

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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HELD AT: REMOTE HEARING - VIRTUAL ROOM 1

B E F O R E: Julie Menin, Chairperson

COUNCIL MEMBERS:

Selvena N. Brooks-Powers
Tiffany Cabán
Shekar Krishnan
Sandra Ung
Marjorie Velázquez
Carlina Rivera
Vickie Paladino

A P P E A R A N C E S

Preston Niblack, Commissioner at the Department
of Finance

Calvin Brown, Assistant Commissioner for
Neighborhood Development at the Department of
Small Business Services

Michael Hyman, First Deputy Commissioner at the
Department of Finance

Tian Weinberg, Chief-of-Staff to Commissioner at
the Department of Small Business Services

Max Bookman

Erin Piscopink

Kathleen Reilly

Michelle Shang

Randy Peers

Ryan Monell

Laura Sewell

Emily Goldstein

Jessica Walker

Juan Rivero

Olympia Kazi

Carina Kaufman-Gutierrez

Paula Segal

Guy Yedwab

Catherine Murcek

1 COMMITTEE ON SMALL BUSINESS

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2 SERGEANT BRADLEY: We are live. Sergeants,
3 would you begin your recordings?

4 SERGEANT LUGO: PC recording started.

5 SERGEANT BRADLEY: Cloud is up.

6 Good morning and welcome to today's New
7 York City Council meeting on Small Business.

8 At this time, will all panelists please
9 turn on your videos.

10 To minimize disruption, please place
11 electronic devices or on vibrate mode.

12 If you wish to submit testimony, you may
13 do so at testimony@council.nyc.gov. Again, that is
14 testimony@council.nyc.gov.

15 Thank you for your cooperation. Chair, we
16 may begin.

17 CHAIRPERSON MENIN: Good morning. I'm
18 Council Member Julie Menin, Chair of the Committee on
19 Small Business, and I want to welcome you today to
20 our Oversight and Legislative Hearing.

21 Our Oversight Hearing today will focus on
22 the problem of retail vacancies in the city, and
23 we'll also be hearing a legislative package that aims
24 to drastically improve the landscape for small
25 businesses looking to start a small business and

2 already established small businesses in the city. As
3 a former small businessowner myself, I've personally
4 experienced how challenging it can be to own and
5 operate a small business in our city. Engaging with
6 the numerous city agencies that enforce complex
7 regulations is a constant challenge for small
8 businessowners. I am incredibly proud of my bill,
9 Intro 116, which we are hearing today. My bill would
10 require the city to create a One Stop Shop NYC
11 Business Portal. The Portal would make all
12 applications, permits, licenses, and related
13 information needed to open and operate a small
14 business in the city available in a single, easily
15 accessible location on the SBS website and on a
16 mobile app. The SBS Commissioner also will be
17 required to review annually the effectiveness and
18 efficiency of the One Stop Shop NYC Business Portal
19 to make needed improvements and to report on these
20 improvements to the Mayor and to the City Council.
21 Small businesses in New York have complained for
22 decades that dealing with city government and
23 navigating various agencies is needlessly complicated
24 and burdensome. This bill would help make that issue
25 a thing of the past with a straightforward easy One

2 Stop Shop for city businesses. I am so proud that
3 this bill received a supermajority of co-sponsors
4 with over 38 Council Members signing on, which really
5 reflects how incredibly useful this could be for
6 small businesses across every single Council
7 District.

8 Our hearing today will also focus on the
9 problem of retail vacancies in the city. To help us
10 come to grips with this problem, we'll be discuss the
11 results of the Department of Finance's Storefront
12 Vacancy Database, which DOF was required to produce
13 due to the Council's enactment of Local Law 157. This
14 Database is supposed to provide policymakers with
15 useful insight into which city neighborhoods have
16 high vacancy rates as well as indications as to why
17 vacancies occur both long-term and short-term. While
18 commercial vacancies have historically been a problem
19 in certain neighborhoods, the pandemic caused a
20 drastic increase in small business closures. Over the
21 course of the pandemic, over 26,000 businesses closed
22 permanently in New York City and around 90 percent of
23 these businesses employed 10 or fewer employees.
24 Although the pandemic has devastated commercial
25 corridors across the city, some neighborhoods were

2 especially hard hit, and the administration must
3 focus their resources in these neighborhoods to aid
4 the city's recovery. In 2020, the most recent data
5 published, West Brighton and Brooklyn had a
6 commercial vacancy rate of over 36 percent and
7 StuyTown in East Manhattan had a vacancy rate of
8 about 25 percent. Some neighborhoods were spared this
9 downturn. For example, Williamsburg Brooklyn had a
10 vacancy rate of under 2 percent. While we need more
11 research to identify what has caused the crisis in
12 certain neighborhoods, the pandemic has almost
13 certainly exacerbated the problem. I know this
14 administration believes in data-driven solutions, and
15 I look forward to hearing how the administration is
16 using every tool it has to best protect the hardest
17 hit commercial corridors.

18 To help the city address these important
19 economic issues in a data-driven way, the
20 administration must take steps to improve the data
21 they are providing to the Council and to the public.
22 For example, DOF should streamline the multiple data
23 sets for each year into one data set to allow for
24 easy integration and to help the public analyze the
25 data. DOF should also take responsibility for

2 ensuring that they are asking property owners the
3 right questions to produce clear and useable data. We
4 are hearing Introduction 383 today by Council Member
5 Brewer which would require the public data set to
6 include whether a commercial premise is vacant,
7 leased, owned, or occupied, and, if vacant, the
8 expiration date of the most recent lease. This data
9 will further enhance DOF's data set and provide a
10 more up-to-date picture of the state of commercial
11 vacancies in the city.

12 Lastly, we are hearing Intro 197 today by
13 Council Member Rivera. The bill would require SBS to
14 establish a Legacy Business Registry of businesses
15 that have been operating for at least 20 years and
16 contribute to the history and identity of city
17 neighborhoods. SBS would be required to establish a
18 Legacy Business Preservation Fund to award grants to
19 Legacy Businesses and property owners who offer a 10-
20 year lease to a Legacy Business in cases of which a
21 Legacy Business faces a significant risk of
22 displacement.

23 The legislative package we're hearing
24 today will improve the material conditions for small
25 businessowners and entrepreneurs of the city. I look

2 forward to hearing the administration's positions on
3 these bills, and I look forward to hearing from
4 advocates about the importance of this legislation
5 and any ideas they have to advance it further to help
6 our small businesses all across the city.

7 With that said, I want to thank the
8 Committee staff team, Senior Counsel Stephanie Jones
9 and Senior Policy Analyst Noah Meixler, the Council's
10 data team with Data Scientist Brook Frye, Julia
11 (INAUDIBLE), and Melissa Nunez, and my Chief of Staff
12 Jonathan Szott and Legislative Director Brandon
13 Jordan for their hard work.

14 I'll now turn it over to Counsel Alex
15 Paulenoff. Thank you.

16 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
17 you, Chair Menin. As the Chair mentioned, I'm Alex
18 Paulenoff, Legislative Counsel at the New York City
19 Council, and I will be moderating this hearing.

20 Before we begin, I'd like to remind
21 everyone that you will be on mute until you are
22 called upon to testify at which point you will be
23 unmuted by the host.

24 During the hearing, I will be calling on
25 panelists to testify so please listen for your name

2 to be called as I will be periodically announcing who
3 the next panelist will be.

4 At this hearing, we will first be
5 inviting testimony from the Department of Finance
6 followed by the testimony from the Department of
7 Small Business Services and then from members of the
8 public.

9 During the hearing, if Council Members
10 would like to ask a question of the administration or
11 of a specific panelist, please use the Zoom raise
12 hand function and I will call on you in order.

13 We will be limiting Council Member
14 questions to 5 minutes which includes the time it
15 takes to answer those questions.

16 For all panelists, when called upon to
17 testify, please state your name and the organization
18 you represent, if any.

19 Before we move to the administration
20 panelists, I would like to turn to Council Member
21 Carlina Rivera for an opening statement regarding her
22 legislation. Council Member Rivera, the floor is
23 yours.

24 COUNCIL MEMBER RIVERA: Thank you so much.
25 Good morning to you all. To the staff, thank you so

2 much for coordinating this hearing. To everyone who
3 is here to testify, thank you. I want to thank you,
4 Madam Chair. Thank you to the Members of this
5 Committee for the opportunity to speak today in
6 support of my bill to create a Legacy Business
7 Registry here in New York City. Whether it's the
8 bodega you go to for coffee every morning or the
9 pizza place that you swing by when you don't feel
10 like cooking or the stationary store where you buy
11 birthday cards, small businesses are absolutely
12 integral to our lives and communities. Small
13 businesses create jobs, they forge intergenerational
14 bonds, and they make our neighborhoods what they are.
15 Intro 197, my bill with Chair Julie Menin, will
16 support the Legacy Businesses who have shaped who we
17 are so our city can continue to be the greatest city
18 in the world.

19 I want to extend my sincere gratitude to
20 all of the advocates and businessowners who are here
21 to testify, and I look forward to continuing to
22 working together to support our small businesses and
23 enhance our communities.

24 Thank you so much, and I look forward to
25 the hearing.

2 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
3 you, Council Member Rivera.

4 I'll now turn it back to the Chair to
5 recognize Council Members who are in attendance.

6 CHAIRPERSON MENIN: Thank you so much,
7 Alex. I want to recognize my Colleagues who are here
8 today, Majority Whip Brooks-Powers, Council Member
9 Rivera who you heard from, Council Member Ung, and
10 Council Member Paladino, and we'll recognize
11 additional Council Members as they join. Alex, I'll
12 turn it back over to you. Thank you.

13 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
14 you, Chair. We will now call upon representatives of
15 the administration to testify.

16 We will begin hearing testimony from
17 Preston Niblack, Commissioner at the Department of
18 Finance, and we will also hear testimony from Calvin
19 Brown, Assistant Commissioner for Neighborhood
20 Development at the Department of Small Business
21 Services. We will be joined for questions by Michael
22 Hyman, the First Deputy Commissioner at the
23 Department of Finance and Tian Weinberg, the Chief-
24 of-Staff to the Commissioner at the Department of
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1 COMMITTEE ON SMALL BUSINESS

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2 Small Business Services. At this time, I will
3 administer the affirmation.

4 Administration panelists, please raise
5 your right hands, and I will call on each of you
6 individually to respond.

7 Do you affirm to tell the truth, the
8 whole truth, and nothing but the truth before this
9 Committee and to respond honestly to Council Member
10 questions today? Commissioner Niblack.

11 COMMISSIONER NIBLACK: I do.

12 COMMITTEE COUNSEL ALEX PAULENOFF:
13 Assistant Commissioner Brown.

14 ASSISTANT COMMISSIONER BROWN: I do.

15 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
16 you. First Deputy Commissioner Hyman.

17 FIRST DEPUTY COMMISSIONER HYMAN: I do.

18 COMMITTEE COUNSEL ALEX PAULENOFF: Chief-
19 of-Staff Weinberg.

20 CHIEF-OF-STAFF WEINBERG: I do.

21 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
22 you. Commissioner Niblack, you may begin when ready.

