I share the concerns of the committee for economic hardships faced by small businesses, I believe that, at least for the moment, the pressures that Intro 847-A is intended to address have greatly dissipated. A couple of years ago rents seemed on an ever increasing trajectory, and vacancy rates were at historic lows, giving, in some cases at least, landlords an advantage in the leasing process. However, over the last year rents have declined substantially across all the major property types, and vacancy rates have increased. A walk down any major commercial street will verify that, unfortunately, there are many retail and upper floor office spaces for rent. The flip side of this is, however, beneficial to startups and existing businesses who now have much greater ability to negotiate rents, and who have in many cases the ability to choose among several landlords

and spaces to find the right one. Class A rents for office space have declined by 18% from the peak in the second quarter of 2008 to the second quarter of 2009. For Class B office space the decline has been about 15%. Retail rents have also seen increased vacancy, with a decreased average rent decline of 11% from the peak. What these statistics indicate is a broad correction in the pricing of commercial real estate, which ultimately translates into a readjustment in the balance of power among landlords and tenants.

In conclusion I would like to echo the concerns of my colleagues at SBS about this proposed legislation. Intervention of this type in the commercial real estate market would be a dramatic departure from current and past practice in New York City. Such an intervention in the vast commercial real estate market could have the unintended consequence of reducing the supply of new capital investments in commercial and retail space. This could, over the long run, lead to increased rents to tenants, especially to new and innovative tenants. What we do not want to see is a reduction in the ability of developers and small investors to build new commercial property. And we do not want to reduce the ability of landlords to invest in the maintenance and upgrade of current commercial and retail space. NYCEDC and SBS have developed many programs and initiatives to address the needs of small businesses and entrepreneurs so that they can continue to create jobs and grow the City's economy. And what the data tells us is that the trends in the real estate market, at least for the time being, have

reduced the pressure, on average, on small businesses and small retailers through reduced rents and increased availability of space for rent.

Thank you for allowing me to testify and I'm available to answer any questions you may have.



뉴욕한인소기업서비스센터

KOREAN AMERICAN SMALL BUSINESS SERVICE CENTER OF NEW YORK, INC.
146-03 34th Avenue, Flushing, NY 11354 • Tel: (718) 886-5533-5536 • Fax: (718) 886-5535

TESTIMONY:

PUBLIC HEARING ON THE SMALL BUSINESS SURVIVAL ACT (INTRO# 847A)
AT COMMITTEE ON SMALL BUSINESS, JUNE 29, 1 PM, 2009, COUNCIL
CHAMBER.

BY SUNG SOO KIM, PRESIDENT OF KOREAN AMERICAN SMALL BUSINESS
SERVICE CENTER OF NEW YORK, INC.

Dear Chairman Yassky and Council members.

My name is Sung Soo Kim, President of Korean American Small Business Service Center of New York, Inc. (KASBSC). On behalf of 9,500 Korean American small businesses in the City, I heartedly welcome Intro #847A as we over two decades have bitterly experienced that this commercial lease stabilization bill is a fundamental and just solution for overcoming Main Street Crisis.

Hardworking spirited work-style, expansion of neighborhood markets, self-supporting capital formation, and less demand: These business conducts do nothing but revitalizing the fading American business ethics. John Locke, a founding father of America tells us (We learned it before we come to the States) the only way for you to claim your private property is to put your labor.

We opened greengroceries and laungrmats in Flushing, Jackson Heights, Sunnyside, Bayside, Elmhurst, Brighton Beach eventuating in vitalized market areas with huge increase of jobs. At lease renewal later, we are onesidedly demanded to pay unbearable sky-rocketing rents increased. Landlords did not input any labor, we, tenants did input all the labors. These years, we are enforced to either pay undertable money for lowering the declared rent renewal or or reach to a break-even point or below. These greedy landlords are against American spirit .

9 % of KASBSC member stores of the year 2008 gave up stores and left NYC spelling out "HELL."

We need protection from extortion.

We need some room for both landlord and tenant to sit down to negotiate lease renewal terms. (You know, we only hear from the landlord that "because I say so.")

We need a right of renewal of the lease
Intro \$847A has all the answers.

We are appealing City's legislators to reinstate their "conscience" and justice to have Small Business Survival Act passed without any hesitation for securing 9,500 Korean American commercial tenants to materialize on American business ethics and to further contribute to City's neighborhood economy, jobs.

Thank you.

The Small Business Congress, Inc.

