

careers businesses neighborhoods

TESTIMONY

BY

DEPUTY COMMISSIONER CALVIN T. BROWN

NYC

DEPARTMENT OF SMALL BUSINESS SERVICES

BEFORE

THE COMMITTEE ON SMALL BUSINESS

OF THE

NEW YORK CITY COUNCIL

THURSDAY, FEBRUARY 29, 2024

Good afternoon, **Chair Feliz** and members of the Committee on Small Business. My name is **Calvin T. Brown**, and I am the **Deputy Commissioner for Neighborhood Development at the Department of Small Business Services (or "SBS").** I am joined today by my colleagues **Assistant Commissioner Raquel Olivares**, and **Emily Edwards**, **Executive Director for BID Program & Organizational Development**. We are pleased to testify on SBS's role overseeing and supporting NYC **Business Improvement Districts, commonly known as "BIDs"**.

SBS's mission is to unlock NYC's economic potential and create economic security for all New Yorkers by connecting them to good jobs, creating stronger businesses, and building thriving, vibrant neighborhoods. There are over 200,000 small businesses in NYC, each contributing to the unique economic landscape in their community. SBS's **Neighborhood Development Division** ("NDD") oversees and guides our network of BIDs and invests in commercial corridor revitalization through community-based development organizations.

Business Improvement Districts were first created in the aftermath of the 1970s fiscal crisis as public-private entities that provide supplemental services to

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commercial corridors. Over 40 years later, our NYC BID network has grown to **75**, **representing the country's largest BID network and spanning neighborhoods in all five boroughs**.

Per SBS's FY22 analysis of BID trends, BIDs serve nearly 300 miles of commercial corridors and invest more than \$187 million into local economies in the form of supplemental services such as supplemental street cleaning, neighborhood beautification, placemaking, and business attraction. BIDs are governed by a locally controlled non-profit board, consisting of local property owners, merchants, local elected officials, and residents. Working with the City and local communities, BIDs serve as a powerful voice for their districts and invest in the long-term success of the businesses in their commercial districts.

Among other responsibilities, SBS supports the BID formation process when local stakeholders are interested in exploring creating a BID in their neighborhood. All formation efforts begin with the creation of a steering committee. **SBS provides technical assistance** to each BID formation effort and participates as **an advisory member to each steering committee**. Under this Administration, two new BIDs have been created, two BID mergers have taken place, and in partnership with the

City Council, we anticipate the creation of another BID in Cypress Hills this year. We will always continue to provide such assistance to local communities and are happy to **meet with members of this committee to explain the BID formation process** in detail.

As part of the Mayor Adams administration's Blueprint for Economic Recovery, SBS expanded our support of BIDs by deploying historic new grants to equitably rebuild New York City's commercial corridors. Delivering on mayoral initiatives, SBS created the first-ever BID development grants, totaling over **\$1.4M** in FY23 and FY24. These grants are spurring BID development efforts by **21 different organizations** in many Low-to-Moderate-Income ("LMI") communities. Over the past two years, we also delivered approximately \$3M in grants to smaller BIDs that historically lacked the capacity and resources of larger BIDs in New York City.

Knowing that not every commercial corridor has the capacity to take on BID formation, SBS and the Mayor's Office of Equity launched the first-ever merchant organizing grants. We awarded over **\$2.4M to 14 organizations in FY23** and **\$915,000 to 11 organizations in FY24**. We have helped create or revitalize merchant organizations in **more than 20 neighborhoods** that build capacity for

merchant engagement and organizing and can serve as catalyst for future BID formations.

Since the beginning of his administration Mayor Adam's has awarded \$6.7 million in grants to community-based development organizations ("CBDO") working in LMI neighborhoods through our **Avenue NYC** and **Neighborhood 360°.** Avenue NYC grants enable CBDOs to hire dedicated, full-time program managers, complete Commercial District Needs Assessments ("CDNA"), and carry out impactful, datadriven projects. Neighborhood 360° grants provide funding to CBDOs to address key findings and commercial revitalization opportunities identified in CDNAs.