23 COMMISSIONER NIBLACK: Thank you. Good
24 morning, Chair Menin and Members of the Committee and
25 the City Council who are here today.

2 My name is Preston Black. I'm
3 Commissioner of the Department of Finance. I'm here
4 today to testify on the DOF's Storefront Vacancy
5 Registry and on Intro 383 introduced by Council
6 Member Brewer.

7 As you know, Local Law 157 of 2019
8 requires property owners to submit to DOF
9 registration statements regarding their ground floor
10 and second floor commercial retail premises. The
11 information gathered from their filings is used to
12 create the city's Storefront Vacancy Registry. The
13 Storefront Vacancy Registry provides statistical and
14 longitudinal data on storefront spaces over the
15 required reporting periods. This information can help
16 the city track short and long-term trends such as
17 vacancy corridors. Additionally, the Registry enables
18 the Department of Finance to provide the vacancy
19 status of storefront properties as of specific dates.

20 Regarding Intro 383 by Council Member
21 Brewer, we certainly understand the desire for more
22 timely reporting on storefront vacancies. We support
23 the intent of this bill, and we look forward to
24 continuing conversations with the Council on ways to
25

2 change the reporting on storefront vacancies to make
3 it more useful to policymakers in all agencies.

4 Thank you for allowing me to testify, and
5 I'll take any questions or turn it over to Assistant
6 Commissioner Brown, whichever you guys want to do.

7 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
8 you, Commissioner. I think we'll turn it over to the
9 Assistant Commissioner and then we'll have some time
10 for questions after that.

11 Assistant Commissioner Brown, you may
12 begin when ready.

13 ASSISTANT COMMISSIONER BROWN: Thank you.
14 Good morning, Chair Menin and Members of the
15 Committee on Small Business. My name is Calvin Brown,
16 and I'm the Assistant Commissioner for Neighborhood
17 Development for the Department of New York City's
18 Small Business Services. I am joined by Tian
19 Weinberg, the Chief-of-Staff to Commissioner Kim, and
20 also the Commissioner of the Department of Finance.
21 We are pleased here to testify on the city's
22 combatting commercial vacancies.

23 At SBS, through our work of our 4
24 divisions, we aim to unlock economic potential and
25 create economic security for all New Yorkers by

2 connecting them to good jobs, creating stronger
3 businesses, and building vibrant neighborhoods across
4 the 5 boroughs. Our Division of Economic and Finance
5 Opportunity, or DEFO, is focused on helping the
6 city's M/WBEs connect to more government contract
7 opportunities. Our Division of Business Services,
8 DBS, helps businesses of every size, sector, start,
9 operate, and grow in New York City including by
10 helping businesses navigate city government. Our
11 Neighborhood Development Division, which I'm the
12 Assistant Commissioner of, equips community-based
13 partners including our Building Improvement
14 Districts, or BIDs, with the resources needed to help
15 our commercial corridors thrive, and our Workforce
16 Development Division works to increase access to
17 quality training jobs for all New Yorkers.

18 Storefront businesses serve many
19 functions across the city. They are a part of our
20 local communities, contribute to the citywide
21 economy, and provide goods and services to
22 neighborhoods, create jobs and bring character and
23 vibrancy to our city streetscapes. In the best of
24 times, these businesses face many challenges, from
25 constantly changing and highly competitive markets,

2 and the challenges have been magnified by the
3 pandemic, and they still persist as we navigate the
4 recovery. The circumstances that lead to commercial
5 vacancies are complex and vary from borough to
6 borough, neighborhood to neighborhood, and from block
7 to block so there's no one-size-fits-all solution. At
8 SBS, we work with businessowners to shore up their
9 resiliency to withstand the incredible challenges of
10 operating a successful business. We also work with
11 the Building Improvement Districts across the city to
12 support local businessowners and create more
13 resilient commercial corridors. SBS Commercial Lease
14 Assistance Program supports businesses with the most
15 fundamental contract for a storefront business, their
16 lease. SBS provides free legal services to help
17 businesses understand and negotiate new commercial
18 leases, amend, renew, or terminate an existing lease,
19 negotiate on behalf of commercial tenant with their
20 landlord, and provide advice and referral services
21 when litigation cannot be avoided. Since it's
22 inception, the program has served more than 1,500
23 unique businesses across the city and provided over
24 3,200 direct services. It's just one of the ways that

2 SBS helps and supports small businesses and help them
3 stay in business.

4 The Adams' administration has made
5 substantial investments to reform and strengthen the
6 regulatory and economic environment to support small
7 businesses and make them stronger and more resilient.
8 The administration made a significant step to cut red
9 tape for small businesses with Executive Order 2,
10 also known as Small Business Forward. As a result of
11 the Interagency Working Group, the city is reforming
12 118 penalties and eliminating 30 violations
13 altogether. We expect these reforms to save New York
14 City's small businesses an estimate of 8.9 million
15 every year. To help businesses become compliant
16 before an inspection even happens, SBS regulatory
17 experts, our Compliant Advisors, offer free on-site
18 consultations to small businessowners to help them
19 comply with city regulatory requirements and to avoid
20 common violations even before inspections happen.

21 In partnerships with local financial
22 institutions, the city will launch the 75 Million
23 Small Business Opportunity Fund to help entrepreneurs
24 gain much-needed access to capital. The Fund will
25 offer loans to both early stage and longstanding

2 businesses, including many vulnerable BIPOC and
3 immigrant entrepreneurs who did not receive federal
4 finance assistance and those from communities that
5 have been historically underserved. A strong Building
6 Improvement District acts as a local network of
7 support for commercial corridors. BIDs provide
8 sanitation services, local marketing, public safety
9 officers, and streetscape beautification services.
10 Bolstering these organizations in communities that
11 have been historically underserved and were hard hit
12 during the pandemic is a priority for this
13 administration. As provided in the Executive Budget
14 for Fiscal Year 2023, SBS will provide direct
15 subsidies to the smallest BIDs, prioritizing those
16 with budgets around 500,000 or less to strengthen the
17 business supports in these commercial corridors. With
18 these funds, SBS will introduce a suite of back
19 office professional services as well as startup tools
20 to expand the capacity of small and new BIDs. For
21 neighborhoods that do not have BID-support networks,
22 we work with community partners to identify the needs
23 of local commercial districts and plan targeted
24 solutions through our Commercial District Needs
25 Assessments, or the CDNA. The CDNAs identify

2 strengths, challenges, and opportunities within
3 commercial corridors to better inform subsequent
4 investments, and we follow this with targeted multi-
5 year grants through our Neighborhood 360 Program to
6 tackle those challenges that have been identified.

7 Some market trends and forces go beyond
8 neighborhood level, particularly the move to online
9 shopping. SBS offers free classes in digital
10 marketing, web creation, and creating online
11 marketplaces for individual businesses. We also offer
12 mentorship programs through our Black
13 Entrepreneurship and Women Entrepreneurship Programs
14 which links entrepreneurs with mentors in their
15 industry.

16 New Yorkers also understand the value of
17 our diverse local businesses and the importance of
18 supporting those that have historical barriers to
19 succeed. For these shoppers, SBS offers a consumer-
20 facing workshop called Shop Your City where New
21 Yorkers can easily search and patronize businesses
22 categorized by underrepresented demographics
23 including black-owned, women-owned, veteran-owned,
24 and LGBTQ-owned businesses. To ensure as many
25 entrepreneurs have equal to these services, we're

2 boosting our SBS Mobile Outreach Team, bringing our
3 services deep into the neighborhoods across the city.
4 We're also investing in additional resources for
5 translating materials in more languages and to make
6 our services accessible as possible. We're working
7 closely with community-based organizations that
8 support immigrant entrepreneurs to align our services
9 with community needs.

10 These are just some of the many services
11 that we provide businesses to help them launch, grow,
12 and thrive. Ultimately, the best defense against a
13 vacant storefront is successful, resilient
14 businesses, and our programs help businesses of all
15 types to meet that goal.

16 Now I would like to turn to the proposed
17 legislation. Like Intro 116, a key component of the
18 Mayor's Blueprint for Economic Recovery is a portal
19 with a goal of allowing every business in New York
20 City to execute and track all the interactions with
21 the city in real-time. Through the Portal, we will
22 provide small businesses with seamless and sequenced
23 access, guiding the users across multiple agencies.
24 The Portal will also enable businesses to track their
25 transactions with the city including filing permits

2 and inspections to allow greater accessibility and
3 transparency. We greatly appreciate the Council's
4 support for this effort, and we will work with to
5 ensure that this comes to fruition.

6 For Intro 197, we agree. Legacy-owned
7 businesses add character, and they are the most
8 important pieces of our neighborhoods. We support
9 sharing these New York institutions with consumers to
10 support them, and we will work with the Council to
11 reach this goal.

12 Thank you for the time on the topic that
13 reflects the core values of what we do here at SBS.
14 As always, we value your partnership and support to
15 make sure that the city's small businesses come out
16 of the pandemic stronger than ever. Thank you.

17 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
18 you, Assistant Commissioner Brown. I'll now turn it
19 over to questions from Chair Menin.

20 Panelists from the administration, just
21 please stay unmuted if you can during this question-
22 and-answer period. Chair Menin, you may begin when
23 ready.

24

25

2 CHAIRPERSON MENIN: Great. Thank you so
3 much. I also want to recognize my Colleague, Council
4 Member Velazquez has joined.

5 Thank you very much for the testimony
6 today in terms of the Intro 116, my bill on the One
7 Stop Shop Portal, so I appreciate your comments on it
8 so I take that to mean that the administration is in
9 support of this bill?

10 ASSISTANT COMMISSIONER BROWN: Chief-of-
11 Staff Weinberg can answer that question.

12 CHIEF-OF-STAFF WEINBERG: Thank you so
13 much, Chair Menin. As Assistant Commissioner Brown
14 said, SBS is dedicated to help small businesses
15 launch, operate, and grow, and we work hand-in-hand
16 with them to build resiliency so that they can
17 withstand economic challenges. As the Assistant
18 Commissioner said, the best defenses to commercial
19 vacancy are strong and resilient businesses, and
20 that's exactly why a key component of the Mayor's
21 Blueprint to Economic Recovery is to invest in a New
22 York City business portal with the goal of allowing
23 every business in New York City to execute and track
24 all interactions with the city in real-time creating
25 a one-stop shop experience with city government. All

2 of this is to allow businesses to better manage the
3 time working with the city so that they can double
4 down on their core business, and we greatly
5 appreciate the Council's support for this effort and
6 share your goals, and we look forward to working with
7 you as a great advocate for small businesses and a
8 great partner to SBS to ensure that the portal comes
9 to fruition.

10 CHAIRPERSON MENIN: Okay. That's
11 wonderful. I take that to be a resounding yes so
12 thank you. We appreciate that. In the interim, based
13 on SBS' expertise, do you have any other ideas of
14 ways to expedite the process for small businesses
15 going through application and permitting processes
16 because obviously I understand it will take a little
17 time to get this portal up. Any ways that we can
18 relieve any kind of regulatory burdens on the
19 licenses and permitting process in the interim.