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

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JUNE 29, 2009

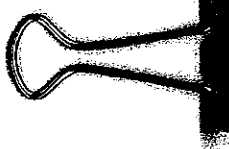
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steve barrison
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PRESS RELEASE

THE SMALL BUSINESS CONGRESS, INC. (SBC), A FEDERATION OF 84 TRADE ORGANIZATIONS IN NEW YORK CITY ESTABLISHED IN 1992 TO ADVOCATE CONCERNS AND INTERESTS OF 185,000 NEIGHBORHOOD RETAIL STORES, WELCOMES COUNCILMAN JACKSON'S SMALL BUSINESS SURVIVAL ACT (INTRO# 847A) AND PLEDGES ITS FULL SUPPORT AS THE CONGRESS JUDGES THAT JACKSON'S BILL WICH IS REINTRODUCED AFTER 20 YEAR SILENCE IS A TIMELY AND FUNDAMENTAL SOLUTION TO STABILIZE CITY'S SMALL BUSINESS COMMUNITY WHICH HAS BEEN IN CRISIS OVER YEARS, "MAIN STREET CRISIS." THIS IS A HOBSON'S CHOICE CURING CITY'S AILING ECONOMY AFTER THE WALL STREET BANKRUPTCY, A PRESERVATION OF CITY'S JOB MARKET AND MOST OF ALL A FAIR DEVICE OPENING A CHANNEL OF NEGOTIATION BETWEEN A TENANT AND A LANDLORD, EVENTUALLY PROTECTING A TENANT FROM SPECULATION AND EXTORTION FROM A GREEDY LANDLORD.

NEW YORK STATE IS RANKED NO. 45 OUT OF 51 STATES ACCORDING TO WASHINGTON, D.C. BASED SMALL BUSINESS & ENTREPRENEURSHIP COUNCIL'S SMALL BUSINESS SURVIVAL INDEX, 2008, WHICH RANKS EACH STATE FROM THE FRIENDLIEST TO THE LEAST FRIENDLY PUBLIC POLICY ENVIRONMENTS. WHAT A SHAME!! LET'S LOOK UP HOW MANY COMMERCIAL TENANTS WERE EVICTED BY LANDLORDS. FOR THE PAST TWENTY YEARS, 1988-2007, 142,738 TENANTS WERE EVICTED BY THE COURT RECORD ALONG WITH THE SAME NUMBER OF NON-COURT PROCESSED EVICTIONS. EVENTUALLY OVER ONE MILLION EMPLOYEES LOST JOB AS EACH STORE HIRES 4.5 EMPLOYEES.

FACING WITH MAIN STREET CRISISES, SUPREME LEADERS OFFER SOLUTIONS MOST OF WHICH ARE LOANS AND FINANCING. SO MANY WORKSHOPS WERE DONE BY BOROUGH PRESIDENTS AND DEPARTMENT OF SMALL BUSINESSES. THERE ARE ALL EVADING THE FUNDAMENTAL SOLUTION: COMMERCIAL LEASE STABILIZATION. THE CONGRESS FIRMLY DEMANDS CITY'S LEGISLATORS REINSTATE THEIR CONSCIENCE AND JUSTICE TO HAVE THE SOLUTION PASSED AT THE COUNCIL. WHY SHOULD YOU BE HESITATING TO SIGN UP THE BILL?



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REVISED & EXPANDED

SMALL BUSINESS & ENTREPRENEURSHIP COUNCIL'S

SMALL BUSINESS SURVIVAL INDEX 2008:

RANKING THE POLICY ENVIRONMENT FOR ENTREPRENEURSHIP
ACROSS THE NATION

13th Annual Edition

by Raymond J. Keating
Chief Economist
Small Business & Entrepreneurship Council

December 2008

Small Business & Entrepreneurship Council
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Telephone: 703-242-5840 • Fax: 703-242-5841
www.sbecouncil.org

Small Business Survival Index 2008: State Rankings*

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

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

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

< ENC.#1 >

The Small Business Congress, Inc.

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

146-03 34th Avenue, Flushing, NY 11354

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

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NEW YORK CITY SMALL BUSINESSES ARE FACING A CRISIS: WHO IS RESPONSIBLE?

City Court of The City of New York Commercial Warrants For Evictions Issued For Businesses Citywide 1986-2008

	YEAR	NUMBER
MAYOR KOCH :	1986	3,575
	1987	3,697
	1988	5,595
	1989	4,566
MAYOR DINKINS:	1990	6,684
	1991	6,634
	1992	7,663
	1993	6,928
MAYOR GIULIANI:	1994	8,305
	1995	6,824
	1996	8,860
	1997	8,819
	1998	8,848
	1999	9,137
	2000	7,812
	2001	7,384
MAYOR BLOOMBERG:	2002	7,444
	2003	7,665
	2004	8,070
	2005	6,950
	2006	7,147
	2007	6,998
	2008	6,714

"Working for the Future of Our Community"



New York: 35-20 147 Street, Suite 2D, Flushing, NY 11354
Tel: (718) 961-4117 / Fax: (718) 961-4603

New Jersey: 144 Main Street, Suite 201, Hackensack, NJ 07601
Tel: (201) 488-4201 / Fax: (718) 961-4603

Testimony

Before

The Small Business Committee, New York City Council

Small Business Survival Act (Intro 0847A-2008)

June 29, 2009

Yoonsun Na

Good Afternoon! My name is ~~Chejin Park~~ *Yoonsun Na* representing the Korean American Voters' Council, which is a non-profit, non-partisan, grassroots community organization dedicated to registering, educating, and advocating Korean American voters in New York City. Since its establishment in 1996, the Korean American Voters' Council assisted more than 13,000 Korean Americans to register to vote. And this number is growing every day. As you may already know, more than 80 % of Korean American registered voters are working for small businesses.