In addition to funding smaller BIDs, merchant organizations, and community-based development organizations, SBS plays an important oversight role for BIDs as well. My staff monitors the fiscal and organizational health of all BIDs, manage each BID's contract with the City, and collects annual reports and audits. We manage the billing process, working with the Department of Finance to process more than \$150 million in assessments. SBS staff also serve as representatives of the Mayor on each BID's board of directors, including their audit and finance committees.

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Through this oversight role, we can target our capacity building and technical assistance services to address governance and compliance challenges within the BID network. We provide customized one-on-one support, workshops, and training for BID staff and Boards, and facilitate best practices sharing and professional development opportunities for BID leaders.

Since the beginning of the pandemic, SBS has organized a monthly meeting with all BIDs, inviting city agency partners to provide updates to the NYC's BID network during those meetings. These meetings provide an opportunity for SBS to hear from the BIDs about on-the-ground challenges and real-world implications of City policies. SBS also facilitates partnerships between BIDs and City Hall, including the Chief Public Realm Officer team, on strategic initiatives that support small businesses and enhance the public realm. In 2022, Mayor Adams also established the first-ever Small Business Advisory Commission, chaired by SBS Commissioner Kim, where the NYC BID Association provides feedback on city policies impacting local businesses.

CLOSING

We remain committed as an agency to ensure that small businesses thrive in every commercial corridor, and BIDs are a key partner in that work. Our historic programming over the past two years has supported thousands of businesses and we will continue to work with our BID partners in making New York City the best place to shop local.

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

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TESTIMONY BEFORE NYC COUNCIL – COMMITTEE ON SMALL BUSINESS Oversight Hearing February 29, 2024

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

My name is Nicole Paynter and I am testifying today on behalf of the NYC BID Association. I am also the Executive Director of the Columbus Avenue BID in Manhattan.

The NYC BID Association represents all of the city's 76 Business Improvement Districts which are as diverse as the city itself. Our mission has always been to support small businesses, to keep our neighborhoods clean and safe, and to bring prosperity to our communities. We are proud to serve nearly 300 miles of commercial corridors including around 100,000 business and to invest more than a combined \$187M in services back into our communities. Some additional statistics from the FY22 trends report:

- Collected 3.42M trash bags and employed 739 sanitation workers
- Removed 440,000 instances of graffiti
- Managed almost 100 blocks of Open Streets across 42 locations
- Held over 3,200 public events with 31.8M estimated participants
- Installed and maintained 227 miles of holiday lights
- Employed 316 public safety staff who logged 580,000 hours of work
- Maintained 6,512 tree pits; 3,672 planters and hanging baskets
- Installed 154 public art pieces

BIDs work very closely with our partners at the Department of Small Business Services. We interact with several of the divisions within SBS including Business Services and Office of Nightlife. We work mostly closely with the Neighborhood Development Division. This team, led by Deputy Commissioner Calvin Brown, is tasked with BID oversight and support, creating capacity building opportunities for community based organizations, and the development and management of grant programs that deliver critical resources for BIDs. This includes the Small BID Grant program, Avenue NYC, Neighborhood 360, and others.

We are very grateful for the partnership of Mayor Adams, SBS Commissioner Kim, and the City Council in recent years. In particular, we want to thank everyone for their advocacy in support of additional funding for small BIDs through the Small BID grant to deliver critical services. As part of the Rebuild, Renew, Reinvent Blueprint for Economic Recovery, Mayor Adams laid out an ambitious plan to form new BIDs, expand current BID catchment areas, and to provide additional assistance to small BIDs to serve districts across the city. Small BIDs are hard at work to deliver on the promise of this funding which is being put to use on everything from graffiti removal and street beautification, to lights for Ramadan celebrations, and business attraction efforts. This program was launched in FY23 and renewed in FY24. We are hopeful this funding will be renewed in FY25. Ultimately, we hope this program is baselined in order to create certainty for small BIDs. Unfortunately, due to the challenges of contracting

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

In addition to the critical work our BIDs do on the ground, we are proud that two BID leaders, Matthew Bauer and Nina Flores, have been serving on the Mayor's Small Business Advisory Commission. We hope that we can continue to work with SBS, the Mayor, and the Council to advance reform efforts to reduce red tape, encourage entrepreneurship, and stem the tide of storefront vacancies.