20 CHIEF-OF-STAFF WEINBERG: Thank you, Chair
21 Menin. That's exactly why this administration
22 prioritized Executive Order 2, Small Business
23 Forward, to reform penalties and regulations
24 impacting small businesses. As a part of that effort,
25 we worked hand-in-hand with our sister agencies to

2 really take a hard look at the regulations impacting
3 small businesses, and we're proud that we will be
4 reforming 118 regulations impacting small businesses
5 including eliminating 30 altogether. As part of the
6 Portal, we will continue that process. We want to be
7 very thoughtful and precise with this process, and we
8 really prioritize an interagency collaboration as
9 part of that to help break down the silos, work on
10 the backend, and make sure that when small businesses
11 use the portal it is a true one-stop shop and they
12 can reinvest their time in focusing on their
13 business.

14 CHAIRPERSON MENIN: Part of the bill
15 requires the SBS Commissioner to annually review the
16 effectiveness of the Portal and really to seek input
17 on ways to improve it so I just want to make sure
18 that the administration is committed to that portion
19 of it to basically engage with small businesses and
20 advocates to hear from them on needed improvements on
21 the Portal once it launches.

22 CHIEF-OF-STAFF WEINBERG: Absolutely, and,
23 in fact, we plan to engage with small businessowners
24 throughout the process of building and testing and
25 launching the Portal. We want to hear from them

2 firsthand the challenges that they've been facing as
3 we did with EO2. Having small businessowners at the
4 table is our best approach to actually making sure
5 that this Portal is effective in ensuring the one-
6 stop shop experience.

7 CHAIRPERSON MENIN: Okay. I just want to
8 move now to retail vacancies because West Brighton in
9 Brooklyn, as I mentioned, and StuyTown, Peter Cooper
10 Village, both have vacancy rates in excess of 25
11 percent. What is the administration doing about that?
12 Are you partnering with local BIDs, other
13 neighborhood groups, what's the administration's plan
14 to try to address this?

15 ASSISTANT COMMISSIONER BROWN: On SBS, we
16 are partnering with our local partners whether they
17 are BIDs or even local commercial community
18 development organizations to make sure that we can
19 assess what is happening along these commercial
20 corridors. Currently, in our tool warehouse, we have
21 CDNA process so organizations that receive our grant,
22 they do what we call business landscape where they
23 assess the vacancy rate along their commercial
24 corridor and the storefront conditions and document
25 those things, and, through our partnerships, we look

2 at different strategies for activating those
3 storefronts. We always go back to the best defense is
4 making sure that businesses stay in there, but,
5 outside of that, just making sure that we're looking
6 more broadly on different strategies that we can
7 employ to make sure that we can activate those
8 spaces. One of the things that we have done in the
9 past is working with a local group called Chashama to
10 do storefront startups, just matching entrepreneurs
11 with free rental spaces just to make sure that those
12 spaces are activated so we continue to explore the
13 different strategies that we can employ and continue
14 to work with our local partners, whether they be BIDs
15 or local development community organizations to think
16 of ways to keep those spaces activated.

17 CHAIRPERSON MENIN: Okay. There are a
18 number of ways for proposals to improve the
19 Department of Finance's Vacant Storefront Database
20 because I spent a lot of time in this database. It
21 definitely needs improvements. For example, adding a
22 column in the datasets for the date and specific year
23 of the data collected would be a simple fix. Can the
24 administration commit to making that simple change?

2 COMMISSIONER NIBLACK: We are so committed
3 that we've actually already made that change. The
4 database now includes the year and the database
5 actually includes both years of data that we have
6 collected so far combined with the year field
7 indicator so that bit is done.

8 CHAIRPERSON MENIN: Okay. That's excellent
9 news. I have one more question then I'm going to turn
10 it over to my Colleagues for their questions and I'll
11 come back on a second round.

12 Currently, around 97 percent of property
13 owners of vacant premises did not identify a business
14 activity in their registration statements so does the
15 administration support requiring property owners of
16 vacant premises to identify the primary business
17 activity for the last business used because that
18 would obviously help us to glean insights into
19 business activities most frequently linked to these
20 vacancies.

21 COMMISSIONER NIBLACK: I neglected to
22 introduce earlier First Deputy Commissioner Michael
23 Hyman who now I will introduce and turn the question
24 over to.

2 FIRST DEPUTY COMMISSIONER HYMAN: We do
3 actually ask businesses to identify the primary use
4 and space. Obviously, if it's vacant, that primary
5 use has elapsed, but we'll look and try to bolster
6 any reporting to get to the last use if a place is
7 currently vacant.

8 CHAIRPERSON MENIN: Okay. Thank you. I'm
9 now going to go to my Colleagues so I'll turn it back
10 over to Alex.

11 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
12 you, Chair Menin. We will now hear from Majority Whip
13 Brooks-Powers. Just a reminder to other Members who
14 are present, if you'd like to ask a question and you
15 have not yet done so please use the Zoom raise hand
16 function. Council Members, you will have a total of 5
17 minutes to ask your questions and receive an answer
18 from the panelists. The Sergeant-at-Arms will keep a
19 timer and let you know when your time is up. Majority
20 Whip Brooks-Powers, you may begin when the Sergeant
21 announces the time.

22 SERGENT LUGO: Starting time.

23 MAJORITY WHIP BROOKS-POWERS: Hello and
24 good morning, everyone. Thank you so much, Chair

2 Menin and the Committee staff for facilitating and
3 for SBS and DOF for being here to testify today.

4 I appreciate this Committee's attention
5 to these matters. The pandemic has wreaked havoc on
6 our community's small businesses, and many are still
7 shuttered and struggling to recover.

8 In Downtown Far Rockaway, I know that my
9 businessowners have been beset by additional
10 challenges like reduced foot traffic and power
11 outages as a result of construction in the area. It
12 is important that we continue to find ways to
13 simplify and streamline the experience of small
14 businessowners, minimizing red tape, and helping them
15 get back to serving our communities. I have a few
16 questions regarding the bills being heard today.
17 First, what kind of feedback have our small
18 businesses given around the need for a one-stop
19 service? Have the agencies identified key features
20 that businesses would like to see in such a platform?
21 Some of our city's communities as a result of the
22 digital divide, I'm interested in knowing what work
23 is being done to reach these businesses and ensure
24 that they're not left behind in terms of resource
25 accessibility. With regards to the Legacy Business

2 Preservation Fund, how would the agencies ensure an
3 equitable distribution of grant recipients? How would
4 the Commissioner determine whether a property is at
5 risk of displacement? Those are my questions. Thank
6 you.

7 CHIEF-OF-STAFF WEINBERG: Thank you,
8 Council Member Majority Whip Brooks-Powers, for your
9 questions. In terms of the feedback that we are
10 getting from small businesses, we are actively in the
11 process of soliciting that feedback, and we can
12 definitely keep your office updated as for what we
13 hear. First and foremost, the user experience and
14 improving the user experience is a priority for us.
15 We want to make sure that this Portal is a true one-
16 stop shop so that businesses don't have to navigate
17 to other agency websites in order to get their
18 questions answered.

19 As for the digital divide, nothing
20 replaces true on the ground door-to-door outreach,
21 and that is a core component of any program that we
22 do here at SBS, and it certainly will be for the
23 Portal itself. We look forward to working with
24 community-based organizations to make sure that we
25 get this Portal in the hands of small businessowners

2 and work with them to answer any questions that they
3 have.

4 As for the last question, I'll turn it
5 back.

6 MAJORITY WHIP BROOKS-POWERS: Thank you.
7 Tian, who are you turning back to?

8 CHIEF-OF-STAFF WEINBERG: Council Member,
9 could you please repeat your last question?

10 MAJORITY WHIP BROOKS-POWERS: The last
11 question that I asked, one moment, it was with
12 regards to the Legacy Business Preservation Fund. How
13 would the agencies ensure an equitable distribution
14 of grant recipients? How would the Commissioner
15 determine whether a property is at risk of
16 displacement?

17 ASSISTANT COMMISSIONER BROWN: Thank you
18 for the question. At SBS, we share the concerns that
19 the Council has regarding these Legacy Businesses,
20 and we want to make sure that we can do everything
21 that we can to support them. We currently in our
22 toolbox working with local organizations, especially
23 in the Rockaways, through the CDNA process just
24 understanding the population of those businesses and
25 understanding their needs so through the CDNA we

2 understand what those challenges are for businesses
3 along those commercial corridors so we use that
4 information and develop strategies to combat those
5 challenges. I think the information we have for
6 neighborhoods through our CDNA process or continuing
7 to work with our local partners, whether they be BIDs
8 or other community-based organizations, I think we
9 can understand the universe of the needs and the
10 challenges that are affecting those businesses,
11 especially our Legacy Businesses.

12 MAJORITY WHIP BROOKS-POWERS: Thank you
13 for that. My office..

14 SERGEANT LUGO: Time expired.

15 MAJORITY WHIP BROOKS-POWERS: Is available
16 to be able to provide support as well because I have
17 a number of merchant corridors that I think could
18 benefit from some of the opportunities that would
19 come out of these pieces of legislation. Thank you so
20 much.

21 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
22 you, Majority Whip Brooks-Powers. Now we will turn to
23 Council Member Ung. Council Member Ung, you may begin
24 when the Sergeant announces the time.

25 SERGEANT LUGO: Starting time.

2 COUNCIL MEMBER UNG: Good morning and
3 thank you, Chair Menin, for hosting this hearing. I
4 just have a quick question. I represent a district
5 where English is not mostly small businesses' first
6 language, and I'm hearing about the one-stop shop,
7 that there'll be outreach to immigrant small
8 businesses, which is great, but what steps is the
9 agency taking to ensure that one outreach is made,
10 which I have seen from Small Business that there has
11 been outreach in different languages, but what steps
12 are the agencies taking to make sure after outreach
13 is done that the services that will be provided in
14 the different languages?

15 CHIEF-OF-STAFF WEINBERG: Thank you,
16 Council Member Ung, for that question. We really
17 appreciate it. As you know, Commissioner Kim is
18 deeply committed to ensuring that SBS builds deeper
19 relationships with immigrant small businessowners and
20 those who speak languages other than English. As for
21 the Portal, as required by law, the Portal will be
22 accessible in at least 10 languages, and we will
23 leverage our Mobile Outreach Unit to get into
24 historically underserved communities and to do that
25 outreach that you mentioned with immigrant small

2 businessowners. I think the answer to your question
3 is that the Portal will be accessible in at least 10
4 languages, and we'll continue to engage our
5 community-based organizations that are really the key
6 stakeholders and key partners in ensuring that small
7 businessowners are able to use the services that we
8 provide. We fully depend and work with trusted
9 messengers because we believe that that's the best
10 way to reach small businesses and help them through
11 the process. Throughout the whole process, we will be
12 delivering the information in a culturally informed
13 and linguistically appropriate way.

14 COUNCIL MEMBER UNG: Thank you. I just
15 have a quick followup. I think that's great to work
16 with the local CBOs. In terms of the website as being
17 translated, is it something that's a Google Translate
18 or is it something that you're working with
19 professional translators to make sure that it's being
20 translated correctly?

21 CHIEF-OF-STAFF WEINBERG: Thank you.
22 That's a really important question. If you don't
23 mind, I will talk with our team who is focused on the
24 Portal and get back to your office with a detailed
25 answer.