On behalf of the 18,000 Korean American voters in New York City, the Korean American Voters' Council would like to highly commend and appreciate Councilman Robert Jackson and 28 cosponsoring council members for spearheading with the Small Business Survival Act (Intro 0847A-2008).

As you already know, small businesses are the engine of the New York City economy. Small business owners have been investing their whole lives into the small businesses, working hard from early morning to late night seven days a week. Small businesses have been developing and keeping our community viable and sustainable by providing jobs, services, and tax revenue.

However, for a long time, under the shade of large corporations, small businesses were left without any protections from landlords' unreasonable lease renewal terms and conditions. There are numerous former small business owners who hopelessly and helplessly lost their small businesses simply not having an opportunity to negotiate with landlords in good faith with their landlords.

Now, amid economic recession, it is the right time to help New York City small businesses to survive by giving a legally guaranteed opportunity to negotiate in good faith with landlord to renew the lease. With the Small Business Survival Act, landlords have nothing to lose but malicious intent to take advantage of their tenants.

We believe the Small Business Survival Act would make a fair commercial lease market by correcting the market distortions by overwhelmingly strong bargaining power of landlords.

On behalf of the 18,000 Korean American voters and small business owners, the Korean American Voters' Council strongly supports the Small Business Survival Act.

We urge Chairman David Yassky and Small Business Committee members to move quickly to pass the bill and also strongly request Speaker Christine Quinn to take a floor action for this bill as soon as possible.

Thank you for your time and consideration.

Korean American Voters Council

Testimony Before the
New York City Council Committee on Small Business

Patrick Purcell Jr.
Assistant to the President,
United Food and Commercial Workers Union Local 1500

June 29th, 2009

Good afternoon Mr. Chairman and Members of the Committee.. My name is Patrick Purcell and I am Assistant to the President for United Food and Commercial Workers Union Local 1500, New York State's largest Local Union representing grocery store workers. UFCW Local 1500 represents over 22,000 workers employed by Pathmark, Stop and Shop, King Kullen, Gristedes, Key Food D'agastinos and Fairway Supermarkets in addition to many independent operators. Of our 22,000 members, over 10,000 of them reside here in New York City with their families.

United Food and Commercial Workers Local 1500 supports passage of the Small Business Survival Act. We support this bill because it will preserve union jobs in smaller supermarkets like Key Food and D'agastinos that ensure basic necessities to NYC residents. The Act will guarantee that tenants have the right to bargain in good faith with landlords to arrive at fair lease terms. By passing the Act now New York City can take an important step to ensure that small businesses and good jobs are preserved.

Currently, landlords have all of the power in the lease-renewal process, prioritizing profit over community needs. The lack of regulation has led to high rents that discourage small businesses, bad businesses practices to afford high costs, and illegal practices like extortion of commercial tenants by landlords.

Supermarkets, with small profit margins, suffer from the same lease renewal issue as many small businesses. During the last few years supermarkets have shut their doors in neighborhoods all over the city because they could not afford rent increases. Supermarkets all over the City have been replaced with pharmacies that have lower overhead costs but that don't provide healthy food and job quality is poor. Without a fair lease-renewal process, union workers have lost their living-wage jobs, and communities have been left with nowhere to turn for healthy, affordable food.

Last year we fought a battle in the Bronx to preserve a Supermarket that does over 2,000,000 dollars in food stamps and has over 100 union employees. In this case the developer was trying to raise the rent to \$50 dollars a square ft. This is an amount that no grocery store could afford. Leaving the store with the option to either pay workers less and charge consumers more or close the doors on one of the only supermarkets in the area. After months of community outrage and organizing and with the support of city council members and we were able to put enough pressure on the developer to negotiate a fair lease renewal and rent. We need an official lease negotiation process because we are losing valuable businesses and jobs.

At a time when New York City's unemployment rate is 9%, the city council needs to pass legislation that will preserve existing jobs, it's just that simple.

This bill will establish a process for the lease-renewal process so that tenants have the ability to negotiate a fair amount. In these difficult economic times it is important to support small businesses like supermarkets and to preserve existing jobs.



Thank you for the opportunity to speak before you today. My name is Margaret Chin, I am a long time community activist and a founding member of the Chinatown Partnership LDC, an organization that was started to help revitalize the businesses in Chinatown. I am here to speak in support of the Small Business Survival Act.

The small businesses of Chinatown like others in New York City are not only crucial to the economy of the city but also its liveliness. For more than twenty five years, small businesses, as the backbone of many communities, have been the primary creators of new jobs. However, the small businesses would not be able to provide these opportunities when their own survival is in jeopardy. If the current crisis for small businesses is not solved, a staggering 69-79% of local businesses will be forced to layoff skilled neighborhood workers. Amidst the current economic recession, a stable job is more crucial and in higher demand than ever. Thus it is vital that the city government act to protect and ensure the rights of the small business in the present commercial lease renewal process so they can continue to exist and benefit the local community.