We are very grateful for the partnership of the Mayor, Commissioner Kim, and the City Council. We look forward to continuing our important work with your support.



THE CITY OF NEW YORK BRONX COMMUNITY BOARD 6 1932 Arthur Avenue, Room 403-A, Bronx, NY 10457

Honorable Vanessa L. Gibson, Bronx Borough President Honorable Oswald Feliz, New York City Council Member, 15th District

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MS. EVONNE CAPERS Board Chairperson MR. RAFAEL MOURE-PUNNETT District Manager

Testimony at NYC Council Committee Hearing Committee on Small Business February 29, 2024

Thank you for the opportunity to speak at today's hearing - my name is Rafael Moure-Punnett and I am the District Manager of Bronx Community Board 6. I would like to discuss BID formation efforts and Bronx Community Board 6's work to organize merchants in the neighborhood of East Tremont. East Tremont Avenue used to be a famous retail district in the Bronx, but the changes in the Bronx's economy of the 1970's significantly reduced the amount of commercial activity in East Tremont and it has never recovered. Many of the stores on Tremont Ave in the neighborhood of East Tremont are restaurants focusing on takeout, and small "mom and pop" businesses like dollar stores, hardware stores, and hair and nail salons.

Bronx Community Board 6, with the support of Council Member Feliz, has been conducting meetings for merchants on East Tremont. We have struggled to engage with businesses in a monthly meeting setting and have limited resources to conduct outreach. Merchants are typically concerned with traffic and commercial loading issues, shoplifting, and littering.

When SBS rolled out the Avenue NYC grant in 2023, I reached out to nonprofits that operate in Community District 6 to ask them to apply. No groups applied, and so no SBS money was used on Tremont. This is a shame – there is a need for merchant organizing, support from local institutions, and the groundwork for organizing in place – but no one to apply for the money. Neighborhoods like East Tremont are at a disadvantage as there are very few nonprofits operating in the area to apply for SBS funding. Infighting about the recipient of Avenue NYC funding derailed previous merchant organizing efforts in East Tremont several years ago.

In order for merchant organizing funds like Avenue NYC to be disbursed in low income neighborhoods, SBS needs to take on more of a proactive role in promoting the availability of funding. We ask that SBS promote Avenue NYC grants to local nonprofits by working with DYCD Neighborhood Advisory Boards to advertise this funding to local nonprofits. We also ask that the info sessions for this funding be easily understood by groups not already familiar with merchant organizing, as those are often the organizations that exist in neighborhoods like East Tremont.

Regards,

Rafael Momes

Rafael Moure-Punnett District Manager Bronx Community Board 6



TESTIMONY BEFORE NYC COUNCIL- COMMITTEE ON SMALL BUSINESS

Oversight Hearing

February 29, 2024

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

My name is Elizabeth Lovejoy, and I am testifying today as Executive Director of the Bay Ridge 5th Avenue Business Improvement District in Brooklyn.

The Bay Ridge 5th Avenue Business Improvement District represents 300+ businesses ranging from diverse restaurants and retail establishments. Our mission is to be a partner to local property owners, merchants, residents, elected officials, and community organizations to improve neighborhood conditions that promote economic and cultural vitality of the commercial corridor.

We applaud Mayor Adams and the Department of Small Business Services advocacy to renew additional funding for small BID's and look forward to continued funding in FY25.

As a small BID operating within a fixed budget and bolstered by additional grant funds, the Bay Ridge 5th Avenue BID is evolving with innovative ideas and initiatives. Nevertheless, the challenge of illegal dumping persists along the commercial corridor, defying any remedy solely through increased funding for supplemental sanitation. We respectfully implore the NYC Council and the Department of Sanitation to intensify litter basket pickups and/or enact regulations specifically designed to deter illegal disposal.

Moreover, in our endeavor to cultivate an inclusive and welcoming district, we adorn it with holiday lighting during both the Christmas and Ramadan seasons. Given the rising costs involved, we've pursued Discretionary Funding to ensure continued installations in the upcoming fiscal year. However, the acquisition of such funding entails a cumbersome process, and we earnestly hope for strides to streamline bureaucratic procedures and minimize unnecessary delays.

