

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES  
Of the  
COMMITTEE ON SMALL BUSINESS

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HELD AT: COMMITTEE ROOM - CITY HALL

B E F O R E: MARK GJONAJ  
Chairperson

COUNCIL MEMBERS: Diana Ayala  
Stephen T. Levin  
Bill Perkins  
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## A P P E A R A N C E S (CONTINUED)

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2 CHAIRPERSON GJONAJ: Good af-- good  
3 morning. I'm councilman Mark Gjonaj and chair of  
4 Committee on Small Business, and I just want to thank  
5 you all for attending our (INAUDIBLE)-- just want to  
6 thank you all for attending this hearing, the first  
7 of the year, new session. This hearing will focus on  
8 the steps the city's taken to ensure that micro  
9 businesses, also referred to as small local mom and  
10 pop shops, have all the resources that they need to  
11 survive and thrive in New York City. The character  
12 of our neighborhoods and the success of this city is  
13 intertwined with the health and longevity of the  
14 local restaurants, drycleaners, grocery stores, and  
15 places where we buy the goods and services that make  
16 our lives more comfortable and convenient. According  
17 to the Center of Urban Future, there are more than  
18 165,000 small businesses in New York City. According  
19 to the Red Tape Commission, there are more than  
20 181,800 businesses with less than 10 employees that  
21 make up about 80 percent of all business in New York  
22 City. If just one of these businesses could add one  
23 job, that would be more than 30,000 new jobs in the  
24 city. More than 30 new salaries, new lifestyles, and  
25 new dreams for the future. The great promise of this

2 country is the ability to make a better life for  
3 yourself and your family, and successful small  
4 businesses have carried millions of Americans to the  
5 horizon of opportunity, and I would imagine all  
6 employees aspire to become employers someday. I'm  
7 looking forward to working with the advocates,  
8 entrepreneurs, and my colleagues from the Department  
9 of Small Business Service. We will need to draw upon  
10 the experience and expertise of the individuals in  
11 both the private and public sectors to ensure that  
12 the climate of New York City is optimal for the mom  
13 and pop shops, the neighborhood staples, and the  
14 other small and local businesses to thrive. I'd like  
15 to thank the committee staff, council Yovano (SP?),  
16 policy analyst Michael Kurtz (SP?), finance analyst  
17 Aleah (SP?), my chief of staff Reggie Johnson, my  
18 legislative director Dardin Jimbali (SP?) for the  
19 work in making this hearing possible. Finally, I'd  
20 like to recognize the committee member that has  
21 joined us today, council member Perkins from the  
22 great neighborhood of Harlem. We have other council  
23 members that are in other committees, and we hope  
24 that they'll join us soon. So I just want to thank

2 you and looking forward to hearing from you, Deputy  
3 Commissioner.

4           DEPUTY COMMISSIONER VAN TOSH: Wonderful.  
5 Good morning, Chair and council member Perkins. My  
6 name is Rachel Van Tosh. I'm a deputy commissioner  
7 at the New York City Department of Small Business  
8 Services, or SBS. At SBS, we aim to unlock economic  
9 potential and create economic security for all New  
10 Yorkers by connecting them with quality jobs,  
11 building stronger businesses, and fostering thriving  
12 neighborhoods across the five boroughs. We are  
13 excited to partner with the new council and to  
14 continue our important work with the Small Business  
15 Committee. Today I am pleased to testify on our  
16 support of micro businesses. Micro businesses are  
17 essential to the local economy and character of our  
18 neighborhoods. Small business ownership and  
19 entrepreneurship can uplift generations of families  
20 while providing neighbors with goods and services. I  
21 am the granddaughter of one such entrepreneur who  
22 started a small jewelry counter down on the Lower  
23 East Side and shaped a better life for his family.  
24 SBS serves as an advocate for small business owners  
25 like my grandfather with a focus on ensuring equity

2 of opportunity. Helping micro businesses is at the  
3 heart of what we do. Micro businesses are defined by  
4 the U.S. Small Business Administration as businesses  
5 with fewer than 10 employees. In New York City,  
6 micro businesses make up nearly 80 percent of  
7 businesses and employ approximately 15 percent of the  
8 private sector workforce. These companies cover many  
9 industries ranging from retail to professional  
10 services to food services. They also contract with  
11 the city. More than 75 percent of certified minority  
12 and women owned business, or MWBEs, are micro  
13 businesses. We know micro businesses face a myriad  
14 of challenges when they seek to operate and grow, but  
15 there is some good news. While the number of micro  
16 businesses across the country has decreased by  
17 approximately 16 percent, micro businesses in New  
18 York have increased by more than 10 percent, and  
19 we're working to foster that growth. Most recently,  
20 the administration worked with council to modify the  
21 commercial rent tax, saving businesses nearly 40  
22 million dollars per year. In addition to this recent  
23 success, SBS offers extensive comprehensive resources  
24 to help business start, operate, and grow.  
25 Approximately 75 percent of the businesses SBS serves