Today, up to 61% of small businesses face the peril of closing within five years because they are unable to fulfill their landlords' exorbitant request in order to obtain a lease. Many of the businesses in Chinatown are asked to pay more than double their rent at renewal time. A well know hardware store was asked to increase its rent to \$20,000 from \$8,000. The store was closed and many jobs were lost. In its place a mini mall with many small stores opened up, but most of these small shops cannot survive for long and closed. Abuses such as demands for "under the table" money, last minute expiration notifications or refusal to even negotiate a lease renewal plague the small business sector. Some of these abuses such as refusal to issue a long-term lease are the result of years of unchecked real estate speculation. Therefore, a bill that would offer protection for business against the unjust practices of greedy landlords when it comes to lease renewal is much needed. This bill seeks to set up a step by step procedure where only the voices of the landlord and the tenant will be heard. The one exception would be a case where a not for profit arbitration service becomes necessary.

On top of the protection this bill would offer to the small businesses, it would also benefit other members of the community. Bringing an end to business failures that often result from preposterous lease demands would also stop the lost of jobs. The prosperity of the small businesses sector is inevitably linked to the number of new jobs it is able to create. Furthermore, longer leases bring back stability to the free marketplace and consequently act as a strong encouragement to business expansion. Longer lease term also allow businesses to take advantage government assistance programs that often require long term lease. However, if the bill is not passed, immigrant small business would fail and future generations would be discouraged, portraying New York City as a closed door to the American Dream. Thus, the benefits of the bill extend beyond the current small business owners to the rest of the greater community, but so do the repercussions if these unjust least renewal practices are not immediately brought to an end.

We ask the City Council to passed Intro 847, the Small Business Survival Act as a first step to save the small businesses and jobs in our community. Thank you.

Statement of Luis Parra,
President of Latino Association of Tax Preparers, Inc.

Testimony Before
New York City Council
Small Business Committee

Small Business Survival Act

June 29, 2009

Good afternoon Chairperson David Yassky and members of the Committee of Small Business. My name is Luis Parra; I am the President of Latino Association of Tax Preparers, Inc., a non for profit professional organization representing the Latinos tax professional along New York City.

I am here today to express our support to this important bill because it is critical for the preservation of the small businesses in our City.

Thank you for inviting me to testify today on the Small Business Survival Act.

I will talk about three things this afternoon.

First. The numbers.

I will show you how the proposed law will affect around 96,000 of small business in the sector of services, including lawyers, accountants, tax professionals, dentist, medical doctors, engineers, real estate, day care provider, cleaning services, beauty salon, barbershops, and other that we have in New York City.

It is very clear that the Small Businesses are strengths in our city. It is clear that they are necessary in order for the city to return to its stable economic state.

It is not clear whether the members of the Municipal Counsel want to protect them as they should. Today you have the chance to do that.

According to the New York State Department of Labor (1), the section of professional businesses had 583,000 employees by April 30, 2009, representing 30% of the total section of service industry in the entire city.

Our professionals need protection. They need support so they can stop lying off employees and avoid that the 8% of unemployment rate that the city has increases to a larger proportion.

Our professionals are faced with a very high cost of operation in the city with rent, property taxes, federal, state and local taxes. This scenario is taking away the interest of the city in order to open new businesses which directly affect the development of our communities.

74% of the businesses that have closed in the past 5 years (2) are due to high cost of rent. If you add to this factor the amount of money that some business owners have to pay for to their landlords to maintain their lease, the result is out of proportion.

The Business Survival Act brings an opportunity to business owners to not have to lose their lease and to negotiate a good faith with their landlords.

Second: Benefits of the Survival Business Act

It is a law to help the small businesses survive in our city. This law is to promote the economic development of the city.

This law will promote more jobs, economical stability for business owners, and profit for landlords, and presence of the businesses in the communities.

This law is not against landlords. It is not a law to control rent.

This law is a way for business owners to maintain their business without fear of being evicted by their landlords and put them on the street when the time comes to renovate the lease.

Third: We need your support to pass this law.

We need you to clearly show that the Small Businesses are important for the communities that have selected you to serve from the City Counsel.

We need you to help business owners to maintain their leases and to be able to negotiate them in a just and fair manner.

The Business Survival Act is an opportunity for tenants and landlords to do business without bribers and money "under the table".

In your hands lie more than half a million of jobs created by the professional sector in this city to either survive or to increase the line of unemployment.

I will be glad to respond to any questions you may have.

Thank You.

¹ Report as of April 30, 2009

² Survey prepared for the U.S.A. Latin Chamber of Commerce, April 2009

Statement of Ramon Murphy

President of the Bodega Association of the United States

New York City Small Business Committee Hearing
on the "Small Business Preservation Act"

Monday, June 29, 2009
Council Chambers, City Hall,
New York, NY

Thank you, Mr. Chairman David Yassky and the members of the Committee on Small Business, for asking me to testify on the "Small Business Preservation Act."

Mr. Chairman Yassky my name is Ramon Murphy. I am the President of the Bodega Association of the United States, and currently own a bodega store in Hamilton Heights in Manhattan. And I am here today to express our support to this important bill because it is critical for the preservation of many small businesses in our City.

We, the members of the Bodega Association, represent about 11,000 bodega owners and, all together, about 50,000 workers living and working in the City of New York.

Directly or indirectly, about 200,000 people depend on us, and on the success of our businesses to live [and survive] in this great city of New York.