We eagerly anticipate advancing our crucial initiatives with your invaluable support.

Looking forward,

Elizabeth Foregoy

Elizabeth Lovejoy

Executive Director Bay Ridge 5th Avenue Business Improvement District



BELMONT BUSINESS IMPROVEMENT DISTRICT

Dear Chairman Feliz and Members of the New York City Council Committee on Small Business,

I am Alyssa Tucker, and I am testifying as Executive Director of the Belmont Business Improvement District (BID).

I congratulate Council Member Feliz, who has been a staunch supporter of the Belmont neighborhood, on his appointment as Chair of this important committee, and congratulate all the Council Members for their new terms.

The Belmont BID works to advance the economic well-being of local businesses and the community by promoting the iconic Bronx Little Italy brand, its strong ethnic heritage, and leadership in the culinary marketplace. We work daily to support and promote our small businesses and help keep our neighborhood clean and safe through our supplemental services.

The Department of Small Business Services (SBS) helps build thriving neighborhoods in an abundance of ways, most notably by supporting BIDs and businesses, and we are appreciative of the work they do daily. We are grateful for our partnership with Mayor Adams, the City Council, SBS Commissioner Kim, and SBS, particularly the Neighborhood Development Division. We are thankful for your advocacy and support, especially surrounding the support for additional funding of small BIDs, of which we are. In FY23, funding from the Small BID Grant enabled us to expand on our critical services like public safety and sanitation, and broaden our initiatives to help make the neighborhood a great place to visit, work, and live. As the program renewed in FY24, we were able to continue with these successful initiatives. We remain hopeful the funding will be renewed in FY25, however, if this program were to be baselined it would create more certainty for small BIDs across NYC. Baselining this funding would allow BIDs to strategically plan to use the funding for the most important needs of our districts. The Belmont BID, along with other small BIDs, have found it challenging to introduce new projects or expand operations, even with additional funding, due to our limited staff. If SBS were to introduce a new multi-year grant specifically for additional staffing, I believe it would significantly help BIDs manage their demanding workload and better serve their districts. While we are grateful and commend SBS for their work, it has been challenging contracting with the city due to timely contract registrations. This has left our BID rushing to deliver services prior to the fiscal year ending and waiting on payment reimbursement for quite some time. We believe SBS should offer more grants directly to small businesses as well. Grants for storefront improvements, equipment, and safety upgrades would be beneficial resources to small businesses across the city.

The Belmont BID respectfully requests SBS review the BID Trends Report. A number of BIDs have raised concerns with this report, which compares supplemental services, marketing and promotions, and additional outputs between BIDs with similar budgets. Just as our neighborhoods are unique, our BIDs are too, and what is needed in one district doesn't necessarily mean it's needed in another. A similar budget doesn't mean similar needs. Further, the report takes a significant amount of time to complete and I question its value, particularly after it was used to provide data for Comptroller Lander's "Analysis of the

Financial and Operations Practices of Business Improvement Districts" report. This report flagged numerous BIDs for varying financial scenarios that were concerning to the Comptroller, without discussing or first verifying the financials with the BIDs. It wasn't until SBS stepped in that some BIDs were provided the opportunity to submit a response to the flagged items. Our BID, unfortunately, was not one of them. This report, if initiated again, should be reevaluated and there should be a conversation about how it can best be conducted.

Our BIDs are involved with a plethora of citywide matters, and the Belmont BID believes there should be more clarity on how SBS can help BIDs with these subjects. For example, there has been talk surrounding increased enforcement of e-bikes and the potential creation of a new city agency to better manage micromobility. Is SBS involved in these initiatives? BIDs have a wealth of on the ground experience to contribute to these types conversations. More so, public safety, and its perception, is a major challenge the Belmont BID and BIDs across the city are facing. Perhaps SBS and partnering city agencies can host webinars for BIDs and businesses to attend that go over safety tips, best practices, and effective responses.