2 COUNCIL MEMBER UNG: Great. Thank you so
3 much.

4 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
5 you, Council Member Ung. We will now turn it back to
6 Chair Menin for additional questions.

7 CHAIRPERSON MENIN: Thank you so much. I
8 really want to build upon what Council Member Ung
9 mentioned. First of all, yes, if you could please get
10 back to her office as well as our Committee in terms
11 of her question about Google Translate because we've
12 seen so many problems with Google Translate where it
13 really makes it very difficult for small
14 businessowners when the translation is not to up to
15 par. I also want to suggest, and I appreciate that
16 you're doing this in 10 different languages with the
17 Portal, I will say when I served as Commissioner of
18 Consumer and Worker Protection and we implemented the
19 Paid Sick Leave Law, we did it in 24 languages so I
20 really want to urge SBS to think broader about that
21 with over 200 languages spoken in this city, 10 is on
22 the lower end and so if you could please consider
23 adding more languages, we would obviously then be
24 able to reach more small businesses so that's my
25 first, it's more of a comment than a question.

2 I did have some questions about SBS Quick
3 Start Services because how many small businessowners
4 have been served by SBS Quick Start?

5 CHIEF-OF-STAFF WEINBERG: Thank you,
6 Council Member, for the question. I do not have that
7 number on hand as we were prepared to answer
8 questions about the Portal, but we're happy to follow
9 up.

10 CHAIRPERSON MENIN: That would be helpful.
11 I'd love to get information on how many businesses
12 have been helped by that and then also for businesses
13 with limited English proficiency, LEP, if we could
14 get some sense of the data on what SBS is doing to
15 reach out to those communities because I'm still
16 concerned that many small businesses are not knowing
17 about the services that SBS provides, and I certainly
18 want to make sure with the Portal that we are able to
19 reach everyone so I think that's incredibly important
20 as well.

21 That was my last question. Thank you.

22 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
23 you, Chair Menin. Again, if there are any Council
24 Members who have any additional questions for the

2 administration, please use the Zoom raise hand
3 function now.

4 Seeing none, we will now move to the
5 public portion of today's hearing.

6 I'd like to remind everyone that unlike
7 in our typical Council hearings, we will be calling
8 on individuals one-by-one to testify, and we will be
9 limiting each panelist's speaking time to 3 minutes.

10 Council Members who have questions for a
11 particular panelist should use the Zoom raise hand
12 function, and we will call on you after the panelist
13 has completed their testimony.

14 For panelists, once your name is called,
15 a member of our staff will unmute you and then the
16 Sergeant-at-Arms will set the 3-minute timer and give
17 you the go-ahead to begin so please wait for the
18 Sergeant to announce that you may begin before
19 delivering your testimony.

20 First today, we will hear from Max
21 Bookman followed by Erin Piscopink and then Kathleen
22 Reilly. Max Bookman, you may begin when the Sergeant
23 announces the time.

24 SERGENT LUGO: Starting time.

25

2 MAX BOOKMAN: Thank you. My name is Max
3 Bookman. I am a partner at the law firm Pesetsky and
4 Bookman. For 35 years, our firm has been representing
5 small businesses before various city agencies
6 including your former agency, Chair Menin. We're also
7 Legislative Counsel to the New York City Hospitality
8 Alliance, and I'm pleased to speak on behalf of the
9 Alliance today.

10 Chair Menin, you're also my Council
11 Member. I love your background. Thank you for the
12 opportunity to speak today and for your leadership on
13 this issue, and I just want to acknowledge Council
14 Member Rivera who is an ally of our industry and
15 we've worked with on many, many important items.

16 The Alliance supports all 3 bills, and we
17 detailed that in our written testimony. Chair Menin,
18 you asked for some ideas on Intro 116. The Alliance
19 has 2 ideas. One is let's not let one-stop shopping
20 slide into two-stop shopping. It's important to
21 clarify with the administration and the bill text
22 that agencies must, number 1, not only make
23 application materials available but actually accept
24 submission of those application materials through the
25 online portal. It's one thing to make materials

2 available, but they need to accept those materials as
3 well and similarly accept all application materials.
4 Applications can be complicated. There's a lot of
5 supplemental materials, there's plans that need to be
6 reviewed, etc. It's not going to help small
7 businesses to the maximum extent if through the
8 portal the agencies essentially accept some sort of
9 preliminary package of materials only for then
10 applicants to get a series of emails from various
11 agencies saying okay, now that you've submitted your
12 preliminary package there's a whole bunch of other
13 stuff you have to submit directly to us, not through
14 the Portal, so that's important.

15 Idea number two is let's have a one-stop
16 brick and mortar shop too, and this goes to the
17 digital divide that Majority Whip Brooks-Powers
18 mentioned. I can tell you from representing small
19 businesses myself that the digital divide is real. So
20 many of them are recent immigrants who, even if you
21 put the Portal in their own language, many of them
22 just lack the comfort and skill to utilizing online
23 systems. It's not just about outreach. They need a
24 physical location to go to where they can bring all
25 their papers, speak to someone who's been cross-

2 trained in the various agency requirements, who could
3 accept papers for filing, one in each borough we
4 think we would be a good idea either in this bill or
5 in future legislation, and that would help bridge the
6 digital divide.

7 I thought I had 2 minutes so 3 minutes, I
8 have 30 more seconds to give out so I guess with that
9 I'll just say thank you, again, Council Member Menin,
10 for your leadership on this and the Alliance is glad
11 to be working with you on this and so many other
12 important issues, and I'm happy to answer any
13 questions.

14 CHAIRPERSON MENIN: First of all, let me
15 just thank you for the testimony from the Alliance
16 and let me just say in terms of the first point you
17 made that absolutely, the bill would require SBS to
18 receive the application in its totality. It's not
19 just a website that then you get information, but
20 you'd actually be able to submit it and, ultimately,
21 the goal, of course, should also be that all
22 violations and funds are also consolidated into that
23 One-Stop Portal as well so thank you so much for your
24 testimony.

25 MAX BOOKMAN: Thank you.

2 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
3 you, Mr. Bookman. We will now hear from Erin
4 Piscopink followed by Kathleen Reilly and Michelle
5 Shang. Erin Piscopink, you may begin when the
6 Sergeant calls the time.

7 SERGENT LUGO: Starting time.

8 ERIN PISCOPIK: Good morning, Chair Menin
9 and Members of the City Council. My name is Erin
10 Piscopink, and I am testifying on behalf of the New
11 York City BID Association. I'm also the Executive
12 Director of the Grand Street BID in Brooklyn. The BID
13 Association represents the 78 individual BIDs
14 throughout the city that serve as stewards of our
15 diverse commercial corridors and neighborhood public
16 spaces. Our mission has always been to support the
17 nearly 100,000 local businesses we serve to keep our
18 neighborhoods clean and safe and to bring prosperity
19 to our communities. Never has our work been more
20 important and vital and essential than it has been
21 during COVID-19 pandemic. Our members have worked
22 tirelessly throughout the crisis educating and
23 delivering resources to our small businesses and
24 workers. We're pleased to present this testimony
25 today on our city's commercial vacancy crisis.

2 Commercial vacancies were a concern long
3 before the COVID-19 pandemic, which, of course, has
4 exacerbated many of the challenges our commercial
5 businesses face. BIDs have done everything possible
6 to help businesses survive and thrive from sharing
7 information on relief programs to managing Open
8 Street and leading advocacy on Open Storefronts.
9 However, more must be done, and we're glad that Chair
10 Menin and the Council are focused on this issue.

11 We certainly believe that regulatory
12 burdens disproportionately impact small businesses,
13 and the city's endless maze of paperwork and mandates
14 must be addressed. We, therefore, support Intro 116,
15 Chair Menin's proposal to create a One-Stop Shop
16 Business Portal that would centralize all of these
17 requirements. While we expect this will be a
18 challenging task for the administration to execute,
19 we're glad that Mayor Adams has also proposed such a
20 solution, and we're hopeful that this dream can be
21 realized.

22 We also support Intro 197 from Council
23 Member Rivera to establish a Legacy Business Registry
24 and Preservation Fund. We've generally opposed heavy-
25 handed interventions such as rent control and vacancy

2 taxes, but this proposal is a much better method to
3 help the Legacy Storefront Businesses which are so
4 critical to our city's economy and identity without
5 hurting property owners.

6 We do have concerns about Intro 383 which
7 would alter the timeline of and add additional
8 requirements to supplemental registration statements
9 for commercial premises. While we share the desire
10 for better data, we're concerned that this is yet
11 another reporting burden on property owners that
12 could be used as a tool for vacancy tax or other
13 owners interventions. We believe there are far better
14 ways to get this kind of data including through
15 organizations such as Live XYZ, which maintains a
16 clearing house for business information including
17 vacancy status.

18 Lastly, we want to thank Mayor Adams,
19 SBS, Chair Menin, and the entire City Council for
20 their support of BIDs during these difficult times.
21 We're hopeful that the adopted budget will include
22 operational support for small BIDs to provide
23 enhanced services to our districts which will surely
24 result in the survival of commercial businesses
25 amongst other benefits.

2 Thank you for the opportunity to testify
3 today.

4 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
5 you, Miss Piscopink. Next, we will hear from Kathleen
6 Reilly followed by Jessica Walker and then Michelle
7 Shang. Miss Reilly, you may begin when the Sergeant
8 calls time.

9 SERGENT LUGO: Starting time.

10 KATHLEEN REILLY: Good morning. My name is
11 Kathleen Reilly. I'm the New York City Government
12 Affairs Manager for the New York State Restaurant
13 Association. We know how much the restaurant industry
14 means to the city and its culture and its economy,
15 and we do believe that the recovery of New York City,
16 itself, will depend on supporting the recovery of the
17 struggling restaurant industry. With those goals in
18 mind, we're so grateful to Chair Menin, Council
19 Members River and Brewer for sponsoring legislation
20 aimed at supporting and reviving storefronts in New
21 York City and giving us the opportunity to discuss
22 the problems with vacant storefronts today.

23 Intros 116, 197, and 383 each represent
24 distinct steps the city can take to create a more
25 supportive, organized, and navigable experience for

2 all storefront businesses. Intro 116 would spur the
3 creation of a One-Stop Shop New York City Business
4 Portal which would create a unified entry point for
5 businesses seeking city services, obtaining permits,
6 and otherwise interacting with various agencies and
7 replace the current system where businesses log in or
8 interact separately with most agencies. Introducing a
9 One-Stop Shop is important for all business operators
10 because it would cut down on the friction of
11 interacting with city government, and it would be
12 especially important for operators who are either
13 less tech or face other sorts of barriers to
14 interacting with the city online, although we do
15 agree that it's important to have in-person
16 opportunities as well, reducing the different kinds
17 of places that you need to know and be aware of to
18 interact with the city online is definitely an
19 improvement, saving people both time and energy.