As the numbers show, our industry is big. It is an important part of New York. Therefore, if New York City is having problems, we are having program. For example, Jetro Cash & Carry, the wholesaler of our industry in New York City, reports that weekly 20 bodegas are closing. Only this year, 9% of all the bodega will be closing. This is a crisis for the city, for the sector I represent, and for the health of all New Yorkers.

POSITION OF ASOBEU

The members of the Bodega Association of the United States are not against the commercial landlords. Landlords have given us the opportunity to flourish our business. They are our partners, and we want them to flourish as well.

A process that is fair (to both, the landlord and the tenant), and a process that helps the city and its residents retain the great service that only small business, like bodegas, could offer them.

It is important to keep bodegas open because we do not want them to become in "bodega deserts". Try to imagine Fulton St in Brooklyn Heights, Williamsbridge Road and Grand Concourse Avenue in the Bronx, Roosevelt Avenue in Jackson Heights, Broadway in Washington Heights and other important roads without bodegas.

PROBLEM

Now, allow me to go to the heart of the matter. This bill will create an essential toll for bodega owners to survive and weather this economic crisis by regulating a process of lease renewal.

Currently, this process is unjust. What is happening in most cases is a process of, first, extortion, and second, if the lease gets renewed, the result is a rent so high that suffocates to extinction our businesses.

You have to remember that bodega owners do not have expensive lawyers to negotiate for them a fair lease, like other corporations.

Our business does not resist such change. We have to stay and pay the out-of-the-market new rent, or to leave our savings, equity and equipment inside the premises. Walking away with nothing, laying off people, and forgetting our New York dream.

CLOSING REMARKS

We would like to close our statement by challenging any and all City Council Members.

The challenge is to go, personally, in your district and ask them to tell you, in private, and with honesty, how were the last renewal process for them. Do your own research, and you will find extortion and rents impossible to pay in this market. Walk around your district, and try to picture it without bodegas. Try to imagine how looks like your community would prosper without immigrant business entrepreneurs that are at the heart of your community.

Mr. Chairman and all the members of this committee, this bill represents a good public policy initiative for the City of New York. It is a very smart way to provide more justice and smart solution to the economic and health crisis that the city is suffering.

Wall St is currently undergoing rough times because there is no regulation. Everything that happened with GMC, Chrysler and GM happened because there weren't regulations. Knowing this we need regulations in order to keep our bodegas running.

If we have a better lease renewal program, we can be able to move towards the future of bodegas, the green bodegas.

In conclusion, the Bodega Association of the United States strongly supports the "Small Business Survival Act".

Thank you for the opportunity to testify today. I look forward to working with you to make small business survive, and prosper in the Great City of New York.

I will be glad to respond to any questions you may have.

Thank you,

LOEBE JULIE
Julie Research Laboratories, Inc.
165 West End Ave
New York, NY 10023-5514
Tel:212-580-9875

I would like to thank the City Council on Small B
me to speak today.

My name is Loebe Julie and I'm president of Julie Research Labs, Inc. I started out 60 years ago as an electronic nerd. I graduated with a BEE from City College of New York and it was through hard work that I was awarded 40 patents for inventions in electronic components and measurements. One of my inventions is now a measuring standard with IEEE. Some of my inventions were designed to help soldiers and marines to win the wars against our enemies. As our products were purchased throughout the world, I was invited to lecture in England, France, Germany, and Russia. We are also listed in Who's Who In the World.

In 1954 I started my own company, Julie Research Laboratories, Inc. I chose New York City for my company location because I believed New York is ideal. It has City College, Columbia, and New York University and many fine technical schools. New York also has a constant flow of new citizens coming from all over the world. I was able to give employment to some of these immigrants where they could learn the language, and learn a skill to do production work, testing and quality control. In a short time they could advance to supervisor and higher level jobs. Our annual employment level was fifty people. In more than 60 years of engineering and manufacturing in New York City, we trained more than two thousand people in this way.

New York with a strong manufacturing sector, profits in many ways from the taxes and rents paid by the manufacturing concerns and the employment the companies provide for the surrounding population in the Bronx, Brooklyn, Queens, Staten Island and neighboring New Jersey.

In the 1980's JRL was featured on 60 minutes. It was an episode that told of our fight against the Army's corrupt procurement practices. We were mentioned as the "Last Surviving High Tech Small Business in New York City".

In our more than sixty years in New York City, Julie Research Labs only serious problem was the landlord's tendency to grossly escalate

the rent. Instead of being able to negotiate a lease extension at or near the original amount (plus 10 or 15percent) our landlords demanded increases in rent of 300 or 400 percent. This forced JRL to move from one location to location frequently, and at each time at great expense and a loss of years of production.

Our game of hopscotch from place to place took us from 149th street in the Bronx, to 168th street in Manhattan to 138th street down to west 61st street, to west 26th street, and finally to 38th street. Each time we were forced out of a zone for manufacturing by a non manufacturing tenant. For example our West 61st street floor was rented to the Alvin Alley Ballet school. The other floor was rented to Stern's architectural firm. Finally we were denied a renewal of our lease at west 26th street space and it was subdivided into one room spaces and filled with people with hot plates and air mattresses. The landlord called this space, art galleries.