Further, the New York City Council Committee on Consumer and Worker Protection is reviewing a package of street vending legislation that considers lifting the cap on the number of street vendors and creating a division within SBS focused on helping street vendors. The Belmont BID, and many others, face numerous obstacles due to unlicensed vending. Having SBS help vendors in this way seems counterintuitive to their stated small business support and advocacy services. We believe that SBS should focus first on helping the small businesses that contribute taxes and economic vitality to the city.

We are appreciative to the Small Business Committee for having this hearing and we are thankful to SBS for all they do to help BIDs and small businesses. We believe in open communication and the importance of recognizing that a one size fits all approach doesn't work in a city as unique as ours with such diversity of neighborhoods.

We look forward to continuing our work together.

Sincerely,

Alyssa Tucker

Executive Director

Belmont Business Improvement District



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February 29, 2024

Statement of Monica Blum, President of the Lincoln Square Business Improvement District, to the New York City Council Committee on Small Business regarding the oversight of the NYC Department of Small Business Services (SBS) Coordination with Business Improvement Districts.

Thank you to Chair Oswald J. Feliz, Councilmember Bottcher, and members of the Committee on Small Business for the opportunity to submit testimony on behalf of the Lincoln Square Business Improvement District (BID) in relation to T2024-0685, Oversight – SBS Coordination with BIDs.

My name is Monica Blum and I am the founding President of the Lincoln Square BID. I have worked with SBS (formerly Department of Business Services) since prior to the BID's founding in 1996 and despite my 28 years of running the BID I am pleased to say that I and my staff continue to benefit from and learn from SBS – particularly the efforts emanating from the Neighborhood Development Division, which is currently led by Deputy Commissioner Calvin T. Brown, Assistant Commissioner Raquel Olivares and Emily Edwards who is the Executive Director of SBS's BID Program & Organizational Development. While SBS has always been a supportive partner for BIDs, in recent years they have stepped up their game by offering really helpful webinars and training sessions. In fact, last week, I attended a training session arranged by SBS and offered by the Lawyers Alliance on aspects of the Employment law that affects what we do and how we operate. Although I am a trained lawyer and worked in City government for years before my long stint at the Lincoln Square BID, I was pleased that my time on the webinar was well spent. I learned some things that I was not aware of.

SBS offers multiple training sessions that serve both experienced BID Executives but are equally valuable for new BID Directors and their staff. The schedule is an ambitious one but sessions on how to run an Annual Meeting, and how to review your annual assessment are two that jump out. These are command performances for new BID Directors and staff and are not to be missed. The Neighborhood Development Division does much more than training sessions however. On a monthly basis the Neighborhood Development Division convenes a Zoom meeting for all BID Directors and their staff on key City initiatives. Although these sessions started in the previous administration and during the pandemic, under Commissioner Kevin Kim they have been formalized, expanded and are a must not miss for me and my staff. Most recently we had a full-blown presentation on the new rules, timetable and design criteria pertaining to Dining Out NYC; many agency staff were on hand to discuss their specific areas of concern and answer questions in great detail and the presentation was shared with all of us. We have had several presentations of the City's rezoning initiative and on many other critical issues pertaining to our work. While many of us in the BID world have long standing relationships with those who work in City

government, the opportunity to interact with one another, and ask questions of key City staffers on major initiatives is invaluable, particularly since each of our neighborhoods have different concerns and issues. The Neighborhood Development Division also sends out frequent detailed emails with information that we in turn share with our stakeholders through our various communication channels (i.e. newsletters, websites, social media) information that they might otherwise not be aware of. These are but a few examples of the frequent informative communications that we receive from SBS. The SBS Neighborhood Development Division is a critical link between our organizations and the City and enables us to effectively communicate how the City's programs impact our neighborhoods. SBS represents the Mayor on all BID Boards of Directors which gives them insight and information on what we do on a day to day basis. We interact with other divisions of SBS as well. When our neighborhood experienced a huge water main break prior to the pandemic, SBS worked closely with us and our impacted businesses to make sure that their needs were addressed. SBS staff joined us on the ground in a command center that we set up and buildings and businesses in the neighborhood were able to come by and learn about support and resources. These are just a few examples of how Lincoln Square has worked with SBS over the years.