20 Intro 197 would create a registry of
21 Legacy Businesses and dedicate preservation funding
22 towards keeping them in place. We're very supportive
23 of this proposal because it would help New York's
24 oldest businesses get the recognition that they
25 deserve and protect them from displacement. The

2 process put forward in Intro 197 to nominate and
3 approve businesses makes sense. We would also suggest
4 conducting thorough outreach across the city to make
5 sure all businesses are aware of the distinction and
6 have the opportunity to get connected with their
7 Council Member, Borough President, or other elected
8 officials for nomination.

9 Intro 383 would tighten reporting
10 obligations for landlords and improve the city's
11 access to information about storefronts that become
12 vacant. We are supportive of gathering this data
13 because the pervasive issue of vacant storefronts can
14 only be tackled insofar as the city understands the
15 true scope of the problem.

16 On that note, I would like to address our
17 overall concern with the ongoing problem of vacant
18 storefronts. For commercial corridors where vacancies
19 are prevalent located across all 5 boroughs, the
20 surviving businesses, neighbors, and the general
21 public have to suffer the consequences. Vacant
22 storefronts reduce the appeal of their block, and,
23 while active commercial corridors contribute to a
24 sense of public safety, concentrated vacancies
25 detract from that. We support creating a framework of

2 incentives to connect new and existing businesses to
3 fill the vacant storefronts and allow these
4 businesses to contribute to New York City's economy,
5 which they are so eager to do.

6 Thank you for holding this hearing. Thank
7 you for the attention being paid to these important
8 issues, and we look forward to collaborating with
9 City Council and the Adams' administration in the
10 future on this. Thank you.

11 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
12 you, Miss Reilly. Next, we will hear from Michelle
13 Shang followed by Randy Peers and then Ryan Monell.
14 Miss Shang, you may begin when the Sergeant calls
15 time.

16 SERGEANT LUGO: Starting time.

17 MICHELLE SHANG: Thank you, Committee
18 Chair Menin and the Committee on Small Business for
19 this opportunity to testify. I'm Michelle Shang, the
20 Small Business Technical Assistance Coordinator at
21 the Asian American Federation where we represent the
22 collective voice of more than 70 member non-profits
23 serving 1.5 million Asian New Yorkers.

24 Every day, our Small Business team works
25 to support Asian businessowners across New York City.

2 The majority of our clients are low English
3 proficiency immigrant businessowners in neighborhoods
4 like Flushing and Sunset Park. Our work gives us a
5 firsthand understanding of the challenges that these
6 businessowners face, and we're excited for proposals
7 like Introductions 116 and 197 as they provide much
8 needed support to new businessowners as well as
9 beloved Legacy Businesses, but we hope that such
10 programs are equally accessible to the city's
11 immigrant LEP businessowners.

12 To this end, we'd like to suggest some
13 amendments to Intro 116 based on common challenges we
14 see in our community. First, language access and
15 technical assistance programming. Language barriers
16 and the digital divide remain significant issues with
17 government programs as Majority Whip Brooks-Powers
18 and Chair Menin have all raised. We urge the city to
19 ensure that the One-Stop Shop NYC Business Portal
20 includes quality translations into the most spoken
21 NYC non-English languages. Google Translate, which is
22 used on city websites at the moment, does not provide
23 sufficient translations as Council Member Ung has
24 pointed out. Additionally, it's crucial to provide
25 both outreach and one-on-one support to ensure hard-

2 to-reach populations can access these kinds of
3 programs, and our work on SBS' Commercial Lease
4 Assistance Program, for example, we've had to walk
5 almost every client step-by-step through the online
6 registration process. We anticipate similar divides
7 with the One-Stop Shop Portal website, and we,
8 therefore, urge the Council to set aside funding for
9 a technical assistance program for the site in
10 partnership with community-based organizations like
11 ours.

12 Second, compliance and violation
13 information. Commercial violations remain one of the
14 biggest challenges for the city's smallest
15 businesses. The procedure for curing violations
16 differs greatly from department to department. The
17 DOB, for example, requires a certificate of
18 corrections on top of crafting violating issues to
19 consider a ticket resolved. In our work, we've found
20 that businessowners often don't know these kinds of
21 procedural details, and, therefore, have open
22 violations for years without even knowing it.

23 Intro 116 already compels all the
24 relevant agencies to coordinate permit and licensing
25 information, and, therefore, it's an amazing

2 opportunity for these agencies to also aggregate
3 compliance information. We, therefore, recommend that
4 the One-Stop Shop Portal includes department-specific
5 compliance information to help businesses maintain
6 good standing.

7 Third, vendor information. We found in
8 our work that businessowners in immigrant communities
9 often rely on personal relationships to find vendors
10 who are frequently unlicensed. These vendors may do
11 work improperly or without filing paperwork,
12 therefore, resulting in surprise fees or additional
13 unnecessary work later down the line. Therefore, we
14 recommend that the One-Stop Shop Portal include a
15 list of city-licensed vendors including plumbers,
16 sign hangers, electricians, and fire technicians. The
17 DOB already keeps lists of these currently licensed
18 vendors, and the One-Stop Shop Portal would simply be
19 to make the available to new businessowners.

20 In summary, we recommend that the Council
21 make the following changes to Intro 116. One, ensure
22 quality translations into the top non-English
23 languages. Second, fund a technical assistance and
24 outreach program...

25 SERGEANT LUGO: Time expired.

2 MICHELLE SHANG: Could I just finish
3 really fast? Third, add compliance...

4 CHAIRPERSON MENIN: Yes, please finish and
5 then obviously we want you to submit these comments
6 in writing because I really appreciate that you've
7 got specific recommendations so thank you.

8 MICHELLE SHANG: Thank you. Absolutely, we
9 will. Second, fund a technical assistance and
10 outreach program to ensure access for hard-to-reach
11 populations. Third, add compliance and violation
12 information to the portal. Finally, fourth, add
13 licensed vendor lists to the portal.

14 Thank you to the Committee for this
15 opportunity to testify, and we hope we can continue
16 working together to ensure small businesses flourish.

17 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
18 you, Miss Shang. Next, we will hear from Randy Peers
19 followed by Ryan Monell and then Laura Sewell. Mr.
20 Peers, you may begin when the Sergeant calls time.

21 SERGENT LUGO: Starting time.

22 RANDY PEERS: Good morning. Thank you,
23 everybody. Thank you, Chairwoman Julie Menin, who's
24 been a super champion for our small businesses. Randy
25 Peers, President and CEO of Brooklyn Chamber of

2 Commerce, 62,000 small businesses, 84 percent have
3 less than 10 employees.

4 We are in support of Intro 0116, the One-
5 Stop Portal. To me, it's a no-brainer. It's also the
6 companion to Small Business Forward which was
7 announced a couple weeks ago by the administration to
8 eliminate fines or to reduce, I wish eliminate, but
9 to reduce fines and violations. It makes a lot of
10 sense to have a One-Stop Portal. I'm not going to
11 repeat some of the additional recommendations that
12 many of my colleagues have mentioned, but I will say
13 this, to put things into context. 2020, we saw the
14 rash of business closures. 2021, at least in
15 Brooklyn, through the first half of this year, we've
16 done more ribbon-cuttings than I've ever done in my
17 career. This is a good thing. It's a good sign, but
18 we've got a long way to go to really make it easy for
19 people to open small businesses in this city. Let me
20 push you guys a little bit further. On Small Business
21 Forward, for example, the Fire Department got a pass.
22 There were 38 provisions that were looked at, and
23 only 4 were recommended so we've got some work to do.
24 The Fire Department is probably one of the biggest

2 obstacles to opening a business in New York City than
3 any other agency.

4 Second, I'm going to read from an op-ed
5 that I wrote over a year ago. As the Citizens Budget
6 Commission points out, from 2010 to 2020 revenue from
7 fines and violations increased at a rate of 2.6
8 percent at almost 1.1 billion but fees and permits
9 increased even more, 3.7 percent annually. By the
10 way, the rate of inflation was only 1.6 percent so
11 what does that tell you? It means we've got more
12 permits and more fees and more licenses that
13 businesses are required to actually access in order
14 to open their doors so we need a real comprehensive
15 approach here. The Portal is a very good step in the
16 right direction. I want to thank the Committee and
17 its Chairwoman for getting us to this point, but
18 we've got a lot more work to do, folks, if we truly,
19 truly believe in small businesses and we truly, truly
20 want to support almost 49 percent of our economy,
21 right, because 49 percent of the jobs come from the
22 small business community.

23 With that, I say thank you for your
24 advocacy and your efforts, and I look forward to
25 working with you on more of this to come. Thank you.

2 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
3 you, Mr. Peers. Next, we will hear from Ryan Monell
4 followed by Laura Sewell and then Emily Goldstein.
5 Mr. Monell, you may begin when the Sergeant announces
6 the time.

7 SERGENT LUGO: Starting time.

8 RYAN MONELL: Thanks, Chair Menin and
9 Members of the Committee. I'm Ryan Monell
10 representing the Real Estate Board of New York. Over
11 the last couple of years in particular throughout the
12 pandemic and now hopefully following the pandemic as
13 we start to wade out of it, no issues have been more
14 important to our members than those of small
15 businesses and supporting small business tenants
16 across the 5 boroughs. We want to be at the forefront
17 of finding solutions. We believe that the 3 bills
18 being heard today bring up really important issues
19 that hopefully we can find positive opportunities for
20 more businesses to flourish in New York City.

21 Regarding Intro 116, as you've heard from
22 many of our colleagues, REBNY also supports this
23 legislation. Of course, eliminating red tape and
24 bureaucracy by ensuring that small businesses and
25 their constituents can easily and quickly navigate

2 city government should be a priority for this
3 Council, which it seems to be. The Council must
4 ensure that there is proper funding, of course, and
5 interagency coordination necessary to facilitate this
6 task. It should also ensure the appropriate
7 oversight, which I'm sure you will, to see that it is
8 completed in a timely manner.

9 In addition, as this process is
10 facilitated, as you've heard from many of my
11 colleagues, it provides yet another opportunity for
12 the Council to evaluate all applications, permits,
13 licenses, inspections, and fees currently necessary
14 to do business in the city and to remove or revise
15 those found to be burdensome, (INAUDIBLE), punitive,
16 or unnecessary. As Randy mentioned, one of the
17 biggest issues that we've seen is with FDNY so this
18 hopefully would provide an opportunity to evaluate
19 how interagency coordination could potentially
20 expedite processes particularly around inspections
21 which we've particularly recently to be a significant
22 prohibitor for small businesses to open. With that
23 said, REBNY stands ready to support and assist in
24 these efforts for the benefit of all small businesses
25 and tenants.

2 Regarding Intro 197, REBNY also supports
3 this legislation and believes that it provides a
4 framework for ensuring that businesses that have
5 historically contributed to a community are able to
6 continue operations. Last year and the year prior
7 during the pandemic, we actually worked with now
8 Comptroller Lander and Council Member Powers on a
9 similar proposal that would actually provide instead
10 of a grant an abatement to allow for what we believe
11 could potentially be even more folks who represent
12 small businesses to benefit outside of a grant
13 program, and we'd love to work with you, Chair Menin
14 and the Council, to potentially find opportunities to
15 bring that conversation back into the forefront which
16 we believe would be another opportunity alongside
17 this grant program which provides a great jumping off
18 point.