A recent Crain article reports a more than 15% decline in manufacturing in New York City. The conversion of industrial space to residential and other commercial uses has driven manufacturing out of the city. When the landlords are left unsupervised, they will empty this city of all manufacturing.

New York's population of seven million needs manufacturing to provide good paying jobs that this population is able to fill.

Historically manufacturing started very early in New York City with probably the garment trade. For example, my mother-in-law came to New York from Poland not speaking English and was able to find work as a finisher with the dress designer, Mollie Parnis. Another example, my father-in-law found work in the jewelry trade and was trained to be a diamond polisher.

Historically Thomas Edison started high tech inventions in the basement of IT&T building in New York where he developed early telegraph inventions and the Universal Stock Ticker machine in 1869 for Wall Street. After inventing the electric lamp in New Jersey, Edison returned to New York where he set up a factory to manufacture dynamos and steam engines to create the electric power to light his lamps. He also manufactured the fixture (lamp

poles) for household use. He also designed and manufactured complex switching systems.

In 1857 Elisha Grave Otis installed the first elevator system in New York City. With the development of the telephone a tremendous enterprise was created at AT& T which have provided jobs for engineering students.

New York could use more hi-tech concerns to provide engineering jobs for the first rate schools and colleges. JRL provided jobs for it's New York City engineers to satisfy the needs of its customers, including the US Army, Air Force, and Signal Corps and NASA.

During the cold war Russia produced a line of nuclear missiles carrying hydrogen bombs capable of destroying major cities in the US. At MIT, Draper Labs was charged with responsibility of designing and producing a line of defensive nuclear missiles capable of defending the US against the possibility of a Soviet nuclear attack.

Draper Labs contacted JRL in NYC to manufacture ultra precision products to be used to make the US missiles more precise and reliable than those of the Russians.

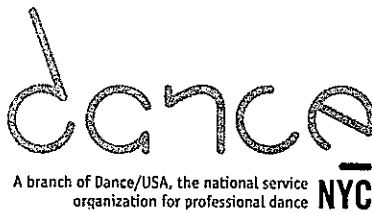
The JRL manufactured products were used for the entire line of US defensive missiles (Polaris, Poseidon, MX and Peacekeeper and nuclear missiles and also used by NASA to navigate the US Apollo space craft traveling from the earth to a successful moon landing.)

As a result of the successful US defensive missile program, no nuclear war was started and US security was maintained.

Twenty years ago I tried to get a Rent Arbitration Bill passed. It would have saved thousands of jobs, would have inspired more businesses to locate to New York City. The city council should have done the right thing twenty years ago. You now have the opportunity to correct it.

It's imperative that the City Council do all they can to keep New York City a leader in technology and scientific advancement. It does not

serve our community to just have Starbucks every block. We need to create jobs in manufacturing. That is the backbone of every community and you cannot support a community when businesses are being pushed out by unrestricted rents. New York City provides enough to satisfy every man's needs—but not every man's greed.



Testimony submitted June 29, 2009 at a Hearing on the Small Business Survival Act before the City Council's Small Business Committee, by Michelle N. Burkhart, Director, Dance/NYC

I am here today on behalf of our city's arts organizations; represented in our city by actors, musicians, dancers, visual artists, stage technicians, costume designers and graphic artists. These as well as other small business and non-profit organizations are suffering from the abuses and unfair excesses of the unregulated commercial lease renewal process. The Small Business Survival Act would give protection and rights to those that have been marginalized and taken advantage of when looking to renew their commercial leases.

As the director of a service organization that supports over 5000 dance artists and over 500 dance companies, I can tell you that this is a problem that has been occurring for several years and continues to perpetuate at an increased rate, especially during these challenging economic times. Our organization, as well as many others, has been directly impacted by the abusive behaviors of landlords and real estate companies that are prioritizing their profit margins over maintaining the rich and vibrant cultural ecology of our city.

In 2002, our organization entered into a 5 year lease in an office space in Soho. We conducted our business but also provided affordable subsidized office space for 5 smaller dance companies and offered a conference room for use by members of the dance community free of charge. In 2007, we were offered a renewed lease at double the amount of our original rate. We were notified less than 60 days in advance after we had made repeated requests about the status of the lease more than 6 months in advance. This left little time for us to relocate our offices and find alternative office space for the organizations we were housing. We appealed to our landlord explaining that we were a non-profit arts organization struggling to make ends meet. We also reminded the landlord that we happily occupied the space when they were challenged to find tenants post 9/11. We were still declined. Our example is just one of many similar situations that have significantly impacted the arts and non-profit community.

In April of this year, Paul Taylor Dance Company lost its Soho facility (and home for 20 years) due to an expanding Banana Republic store. When artists are refused renewals on their leases, it is not only a loss to the artist but to the community, because well established studies show that local business community economies thrive with the presence of arts organizations sharing their neighborhoods.

We are all too familiar with the unfortunate process of squeezing artists out of the city but stories such as these that I have shared with you today merit repeating. If this bill is not passed, we as a city will continue to perpetuate the pushing away of arts organizations, small businesses and non-profits from our communities. These organizations and agencies need you to help protect them and need your voice to validate their importance to our city through the support of this bill. The arts invest in local economies by hiring a local workforce, engaging local businesses and paying local and state taxes. Beyond that contribution, every part of the industry plays a role in attracting visitors from other parts of the country and the world, creating one of the strongest components of New York's tourism market. The arts industry is the vital core of the creative economy of New York.