City government is a large and confusing operation and SBS serves as a critical link to insure that we can help our property owners and businesses effectively navigate the often confusing rules and regulations. Many New Yorkers may not be aware of the array of services and support that SBS provides to enable our businesses and property owners to be successful. The public private partnership between business improvement districts and SBS fills a critical need for all businesses - both large and small.

Thank you for this opportunity to share some brief thoughts.

TESTIMONY TO NEW YORK CITY COUNCIL SMALL BUSINESS COMMITTEE ON BUSINESS IMPROVEMENT DISTRICTS BARBARA ASKINS, PRESIDENT AND CEO FRIDAY, FEBRUARY 29, 2024

The 125th Street Business Improvement District (BID) is one of 76 BIDs in New York City. BIDs are local laws that provide its members with a tool to assess themselves for services that they deem needed to grow their district within boundaries defined by them.

The members who pay the assessment charges are property owners and commercial tenants. The voting members are property owners, commercial tenants, representative of residential tenants, and the Mayor, the Comptroller, the Borough President and City Council.

Just like other BIDs, 125th Street BID is an organization that focuses on clean and safe, marketing the district and strategic planning for future growth. We interface heavily with the community and have a defined vision for 125th Street to become a cultural destination that preserves and enhances the growth and preservation of the community's history, arts, and entertainment to enhance the growth of small businesses.

Small businesses, those who remain, have suffered tremendously. They have endured the pains of surviving from Covid, pivoting their business plans, acquiring funding, moving into operating with technology and more. The current challenges of inflation, access to credit, rising interest rates, hiring and employee retention, and supply chain disruption further complicates the life of the small business owner. And yet, there is more. crime-burglaries, robberies, vandalism, shoplifting, employee theft and fraud. These challenges can be devastating to small business owners who lose both customers and employees when fear claims the business environment.

These conditions and challenges bring to the forefront greater importance for the role for the New York City Department of Small Business Services. There is a greater need for coordination and collaboration with different entities and some creative thinking and new approaches. BIDs need more support from City Agencies to enforce existing laws. BIDs need more support to get City legislators to look at the entire ecosystem so that we do not create scenarios that pit one group of businesspeople against another. BIDs need support for funding beyond the reimbursable funding that can be onerous. BIDs need SBS to be a greater advocate on our behalf, particularly with those who are new to the BID world and do not understand the structure of the local law. BIDs are always willing to help but also understand that it is their board of directors that determine programs and how their money is spent. BIDs need greater collaboration between the City and State so that State laws do not have drastic interruption to the business climate. One such example is the legislation and roll out of legal dispensaries. Total lack of coordination and the results have not been good.

BIDs are also different in every neighborhood and have different challenges. Stronger recognition of that needs to be given greater consideration when laws are created.

SBS recognizes these challenges and works closely with BID Directors on coming up with creative solutions. Their educational webinars and focused discussions are great. The monthly meeting with BID managers allow us to bring issues from the ground to the table so that they SBS can reach out to the appropriate agency in seeking solutions.

In moving forward, I would say that SBS needs greater capability to explore new and creative solutions for this current environment. The lighting grants and other small grants to help BIDs and small business members is a step in that direction. But I cannot close without going back to the fact that these economic pressures are making it difficult for small businesses to keep their best talent onboard and continue attracting new hires. Stores are reducing their hours and closing on Sunday again. No one wants to work or invest in an environment where the concerns of shoplifting and safety for their lives is real. On 125th Street many of our small businesses are now closing early and closing on Sunday again. Our district is 5 blocks long. We now have 5 smoke shops and 1 legal dispensary. This makes retail mix and retention strategies challenging.

So where do we start? What are the priorities? "SBS's support for BIDs encompasses two categories: program management and BID development. Program management includes keeping tabs on BIDs' operational and financial wellbeing, handling contracts between BIDs and the City, collecting

BIDs' annual impact data and external audits, facilitating trainings and workshops for BIDs, and sending a representative to serve on each BID's Board of Directors and on their Finance and Audit Committees." These things are happening and SBS stays on top of in this area.