19 Finally, Intro 383. I think we understand
20 the goal is to tighten reporting deadlines to make
21 published data more current. I think we've found
22 particular surrounding the facilitation of Local Law
23 157 and also RPIE filings, Real Property, Income, and
24 Expense filings, oftentimes there are...

25 SERGEANT LUGO: Time expired.

2 RYAN MONELL: And just to finish very
3 quickly, we think that making sure that what is being
4 proposed in this bill is done in a way that is the
5 least burdensome as possible would be very beneficial
6 and we think that the timeframe as proposed might
7 provide some challenges, so willing to work with you
8 all on that going forward with the understanding that
9 we want to make sure that we have as good of data as
10 possible. Thanks, Chair.

11 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
12 you, Mr. Monell. Next, we will hear from Laura Sewell
13 followed by Emily Goldstein and then Jessica Walker.
14 Laura Sewell, you may begin when the Sergeant
15 announces the time.

16 SERGEANT LUGO: Starting time.

17 LAURA SEWELL: Thank you for the
18 opportunity. Chair Menin, it's very good to see you
19 in this role, and I appreciate that you're getting
20 right down to business and moving things along.

21 Regarding the Portal, it's very
22 reassuring to hear from SBS with whom we've partnered
23 over the years that this is something that they see
24 as doable. With the way paved there, I think that the
25 idea of a One-Stop Shopping Portal is of course a

2 wonderful one, and it will be challenging to
3 implement, get the word out to all the small
4 businesses speaking all the different languages, some
5 of whom are as we've heard from other people not
6 digital literate, but we are equally committed to
7 work for the success of this and to get the word out.
8 I would say we also represent residents, and in all
9 of this talk I would like to hear more commitment to
10 residents as well as businesses and especially where
11 it comes to issues of public safety, the Department
12 of Health and the Fire Department. I spent most of
13 yesterday trying to trace down a mysterious
14 electrical smell that was so strong it woke us all up
15 at 6:30 in the morning so these are very real
16 concerns, the food temperature and the public safety
17 around the Fire Department. I'm all for supporting
18 small businesses but let's not forget us.

19 We were pleased to serve on Council
20 Member Brewer's (INAUDIBLE) Taskforce when she served
21 as Manhattan Borough President and the idea of using
22 Department of Finance data that's already been
23 collected to help offer our city a real reporting of
24 our vacancies is something that we really didn't
25 understand how we didn't already have it so the

2 pathway of doing and accomplishing it that way is
3 very important. We think having the landlords report
4 is important because we also are getting reports from
5 the BIDs and other areas that work with small
6 businesses so it's good to compare it to what the
7 landlords are actually reporting, and it's not so
8 burdensome for the Department of Finance or for the
9 landlords that we can't benefit from this.

10 Regarding the Legacy Business Registry, I
11 think the Registry is a great idea. I'm a little
12 unclear on the criteria other than 20 years, and we
13 are also concerned about this incentivizing landlords
14 to raise rents so that they and the businesses can
15 benefit for them so that's really something that
16 needs to be examined, but we're still greatly in
17 support of commercial rent stabilization, the real..

18 SERGEANT LUGO: Time expired.

19 LAURA SEWELL: Thank you.

20 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
21 you, Miss Sewell. Next, we will hear from Emily
22 Goldstein followed by Jessica Walker and then Juan
23 Rivero. Miss Goldstein, you may begin when the
24 Sergeant calls time.

25 SERGENT LUGO: Starting time.

2 EMILY GOLDSTEIN: Thank you to Chair Menin
3 and the Members of the Committee for the opportunity
4 to testify today. My name is Emily Goldstein, and I'm
5 the Director of Organizing and Advocacy at the
6 Association for Neighborhood and Housing Development
7 or ANHD. We are one of the city's leading policy,
8 advocacy, and capacity building organizations with a
9 membership of over 80 neighborhood-based and citywide
10 non-profits that have affordable housing or equitable
11 economic development as a key part of our mission.
12 Many of our members work with local merchant
13 associations and provide support through various SBS
14 programs to help small businesses in their
15 communities. ANHD is also a member of United for
16 Small Business NYC which is a coalition of community
17 organizations across New York City fighting to
18 protect New York's small businesses and commercial
19 tenants from the threat of displacement with a
20 particular focus on owner operated, low-income,
21 people of color run businesses that serve low-income
22 communities and communities of color.

23 We all know that small businesses are the
24 backbone of our city's neighborhoods. Even before the
25 COVID-19 pandemic, many small businesses were facing

2 displacement pressure from rising rents, and, of
3 course, the pandemic shutdowns caused severe crises
4 for countless small businesses throughout the city.
5 In New York City, the soaring cost of commercial
6 rents stayed on trend with pre-pandemic rents, and
7 individual landlord negotiations are often not enough
8 to help keep small businesses alive. New York City's
9 small businesses need legislation that addresses
10 rising rents and resulting commercial vacancies, and
11 so we appreciate the Committee's focus on the issue
12 of commercial vacancies today.

13 With regards to Intro 383, this builds on
14 the passage of Local Law 157 in 2019 which
15 established a publicly available storefront registry
16 with median rents, lease terms, and vacancies of
17 commercial spaces. This was a major victor for anti-
18 displacement organizing. The data gives policymakers
19 and advocates the necessary information to create
20 meaningful protections for New York's commercial
21 tenants and hold landlords accountable if they do not
22 comply with the laws. We support Intro 383 which
23 makes fixes to the timing of the registration
24 requirements that will help ensure that the data in
25 the registry is accurate and consistent. We commend

2 Council Member Brewer for her leadership on this
3 issue over the years.

4 On Intro 116, we are well-aware that
5 small businessowners frequently have difficulty
6 navigating the systems that they need to interact
7 with. The creation of a one-stop shop could really
8 help remove barriers to access and make those
9 processes substantially easier for small
10 businessowners. We agree with some of the comments
11 that have already surfaced around really focusing on
12 ensuring that language access is baked into this
13 portal, not just the bare minimum of the existing
14 legal requirements, but increased numbers of
15 languages and access not only on the Portal itself..

16 SERGEANT LUGO: Time expired.

17 EMILY GOLDSTEIN: But within the services.
18 The last sentence I'll say is that we also recommend
19 the Portal include information on commercial tenants'
20 rights and information on how to access services such
21 as the Commercial Lease Assistance Program, help from
22 industrial business service providers, and other
23 community organizations in addition to services by
24 city agencies.

2 Again, thank you for the opportunity to
3 testify, and I'll submit my full remarks in writing.

4 CHAIRPERSON MENIN: Thank you very much. I
5 also just want to recognize 2 of my Colleagues who
6 have joined, Council Member Caban and Council Member
7 Krishnan. Thank you.

8 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
9 you, Chair, and thank you, Miss Goldstein. Next, we
10 will hear from Jessica Walker followed by Juan Rivero
11 and then Olympia Kazi. Miss Walker, you may begin
12 when the Sergeant calls time.

13 SERGEANT LUGO: Starting time.

14 JESSICA WALKER: Hi and good morning. My
15 name is Jessica Walker. I'm the President of the
16 Manhattan Chamber of Commerce. I'm a little under the
17 weather so bear with me, but this topic is so
18 important.

19 Recently, we got a large federal grant to
20 help work on issues of commercial vacancies in
21 Manhattan, and some of the work we're going to do is
22 going to look at the entire city but just want to
23 make 3 points, and I think this important funding is
24 going to allow us to help further the 3 areas I'm
25 going to speak about.

2 One, we really do see that there's a
3 dearth of data on commercial vacancies. There's a
4 dearth of data about actually just what's going on
5 with small businesses on the ground generally. We
6 want to reverse that. We're actually going to be
7 spending this summer on the ground really going
8 neighborhood-to-neighborhood to really try to
9 understand what's happening and we hope to report
10 back to you in the fall. We absolutely support
11 Council Member Brewer's bill to improve the so-called
12 Vacancy Registry. We think that this could really be
13 helpful going forward, and we definitely support it.

14 Second point is that we really do have to
15 support the temporary solutions to fill vacancies
16 that do exist. There are some great programs like Art
17 on the Avenue, Chashama, some other organizations
18 that are doing some very innovative things to fill
19 vacancies, and they deserve more funding and more
20 support.

21 Finally and most importantly, we have to
22 support the businesses and the entrepreneurs who can
23 take and retain these spaces so we don't have
24 vacancies in the first place. As has been noted
25 earlier, we're seeing an increase in

2 entrepreneurship, and we want to do everything we can
3 to really help that thrive.

4 We absolutely support Council Member
5 Menin's One-Stop Shop bill. It is vital to creating a
6 friendly environment for entrepreneurs. Obviously, we
7 have to continue to reduce cost. We support a
8 feathering or some sort of exemption from the
9 Commercial Rent Tax for businesses in Manhattan. We
10 support the City Council adopting what we call
11 economic impact statements that allow unbiased
12 economists to look at legislation to make sure it's
13 not going to have unintended consequences for small
14 businesses. Finally, we also support a program that
15 we have been providing with the other Chambers called
16 the Small Business Recovery Network. We are seeking
17 additional funding in this budget to keep the program
18 going. It's allowed us to touch more than 30,000
19 businesses in many different languages in
20 neighborhoods throughout the city, throughout the 5
21 boroughs. It's a terrific program that has been very
22 helpful, and we would like to see that remain at its
23 current levels.

2 Thank you so much. We look forward to
3 working with you, and, like I said, we will report
4 back with our findings soon.

5 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
6 you, Miss Walker. Next, we will hear from Juan Rivero
7 followed by Olympia Kazi and then Carina Kaufman-
8 Gutierrez. Mr. Rivero, you may begin when the
9 Sergeant calls time.

10 SERGENT LUGO: Starting time.

11 JUAN RIVERO: Thank you. I'm Juan Rivero,
12 speaking on behalf of Village Preservation and
13 Neighborhood Preservation non-profit in Downtown
14 Manhattan. One of our main areas of concern has been
15 the preservation of long-standing businesses that
16 have become institutions in their communities. We run
17 a number of programs that invite people to nominate
18 such businesses for special recognition by our
19 organization, and, sadly, a good percentage of those
20 nominated have, after decades of operation, shut down
21 before we even get to them. For this reason, we have
22 been staunch supporters of the Small Business Jobs
23 Survival Act and Formula Retail Rezoning Restrictions
24 aimed at protecting independent businesses. It is not
25 surprising then that we look favorably upon Intro 197

2 as a complement to such measures. We want to,
3 however, bring a few concerns to your attention.

4 The first is the nomination process.

5 Given that the importance of these businesses to
6 their communities is at the heart of this initiative,
7 it would make sense that nominations for inclusion in
8 the Registry begin with communities rather than with
9 elected officials. This would help limit the
10 politicization of the process and engage communities
11 beyond their proposed current role as consultants
12 after the fact.

13 Second, there's the amount of the grant,
14 which I want to put in perspective with an actual
15 example. A 30-year-old, 2-employee business in one of
16 our neighborhoods recently lost its lease after a
17 failed negotiation. It is shutting down at the end of
18 this month. It used to pay 8,000 dollars a month for
19 500 square feet. The proposed renewal imposed along
20 with other onerous conditions a "preferential
21 increase" of 25 percent or 10,000 dollars per month.
22 The 2 proposed grants would, combined, have covered
23 about 10 percent of this rent increase so that's 200
24 dollars out of 2,000, not nothing, but not
25 necessarily a difference-maker.