The passage of this bill would create a fair commercial lease renewal process which would save existing jobs as well as create a healthier business environment to encourage business expansion and thus create more new jobs. This bill will restore order in the commercial marketplace and bring back a reasonable means for businesses to successfully operate and compete, and thus preserve the much-needed employment opportunities for small businesses, non-profits and the arts sector in New York City.

Thanks to Councilmember's Robert Jackson, Diana Reyna, Joel Riviera and Melinda Katz



New York Women's Chamber of Commerce

Connecting, Promoting and Opening Doors for Small Business Owners!

Quenia Abreu

New York Women's Chamber of Commerce

Testimony

NYC Council

Small Business Survival Act, Proposed Bill No 847-A

Monday, June 29, 2009

Good afternoon. My name is Quenia Abreu, I am the president of the New York Women's Chamber of Commerce. First, I would like to thank the city council for giving me the opportunity to present my testimony in favor of the Small Business Survival Act, Proposed Bill No. 847-A. I would like to give special thanks to Council Member Robert Jackson for introducing the bill and to the small business committee for this hearing.

I am here on behalf of an organization that represents the small women-owned businesses as well as the small minority owned businesses in the city of New York. This city has more than 200,000 small businesses, 98% minority owned, more than 60% are owned by women. A lot of these women are single parents that depend on their business to provide for their children and family. We often here the phrase "Small Businesses are the backbone of our economy" Yet the city is doing nothing to protect them from going under. It is like going around saying "the children are the future, but yet we don't protect them and let them die one by one every day.

Every day, our small businesses are dying because the city has failed to protect them. And every time a business dies, parents lose their ability to feed their children and pay for their college education. Our small businesses can not continue to pay the exorbitant rents, the excessive amount of commercial real estate taxes that are passed on to them, nor can't they cope with the unreasonable demands that a lot of the landlords are making to renew their lease. Furthermore, when they get the landlords to renew their lease it is usually a three to five year lease, not much time for a business to recoup its investment and make a profit. Plus keep in mind that no financing institution will give a loan to a business that has less than five years remaining on their lease. Business loans have a five year term. If you are a business owner, you need the five years to payoff your loan and another five years to really make a profit. A five year lease does not keep a person in business.

Everyday we get calls and visits from women in business desperately looking for help to deal with the lease and rent situation. One of those women is Albania from the Albania Beauty Center in Washington Heights. Albania pays \$3,055 in rent a month and 19,000 in real estate taxes a year. Rudy Saldana, who owns a beauty salon in the Bronx, pays \$24,000 a year in real state taxes alone. Daija, had to close her restaurant "It's a Dominican Thing" in Chelsea last year because she could not pay the high real state taxes, Awilda, the owner of Angel Eyes, an optical lens store, was forced to move her business after her lease expired because the landlord wanted her gone, and Ingrid lost her business because the landlord failed to give her a lease after taking \$14,000 from her. We hear these stories all day long, women having to close their business and others at risk of doing so. These situations could have been prevented if the landlords and the tenants had negotiated a lease that was favorable to both parties. Unfortunately, at this moment only the landlords are the ones doing the negotiations and are not doing it in good faith.

In a recent survey conducted by the NY Women's Chamber of Commerce, we found that 500 businesses in Washington Heights and Inwood have gone out of business, and that is only counting those businesses that were located on the first floor. We have not yet completed the survey. Harlem has already reported that more than 800 small businesses have gone out of business. As you can see those are huge numbers, and if you consider that those businesses provided employment to an average of three to four individuals with families, the damage and lost is quite considerable.

Our small business owners are losing hope and faith in our city. While I visited with some of them this past week, they professed their frustration and their lack of trust in our city government. Nonetheless, I assured them that things are going to change for the better because we have a pro small business city council that cares about saving our small businesses and it is going to do the right thing by passing the Small Business Survival Act.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Alfredo Rodriguez

Address: 125 EAST 175 St. N.Y., N.Y.

I represent: USACC

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Adam Friedman

Address: _____

I represent: Pratt Center

Address: 329 DeKalb, Brooklyn

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Pat Purcell

Address: _____

I represent: Local 1500

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 847A Res. No. _____

in favor in opposition

Date: 6/29/09

(PLEASE PRINT)

Name: Steven BARRISON, Esq.