"BID development includes supporting the expansion and creation of BIDs". SBS is also doing a great job supporting BID development and the number of BIDs in New York City are growing

But a new role is rapidly emerging which involves supporting BIDs in their working relationships with City agencies and SBS has been working with BIDs to improve coordination between city agencies. In moving forward, there is also a need to bring this effort closer to the local level and seek solutions for neighborhood specific issues.



TESTIMONY BEFORE NYC COUNCIL – COMMITTEE ON SMALL BUSINESS Oversight Hearing February 29, 2024

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

My name is Pedro Suarez and I am testifying today as Executive Director of the Third Avenue Business Improvement District (BID).

The Third Avenue BID covers the commercial area between East 148th Street and East 153rd Street primarily along Third Avenue in the Bronx. Our mission has always been to support small businesses, to keep our neighborhoods clean and safe, and to bring prosperity to our communities. We are proud to be the first, and oldest of our kind in the Bronx; serving the growing the South Bronx community since 1988. The Third Avenud BID covers an 8 block-facing area which includes over 200 commercial tenants. Our programs have included equitable economic development and retail services, small business development and anti-displacement programs, sanitation and security departments that augment the city's own services, community-based public health, streetscape and capital improvements, horticulture installations, event planning, and visitor services.

BIDs interact with several of the divisions within SBS including Business Services and Office of Nightlife. We work mostly closely with the Neighborhood Development Division. This team, led by Deputy Commissioner Calvin Brown, is tasked with BID oversite, creating capacity building opportunities for community based organizations, and the development and management of grant programs that deliver critical resources for BIDs. This includes the Small BID Grant program, Avenue NYC, Neighborhood 360, and others.

We are very grateful for the partnership of Mayor Adams, SBS Commissioner Kim, and the City Council in recent years. In particular, we want to thank everyone for their advocacy in support of additional funding for small BIDs through the Small BID grant to deliver critical services. As part of the Rebuild, Renew, Reinvent Blueprint for Economic Recovery, Mayor Adams laid out an ambitious plan to form new BIDs, expand current BID catchment areas, and to provide additional assistance to small BIDs to serve districts across the city. Small BIDs are hard at work to deliver on the promise of this funding which is being put to use on everything from graffiti removal and street beautification, to lights for Ramadan celebrations, and business attraction efforts. This program was launched in FY23 and renewed in FY24. We are hopeful this funding will be renewed in FY25. Ultimately, we hope this program is baselined in order to create certainty for small BIDs. Unfortunately, due to the challenges of contracting with the city, BIDs are again awaiting contract registration and rushing to deliver these services as quickly as possible before the fiscal year ends, which is not ideal. Despite these challenges, we want to commend SBS for the urgency, nimbleness, and creativity they have shown in standing up this grant program. Baselining this funding would ensure that BIDs can strategically plan to use this funding for the most important needs of their districts moving forward. We strongly urge Mayor Adams and the City Council to continue to support our small BIDs through this new program.

In addition to the critical work our BIDs do on the ground, we are proud that two BID leaders, Matthew Bauer and Nina Flores, have been serving on the Mayor's Small Business Advisory Commission. We hope that we can continue to work with SBS, the Mayor, and the Council to advance reform efforts to reduce red tape, encourage entrepreneurship, and stem the tide of storefront vacancies.

We are very grateful for the partnership of the Mayor, Commissioner Kim, and the City Council. We look forward to continuing our important work with your support.

Respectfully,

Pedro M. Suarez

Executive Director Third Avenue Business Improvement District 2825 Third Avenue, 3rd Floor Bronx, NY 10455 D (718) 665-3983 F (718) 401-1901 psuarez@thirdavenuebid.org thirdavenuebid.org

Testimony of Marshall Strawbridge

New York City Council Committees on Small Businesses Oversight Hearing: Small Business Services Coordination with Business Improvement Districts

February 29, 2024

Good morning, I am Marshall Strawbridge, Director of Small Business and Community Outreach at the Bronx Economic Development Corporation, or BXEDC. I also work closely with the Office of the Bronx Borough President, sitting in as the Borough President's representative on the boards of all the Business Improvement Districts in The Bronx. It is an honor to be speaking with you today on such an important topic today. I want to thank the committee chair, Council Member Feliz, as well as all of the members who are present today.