2 Third, the proposal as formulated
3 premises the landlord grant upon a risk of
4 displacement determination. This could in theory as
5 Laura Sewell pointed out incentivize the landlord to
6 threaten displacement in order to qualify for the
7 grant. By the same perverse logic, the grant to the
8 tenant offers a landlord room to increase rent by the
9 amount of the grant, thereby undermining the goal of
10 the program.

11 All that said, we feel that the retention
12 of Legacy Businesses is a crucial issue. We support
13 the issue of Intro 197 and hope that the foregoing
14 concerns are addressed and that this bill is
15 complemented with long overdue major initiatives like
16 the Small Business Jobs Survival Act. Thank you very
17 much.

18 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
19 you, Mr. Rivero. Next, we will hear from Olympia Kazi
20 followed by Carina Kaufman-Gutierrez and Paula Segal.
21 Olympia Kaza, you may begin when the Sergeant calls
22 time.

23 SERGEANT LUGO: Starting time.

24 OLYMPIA KAZI: Thank you. Thank you for
25 the opportunity to testify here today. My name is

2 Olympia Kazi, and I'm a founding member of the New
3 York City Artists Coalition who's a member of the
4 United for Small Business NYC. I also serve as the
5 Vice-Chair of the Nightlife Advisory Board for New
6 York City.

7 I want to echo a lot of the things that
8 were said earlier today by Emily Goldstein, Juan
9 Rivero, and Laura Sewell. Cutting red tape will be
10 important. At the Nightlife Advisory Board in our
11 report, we talked about this. It's very important
12 that we have a one-stop place, but we also always
13 talked about how that should not be to the detriment
14 of public safety, and we also are aware (INAUDIBLE)
15 from the recent survey of New York Speaks, that this
16 not the biggest concern affecting small businesses.
17 In fact, the biggest concern in that survey was rent,
18 and even SBS has testified repeatedly that the
19 biggest concern of small businesses is rent so I'm
20 very happy we're talking about vacancy today, but we
21 also need to discuss about what really creates these
22 vacancies. Before I move into the biggest deal that I
23 want to talk about that is the Legacy Business, I
24 want to make one comment more about the digital
25 divide that the Majority Whip mentioned, that is real

2 with the businesses that we work, and I want to
3 recommend that the city with the help of the City
4 Council continues to give grants for community needs
5 assessments, the so-called CNAs, because that's the
6 best way for you to get data for those that most need
7 help. This also addresses language barriers and
8 digital divide and accessibility.

9 About the Gale Brewer bill, we love it.
10 We were among the advocates that passed with Helen
11 Rosenthal back in the time, the original, because we
12 all know if we don't have data we cannot resolve the
13 problem so this is great. Those 2 bills are great.

14 The Legacy Business. My background is in
15 architecture so I'm among the advocates for the
16 Legacy Business bill, but this is so wrongly written.
17 I understand why many people support it because we
18 all like this idea, but, if you read the details, as
19 people have already said, it actually works as an
20 incentive to displace small businesses. I want to
21 share with the story of Joanne Kwong. Joanne Kwong is
22 one of the people that is behind the family of Pear
23 River Mart. Pearl River Mart, everybody knows. If
24 there is a Legacy Business in New York City, it could
25 be Pearl River Mart. She hosted Mayor Adams in

2 January at her place for the lunch of the Small
3 Business Initiatives and Deputy Mayor Springer was
4 was there, Maria Torres-Springer, was there, and what
5 actually ended up being Joanne's comment was an SOS
6 sent out about the fact that they had been in
7 existence for 50 years and guess how many times they
8 were displaced? Five. Every 10 years, they were
9 displaced. Why? Because their leases are 10 years...

10 SERGEANT LUGO: Time expired.

11 OLYMPIA KAZI: And what happens after the
12 10 years? A rent hike. In terms of specific
13 improvements beyond addressing everything else
14 everybody else said if we're going to invest in a
15 Legacy Business, it cannot be in a 10-year increment.
16 It needs to be more, and my colleagues of (INAUDIBLE)
17 NYC are going to tell you more details about why this
18 is the wrong way to go about helping Legacy
19 Businesses.

20 Thank you, again, for the opportunity to
21 testify.

22 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
23 you, Miss Kazi. Next, we will hear from Carina
24 Kaufman-Gutierrez followed by Paula Segal and then

2 Guy Yedwab. Carina Kaufman-Gutierrez, you may begin
3 when the Sergeant announces the time.

4 SERGENT LUGO: Starting time.

5 CARINA KAUFMAN-GUTIERREZ: Good morning.
6 My name is Carina Kaufman-Gutierrez. I'm the Deputy
7 Director of the Street Vendor Project at the Urban
8 Justice Center. I'd first like to thank the Committee
9 for the opportunity to testify today on Intro 116
10 championed by Chair Menin in relation to creating a
11 One-Stop Shop NYC Small Business Portal. The Street
12 Vendor Project is a membership-driven organization
13 that champions the rights of street vendors as small
14 businesses to earn a living and contribute to the
15 culture and life of New York City. In the past year
16 alone, we've connected nearly 3,000 street vendors
17 across the 5 boroughs to resources and information
18 about housing, food access, loan and grant
19 opportunities, and held 450 consultations to support
20 vendors with business development trainings,
21 financial empowerment workshops to enhance personal
22 and business stabilization and growth. We're also a
23 member of United for Small Business NYC, a coalition
24 of community organizations across New York City from
25 whom you'll hear today.

2 The Street Vendor Project believes that
3 the One-Stop Shop Portal will be an incredibly
4 important resource for New York City's small
5 businesses and really thank Chair Menin for
6 championing this legislation. We do have 2 asks in
7 regards to the One-Stop Shop Business Portal.

8 The first is to ensure that it is
9 inclusive of street vendors, our city's smallest
10 businesses, and the second, as echoed by other
11 colleagues today, is that the portal includes quality
12 translation services that allow the resources to be
13 truly accessible to small businessowners for whom
14 English is their second language, potentially even
15 their third language, and that there are also in-
16 person trainings to guide folks through the Portal
17 for those who have limited digital literacy. Vendors
18 are New York City's smallest businesses, there are
19 nearly 20,000 small businessowners and workers
20 keeping our city's streets and sidewalks vibrant who
21 contribute an estimated 293 million dollars to the
22 city's economy. Yet despite their critical roles,
23 street vendors must navigate an outdated and
24 arbitrary system that actually prevents vendors from
25 acquiring the appropriate licensing and permitting

2 needed to operate, and they're forced actually to
3 operate within a complicated patchwork of city laws
4 and rules. Much of the information regarding vendor
5 rules and regulations is scattered across various
6 city agency websites, is extremely inaccessible,
7 often only written in English. For example, a section
8 of Education Resources for Vendors on DCWP website
9 actually just links to sections of administrative
10 code. This is the opposite of accessible, especially
11 for an industry that is 90 percent immigrants. Part
12 of the Street Vendor Advisory Board Report that was
13 released a few weeks ago, one of the key consensus
14 recommendations from all stakeholders was for SBS to
15 develop and tailor street vendor specific programs
16 that will assist vendors in accessing entrepreneurial
17 opportunities. We do hope that this One-Stop Shop
18 follows in line with this increased support for
19 vendors as our city's smallest businesses, receiving
20 resources and investment, not just enforcement. It is
21 also the Street Vendor Project's hope that the next
22 time this Committee holds a hearing there is a place...

23 SERGEANT LUGO: Time expired.

24 CARINA KAUFMAN-GUTIERREZ: To street
25 vendors and that commercial rent stabilization will

2 be on the agenda. The City Council can help brick and
3 mortar businesses avoid displacement through
4 speculation now by regulating commercial rents and
5 passing commercial rent stabilization bill, Intro 93,
6 into law before the end of the year. Thank you so
7 much.

8 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
9 you, Miss Kaufman-Gutierrez. Next, we will hear from
10 Paula Segal followed by Guy Yedwab. As a reminder to
11 any panelist who still wishes to testify, if you have
12 not yet done so, please use the Zoom raise hand
13 function, and we will add you to the list. Miss
14 Segal, you may begin when the Sergeant calls time.

15 SERGENT LUGO: Starting time.

16 PAULA SEGAL: Thank you very much to Chair
17 Menin and the Committee for holding this important
18 hearing and for the opportunity to testify today. My
19 name is Paula Segal. I am Senior Staff Attorney in
20 TakeRoot Justice's Equitable Neighborhoods Practice.
21 TakeRoot is also a member of the USBNYC, which has
22 been aptly described by colleagues over the last
23 several speakers. Also over the last 4 years,
24 TakeRoot has been a part of the SBS Commercial Lease
25 Assistance Program through which we have provided

2 direct representations to hundreds of small minority-
3 owned businesses on commercial lease matters
4 including new leases and renewals. Our clients,
5 repair shop owners, barbers, restaurateurs serving
6 culturally appropriate food to their immigrant
7 communities, and other small fragile businesses are
8 regularly hit with 50 to 100 percent rent increases
9 at the end of their lease terms, foreclosing the
10 possibility of renewal and effectively functioning as
11 eviction. Their landlords fantasize that they'll make
12 way for higher paying commercial tenants but often
13 instead the result is years-long commercial vacancies
14 in anticipation of the higher paying tenants that do
15 not arrive. The City Council can help our clients and
16 tenants like them now avoid displacement through
17 speculation by regulating commercial rents. The
18 strategies that the Council is focusing on at today's
19 hearing do not reach this crucial aspect of curbing
20 vacancy and protecting New York City businesses.

21 I'll now turn my attention to 2 of the
22 bills that are before us today, Intros 383 and 197.
23 Thank you so much to the Department of Finance for
24 its support of the Storefront Registry and its
25 iterative improvement through Intro 383. We also

2 commend Council Member Gale Brewer and her staff for
3 their leadership and for listening to advocates about
4 key changes that need to be made to the Registry,
5 which are before the Council today. Others have
6 eloquently summarized why changes are needed and why
7 data is important earlier in today's hearing. I just
8 want to say a really hearty thank you to both the
9 Department and the Council for being allies and
10 collaborators on developing data that we need.

11 On the other hand, Intro 197. While the
12 motivation behind the Legacy Business Registry and
13 Preservation Fund is certainly both understandable
14 and noble considering the conditions my colleagues
15 and I have been seeing in our neighborhoods. This
16 framework will only help the tiniest sliver of
17 businesses that are actually impacted by rapacious
18 landlord behavior. As an initial matter, the
19 requirement that a business must have been in
20 operation for 20 years will not be met by most of my
21 clients who are serving New York's many changing
22 communities. Worse, as Mr. Rivero and others have
23 already pointed out, the proposed framework presents
24 an incentive for rent-gouging in its very structure.
25 Landlords would be eligible for direct grants of up

2 to 225,000 dollars in public money per landlord if
3 they can prove to the SBS Commissioner that there is
4 a significant risk of displacement of their tenant
5 Legacy Business. Of course, the landlord hiking rent
6 themselves is what causes that risk in the first
7 place. Rent hikes are synonymous with displacement,
8 and, in the absence of regulation like commercial
9 rent stabilization, entirely in the landlord's
10 control. This aspect of the proposed Preservation...