Address: 644 Madison Ave, NY NY

I represent: EKVP - Small Business Congress NYC

Address: 146-03 34th Ave Flushing, NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: EDUARDO GIRALDO

Address: 76-11 37th Avenue 203
Jamaica Heights

I represent: Queens Hispanic Chamber of Commerce

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Sheebani Patel

Address: 275 7th Ave, 11th Fl

I represent: RDC-NY

Address: SAME

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

Sherrri
Donovan

Name: Sherrri Donovan (PLEASE PRINT)

Address: 225 Broadway

I represent: Sherrri Donovan

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 897 Res. No. _____

in favor in opposition

Date: 6/29/09

Name: Andrew Schwartz (PLEASE PRINT)

Address: _____

I represent: Small Business Services

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 6/29/09

Name: ROSA Nobrean & Federico Lendo (PLEASE PRINT)

Address: 4876 Broadway

I represent: Centro de Belleza Albania

Address: & Tru Love Wedding Center

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

Date: _____

(PLEASE PRINT)

Name: Loebe Julia

Address: 165 West End Ave

I represent: Julie Research Labs

Address: 105 WE A

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

Date: 6/29/09

(PLEASE PRINT)

Name: Ingrid Soto

Address: _____

I represent: New York Woman Chamber of Commerce / Harlem

Address: 1524 Amsterdam Ave.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

Date: _____

(PLEASE PRINT)

Name: Brad Lander

Address: 256 13th Street

I represent: _____

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

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

in favor in opposition

Date: 6/29/09

(PLEASE PRINT)

Name: Michelle Burkhardt - Dance NYC

Address: 63 Green St. #6115, NY, NY 10012

I represent: Arts Community

Address: same as above

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: SILVIA SMITH

Address: 5030 Broadway NYC 10034

I represent: Inwood & Marble Hill Liaison

Address: 5030 Broadway NYC 10034

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

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

in favor in opposition

Date: 6/29/09

(PLEASE PRINT)

Name: BAZZAN Murphy

Address: 5030 Broadway

I represent: Bodega Association of U.S.A.

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: FRANK GARCIA

Address: 2010 17 ST

I represent: BACC

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: MIGUEL PERIBANEZ

Address: 4250 BROADWAY NY NY 10033

I represent: USA LATIN CHAMBER OF COMMERCE

Address: 4250 BROADWAY NY NY 10033

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

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

in favor in opposition

Date: 6/29/09

(PLEASE PRINT)

Name: Quenia Abreu

Address: 177 West 83rd St, Apt 5E

I represent: NY Women's Chamber of Commerce

Address: 1524 Amsterdam Ave, NY NY 10031

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 6-28-09

(PLEASE PRINT)

Name: Richard H. Yoo

Address: 222 W. 40th St NYC 10018

I represent: New York Blazer Fabrics

Address: 222 W. 40th St. NYC 10018

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 6.29.09

(PLEASE PRINT)

Name: Nicky PERRY

Address: 108 + 110 - 112 GREENWICH AVENUE

I represent: ICB + SYMPATHY 1004

Address: AS ABOVE

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 847 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Margaret Chin

Address: 215 Park Row Suite 2

I represent: Chinese Businesses

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 847-A Res. No. _____

in favor in opposition

Date: 6/29/09

(PLEASE PRINT)

Name: LOUIS PARRA
Address: 2488 GRAND CONCOURSE 309 Bx NY
I represent: LATINO ASSOC. TAX PREPARERS 10453
Address: 2038 DAVIDSON AVE Bx NY 10453

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 0847 Res. No. _____

in favor in opposition

Date: June 29, 2009

(PLEASE PRINT)

Name: AIFRED PLACERES
Address: 2710 R ROADWAY NY NY 10025
I represent: NYS Fed of HISPANIC CHAMBERS
Address: 2710 BWAY NY NY 10025

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 847 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Stephan Duff
Address: 301 W 107th
I represent: Coalition For Fair Business
Address: Sam

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 847 Res. No. _____

in favor in opposition

Date: June 29, 2009

(PLEASE PRINT)

Name: Luis A FACUNDO

Address: INWOOD MARBLE HILL

I represent: CHAMBERS OF COMMERCE

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 840 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Sung Sook Kim

Address: SBC

I represent: 146-03 34th Ave

Address: Feluzky, NY 11370

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 847-A Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: MICHAEL MSOLA

Address: 110 WILLIAM ST

I represent: NYC EDC

Address: 110 WILLIAM ST

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 847A Res. No. _____
 in favor in opposition

Date: JUNE 29, 2009

(PLEASE PRINT)

Name: Yoonsun Na
Address: 35-20 147th Street, 2D Flushing NY 11354
I represent: Korean American Voters Council
Address: 35-20 107th Street, 2D, Flushing NY 11354

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

Date: _____

(PLEASE PRINT)

Name: YDANIS RODRIGUEZ
Address: 18 JACOBUS PL #42
I represent: CANDIDATE
Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 847 Res. No. _____
 in favor in opposition

Date: 4/29/09

(PLEASE PRINT)

Name: ROBERT BIEDER
Address: 2255 WESTCHESTER AV, BX, NY
I represent: BRONX MERCHANTS COALITION
Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: 6-29-09

(PLEASE PRINT)

Name: Christine Colligan

Address: New York Korean America Parent Association

I represent: Small business Survival Act

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. A47 Res. No. _____

in favor in opposition

Date: 6-29-09

(PLEASE PRINT)

Name: SANG HOON LEE

Address: _____

I represent: KOREAN-AMERICAN SMALL BUSINESS

Address: TASK FORCE

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. A47 Res. No. _____

in favor in opposition

Date: 6-29-09

(PLEASE PRINT)

Name: CHE JIN PARK

Address: _____

I represent: KOREAN-AMERICAN SMALL BUSINESS

Address: TASK FORCE

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