Business Improvement Districts, or BIDs, are among the greatest assets that our city has when it comes to promoting economic development and improving quality of life in our commercial corridors. BID staff do much of the day-in and day-out work of keeping the streets clean and the walls free of graffiti. BIDs play an important role in advocating for the needs of small businesses and connecting them with the correct city agencies when needed. Many BIDs organize educational opportunities for the businesses within their district in areas pertaining to running and expanding a successful business. BIDs often commission public works of art and organize special events that attract people to the area and create a distinct personality and sense of place for commercial corridors.

The evidence shows that BIDs have a positive impact on their area. Research from the Furman Center for Real Estate and Urban Policy has shown that property values in commercial corridors which are managed by BIDs are higher than those that are not. In my own experience doing outreach to small businesses, business owners often speak highly of the quality-of-life improvements afforded by having a BID manage the public space.

However, BIDs that are based in The Bronx are limited in their ability to provide services to the small business owners and property owners within their district. Bronx-based BIDs operate on considerably smaller budgets than BIDs located in other parts of the city. Ten of the 12 BIDs in our borough have budgets under \$500,000, and most of these BIDs operate with only one or two full-time staff members. While most of these staff members do commendable work, they are necessarily limited by time and the scope of their expertise.

To ensure that these BIDs are able to deliver high quality services to their districts, it is vital that SBS offer them the training and support that they require. We are pleased with many of the recent efforts by SBS on this front. SBS has made great strides towards bringing educational materials to BID staff and in promoting grant opportunities to them. We hope that these efforts are the first of

many more opportunities that SBS will make available to a borough that for too long has been an afterthought for many city agencies.

Of particular note is the recent Bronx BID Leadership Support Initiative. A partnership between BXEDC and SBS, and with support from the Office of the Bronx Borough President, this initiative provides a series of educational seminars to BID staff about a range of topics that are relevant to their work. This initiative, though still only just beginning, shows great promise and has thus far been successful, with buy in from a majority of BID leadership and positive feedback from those who have attended the seminars. It is our hope that this initiative will lead to greater cooperation between our office, SBS, and the Borough President's Office. If successful, we believe that this model could be used in the other boroughs going forward.

Despite these recent positive developments, there are some areas where the city needs to make a greater effort in its work with BIDs. One issue that has consistently plagued The Bronx's BIDs is reimbursement for spending that is funded by city grants. When a project is funded through a grant, the BID must expend its own money to pay for the project and then be later reimbursed by the city. There have been complaints from BIDs of delays in reimbursement from the city. This is not unique to BIDs, with the city being slow to reimburse many community-based organizations and non-profits for years. However, given the relatively small budgets that Bronx-based BIDs operate on, delays in reimbursement can seriously damage their finances.

While we are proud of the work that is being done by the dedicated BID staff in most Bronx-based BIDs, there are a small number who are not providing adequate services to their district. There have historically been few regular systems in place to measure BID performance and correct underperforming BIDs. SBS should implement procedures to more closely monitor BID performance and should quickly intervene when BIDs are not delivering the required services. It is vital that we keep the trust of the business owners and property owners in the districts and the only way to do this is to deliver consistently excellent service.

Overall, we are pleased with the direction that SBS is moving, as we see greater opportunities for coordination and collaboration between our office and theirs. We believe that together and working with our other partners such as the Bronx Borough President's office and the many community-based organizations that we regularly work with, that we are on the verge of creating the conditions for a new era of economic growth in The Bronx with small businesses at the forefront. We are looking forward to our continued partnership and our continued fight to create a more prosperous future for the people of The Bronx. Thank you.

THE COUNCIL
THE CITY OF NEW YORK
Appearance Card
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Date: 2/29/24
(PLEASE PRINT)
Name: Emily Edwards
Address: 1 Liberty Plaza, New York, N.Y.
I represent: NYC Small Business Services
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I intend to appear and speak on Int. No Res. No in favor in opposition
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Address: NY NY 1 6023
I represent: NYC BID ASSOCIATION
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