11 SERGEANT LUGO: Time expired.

12 PAULA SEGAL: May I finish?

13 COMMITTEE COUNSEL ALEX PAULENOFF: Yeah,
14 go ahead.

15 PAULA SEGAL: This aspect of the proposed
16 Preservation Fund will act as an incentive for
17 landlords to create the risk of displacement
18 themselves. Other details of the framework are
19 similarly disquieting. First, to qualify as public
20 money as a reward for keeping a Legacy Business in
21 place, landlords only need to sign a 10-year lease.
22 That is a typical commercial lease and not a
23 concession. The framework is based on a premise of
24 winners and losers. Instead of encouraging enterprise
25 and innovation by entrepreneurs new and old, only

2 those businesses that are nominated by an elected
3 official and then selected by SBS would be able to
4 access protections. This filtering process will leave
5 out nearly all the businesses we've served over our
6 years of direct representation, all of whom have been
7 deserving of protections that allow them to build a
8 base in a local community and remain an anchor in
9 that community. Nominations will be done by elected
10 officials only without participation of the public.
11 That has been covered by other speakers. We're also
12 concerned that this will be a program that is
13 entirely in the purview of SBS. Like other programs
14 where SBS decides criteria for eligibility, this is
15 likely to leave out all the businesses in New York
16 City that are organized as not-for-profit
17 organizations. That's most of our cultural
18 institutions, and these businesses are the ones that
19 do not currently qualify for any SBS program.

20 Finally, the criteria themselves.
21 Significant contribution to the history, identity, or
22 character of the community and an intent to maintain
23 traditions suggests a kind of Disneyfication of New
24 York City through a set of accepted tradition instead
25 of an encouragement to innovate and grow.

2 Thank you so much for the extra time and
3 for accepting feedback today. It's TakeRoot's hope
4 that the next time this Committee will hold a
5 hearing, commercial rent stabilization, Intro 93,
6 will be on the agenda.

7 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
8 you, Miss Segal. We'll now turn to Council Member
9 Caban for questions.

10 COUNCIL MEMBER CABAN: Yes, thank you. My
11 question is for Miss Segal. Thank you for your
12 testimony. In relation to what you were saying about
13 Intro 197, you touched on this super, super briefly,
14 but I'm hoping you can elaborate on this. What is the
15 usual cause of risk of displacement for your clients?

16 PAULA SEGAL: Sure. I'm going to get
17 emotional. It is what you think, right? A client
18 signs a lease and has 5 years, 10 years at a
19 location, and around them things change or people
20 have the idea that something has changed, the market
21 has grown, whatever that means, and at the end of
22 that lease that commercial tenant has no protections.
23 We have no framework for keeping commercial tenants
24 in place at the end of the lease. It is entirely up
25 to the negotiation between them and their landlord.

2 The landlord is the owner. The landlord is allowed to
3 do whatever they want. Oftentimes, what my clients
4 see is rent increases that are doubled, and
5 landlords' attorneys regularly tell me that this is
6 completely fine because that is what the market
7 dictates because if they went out right now and tried
8 to rent a brand new vacant space in that neighborhood
9 the rent that they're asking of a client that's been
10 there for operating their business with margins that
11 make sense with the rent that they've been operating
12 with, the rent that they could get for a different
13 space would be that imaginary number that they're
14 asking for, and there's no check on that. It's a
15 completely frustrating negotiation. We have no
16 leverage. The only leverage we have is actually the
17 risk of vacancy. What I routinely tell my clients is
18 the last thing your landlord wants is a vacant
19 storefront so let's see if we can hold out so it is a
20 choice between a vacant storefront or you, and often
21 we lose because the fantasy of capitalism, the
22 fantasy of this expanding ballooning market is
23 extremely compelling, and that results in eviction. I
24 just told you the story of 75 percent of the clients
25 I've served over the last 4 years. Other clients have

2 ceilings caving in and stuff. We can talk about that
3 at a different hearing.

4 COUNCIL MEMBER CABAN: Thank you.

5 PAULA SEGAL: Thank you for asking.

6 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
7 you, Miss Segal. Next, we will hear from Guy Yedwab
8 followed by Catherine Murcek. Mr. Yedwab, you may
9 begin when the Sergeant calls the time.

10 SERGENT LUGO: Starting time.

11 GUY YEDWAB: Thank you, Chair and to the
12 Committee, for the opportunity to speak to you today.
13 I'm with the League of Independent Theater, an all-
14 volunteer advocacy organization for workers and
15 owners of small 99-seat or less theaters across all 5
16 boroughs. We're also proud members of the United for
17 Small Business NYC Coalition along with our
18 colleagues. Our members are small cultural
19 businesses, and our small-sized theaters contribute
20 1.3 billion in economic output, 8,400 full-time jobs,
21 and 512 million dollars in wages. Our small cultural
22 businesses are commercial renters, grassroots feeder,
23 and dance venues across the city, particularly in the
24 outer boroughs, are typically rented from landlords.
25 That's why we in the cultural community welcome the

2 opportunity to discuss the crisis of vacant
3 commercial storefronts. We've submitted written
4 testimony about the 3 bills on offer today, but I
5 want to speak about the cause of vacant commercial
6 storefronts, aggressive increases in rent far
7 outpacing what even healthy businesses can afford.
8 Today, a theater or dance studio or bodega often has
9 no idea what their rent is going to be after the
10 expiration of their lease and at any time they can be
11 presented with significantly higher rent that will
12 close them for good. Meanwhile, these limitless rents
13 also create a huge barrier for new businesses that
14 want to move into vacant storefronts as they struggle
15 to compete with large national chains or even the
16 landlord's outsized hopes of the rents that the space
17 could command. This on-the-ground experience was
18 confirmed by New York City Planning which in its
19 Vacancy Study found that commercial spaces were being
20 kept vacant in hopes of charging significantly higher
21 rents. We, today, are competing for spaces with
22 ghosts. That is why the League of Independent Theater
23 believes that the problem of commercial vacancy isn't
24 addressed until the cause of commercial vacancy is
25 addressed, the rent. Luckily, this Committee has

2 legislation, Commercial Rent Stabilization, Intro 93,
3 that tackles the root of this issue directly. It
4 addresses it for all businesses, not just a chosen
5 few fortunate to survive for 20 years. It addresses
6 it for all forms of businesses, not just those
7 incorporated as for-profit businesses under the
8 definition of small business used by SBS for programs
9 like the Commercial Lease Assistance Program.
10 Commercial Rent Stabilization addresses this for all
11 commercial spaces regardless of where they are in the
12 building, not just street storefronts. Commercial
13 Rent Stabilization is the tool to tackle commercial
14 vacancy both now and long into the future. We've
15 submitted written testimony on the other 3 pieces of
16 legislation, but we call upon this Committee to
17 prioritize moving forward now on Commercial Rent
18 Stabilization. Thank you for your time.

19 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
20 you, Mr. Yedwab. Finally, we will hear from Catherine
21 Murcek. Just as a reminder, if there's anybody else
22 who still wishes to testify, please use the Zoom
23 raise hand function now. Miss Murcek, you may begin
24 when the Sergeant calls time.

25 SERGEANT LUGO: Starting time.

2 CATHERINE MURCEK: Hi. Good morning. My
3 name is Catherine Murcek, pronouns she/her. Thank you
4 so much for the opportunity to testify online today.
5 Thank you, Chair Menin and Honorable Council Members.
6 I am a worker/owner at a yoga collective based in
7 Chelsea. It's called Samankaya Yoga Back Care and
8 Scoliosis Collective. We've proudly been in operation
9 for about, going on almost 8 years now and still
10 holding on thankfully to our physical space even
11 through the pandemic and serve people with a wide
12 variety of different back issues and physical issues
13 so please do check us out.

14 I'm also a member of the New York City
15 Network of Worker Cooperatives. Worker Co-ops span a
16 wide array of different industries across all 5
17 boroughs and are an incredible source of income and
18 empowerment for communities of color and immigrant
19 workers across the city. As a member of the New York
20 City Network of Cooperatives, we're also a proud
21 member of the United for Small Business NYC
22 Coalition, which you've already heard all about from
23 some of our colleagues today.

24 My testimony is mainly just to address,
25 well, I appreciate that there's a hearing on

2 commercial vacancies, but, considering that fact, I
3 was a bit surprised that it wasn't including Intro 93
4 for Commercial Rent Stabilization which I do feel
5 would be probably the most impactful tool to address
6 commercial vacancies. I really appreciate the spirit
7 of the bills being presented. I commend Chair Menin
8 and Council Member Brewer's leadership for the much-
9 needed changes proposed in Intros 116 and 197. I'm
10 absolutely in favor of protecting Legacy Businesses
11 although the concerns already expressed by many of my
12 colleagues around Intro 383 do resonate with me. I do
13 fear that it would incentivize landlords to kind of
14 take advantage of that grant money. I think that
15 giving them a reward for a 10-year lease isn't
16 actually that useful. Ten-year leases are pretty
17 standard. My co-op has a 10-year lease for our space
18 so it would really help I think more if that were
19 increased, and, also, just speaking personally, a
20 bill like this wouldn't help a business like mine. We
21 still have insecurity around our future because our
22 rent will continue to go up and it's a small...

23 SERGEANT LUGO: Time expired.

24 CATHERINE MURCEK: I just want to finish
25 by saying I hope that the next time we have a hearing

2 that we'll be able to hear Intro 93 for Commercial
3 Rent Stabilization which will help a vast number of
4 different kinds of businesses all across the city and
5 offer true protection, including to Legacy
6 Businesses. Thanks so much for your time.

7 COMMITTEE COUNSEL ALEX PAULENOFF: Thank
8 you, Miss Murcek. We will now turn back to Chair
9 Menin for closing remarks.

10 CHAIRPERSON MENIN: Thank you so much.
11 First of all, I want to thank all of my Colleagues
12 for their questions and for being here today, I want
13 to thank the administration for testifying, and I
14 want to thank all the small businessowners and
15 advocates who took the time to come out. As a former
16 small businessowner myself, I know what a heavy
17 burden that is. You're trying to operate your small
18 business and to have to come to a hearing to testify,
19 I can't tell you how much that I personally deeply
20 appreciate that and know that that's a heavy lift.
21 There were great comments on these various bills so I
22 really appreciate them. We're going to take these
23 comments back and make sure that they are
24 incorporated and reflected.

2 I did want to clarify one thing. There
3 was some testimony earlier asking about street
4 vendors and whether they're included in my bill. Of
5 course, they're included in my bill. Street vendors,
6 of course, require permits either from DOHMH or DCWP
7 so absolutely they're included in the bill so I just
8 wanted to make sure that everyone knew that. Thank
9 you, and we will pass along to Council Member Rivera
10 some of the comments that were made on her Legacy
11 Small Business bill as well as to Council Member
12 Brewer.

13 I'm now going to close the hearing and
14 thank you all so much for participating. [GAVEL]
15 Thank you.

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C E R T I F I C A T E

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



Date July 22, 2022