2 are micro businesses. In every interaction, we  
3 gather feedback on the challenges they face, and from  
4 this experience we understand micro businesses to  
5 have four primary challenges. Accessing business  
6 education, connecting to capital, complying with  
7 government regulations, and finally, adapting to  
8 changing local markets. I'm going to quickly speak  
9 about each of the challenges and the support SBS  
10 offers in each area. The first challenge we find is  
11 that small business owners often have great ideas but  
12 can benefit from learning about best practices in  
13 business management. To equip businesses with the  
14 tools they need to compete, SBS offers free business  
15 courses to thousands of businesses per year in every  
16 borough, ranging from two hours sessions to nine  
17 months intensive like the Strategic Steps for Growth  
18 program and partnership with NYU. These courses  
19 cover everything from marketing to operations to  
20 financial management. Secondly, many micro  
21 businesses struggle to access credit. To make it  
22 easier on small businesses, SBS provides a free  
23 financing service through our NYC Business Solution  
24 Centers, which are SBS's one stop business centers in  
25 every borough. Through NYC Business Solutions, we

2 match business owners with the right lender for their  
3 needs and business profiles and walk them step by  
4 step through the loan process. Since the start of  
5 the administration, SBS has connected approximately  
6 1,800 businesses to 155 million dollars in financing.  
7 We also invest in funds where we see market gaps.  
8 For example, for businesses contracting with the  
9 city, SBS offers the Contract Financing Loan Fund.  
10 This revolving fund offers low interest loans of up  
11 to 500,000 dollars capped at 3 percent interest.  
12 These funds are designed to assist small businesses,  
13 micro businesses, and MWBEs working on city  
14 contracts. Since the program's launch last March, we  
15 have lent more than four and a half million dollars  
16 to 24 small businesses. The third major challenge  
17 many businesses face is complying with government  
18 regulations. While protecting public health and  
19 safety is essential, we know that these rules are not  
20 always clear and straightforward for business owners.  
21 In 2015, the mayor launched Small Business First, a  
22 major multi-agency effort to provide clear  
23 information on regulations, help businesses  
24 understand and comply with city regulations, reduce  
25 the regulatory burden, and ensure equal access for

2 business owners. We heard directly from hundreds of  
3 business owners and created 30 commitments to save  
4 businesses time and money. Some examples include  
5 creating an online portal where businesses can see  
6 all of their transactions with the city, opening a  
7 one stop small business support center where  
8 businesses can access multiple agencies, and  
9 launching a first of its kind compliance consultation  
10 program. We have seen initial success. Since the  
11 launch we have provided more than 17,000 services at  
12 the small business support center. There have been  
13 more than 3,000 on-site consultations with our  
14 compliance advisors who are cross-trained individuals  
15 with a regulatory background that help businesses  
16 avoid common violations. Ultimately, we hope to save  
17 business owners millions of dollars and decrease the  
18 time it takes them to conduct business with the city.  
19 The final common challenge for micro businesses is  
20 navigating shifts in the business environment. SBS  
21 helps businesses adapt to changing local trends such  
22 as shifting neighborhood demographics. For example,  
23 where changing demographics may prompt landlords to  
24 speculate or harass their existing commercial  
25 tenants, SBS provides free legal services through our

2 commercial leasing assistance program. Businesses  
3 can work one on one with attorneys to review lease  
4 renewal terms, negotiate with their landlord, and  
5 even prepare court papers and motions when litigation  
6 can't be avoided. SBS also helps longstanding  
7 companies adjust to neighborhood change through Love  
8 Your Local, which provides expert business advice and  
9 grants of up to 90,000 dollars for adaptation. SBS  
10 has a wide range of services to help micro businesses  
11 to grow and thrive in New York City. We work hard to  
12 increase awareness of these services and make them  
13 easily accessible. As I have mentioned, we have  
14 physical NYC business solution centers in all five  
15 boroughs where business owners can access a range of  
16 free services. We also work closely with community  
17 partners to get the word out about our services,  
18 including leveraging our network of 75 business  
19 improvement districts. Understanding the daily  
20 struggles of a business owner, we also bring our  
21 resources directly to their doorstep. Through  
22 council funded Chamber on the Go initiative, trained  
23 business specialists canvass commercial corridors to  
24 connect business owners with our services. We also  
25 recently launched a mobile outreach unit. Along with

2 direct business outreach, SBS also hosts outreach  
3 events with regulatory agencies to allow business  
4 owners to learn about common violations. Through our  
5 door-to-door outreach and events, we have reached  
6 nearly 8,000 business owners. As you can see, SBS is  
7 an advocate for small and micro businesses, and we  
8 are committing to-- and we are committed to ensuring  
9 they succeed in New York City. We're unique among  
10 our peer agencies, many of which are tasked with  
11 regulating businesses. Our role is to serve as a  
12 resource to business owners no matter where they come  
13 from or what barriers they face. We look forward to  
14 learning more about the businesses in your district  
15 and partnering with you to help them grow. Thank  
16 you. I'm happy to take any questions.

17 CHAIRPERSON GJONAJ: Thank you, Deputy  
18 Commissioner. Let me begin by the referral to the  
19 U.S. Small Business Administration which defines  
20 micro business with fewer than 10 employees. Does  
21 the SBS have a clear definition on micro business?

22 DEPUTY COMMISSIONER VAN TOSH: We accept  
23 the SBA definition.

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2 CHAIRPERSON GJONAJ: Okay. The n-- as you  
3 can see, there's controversy on the number of small  
4 businesses from different reports.

5 DEPUTY COMMISSIONER VAN TOSH: Micro  
6 businesses, right?

7 CHAIRPERSON GJONAJ: In general.

8 DEPUTY COMMISSIONER VAN TOSH: Yes.

9 CHAIRPERSON GJONAJ: Using the current  
10 definition of small businesses, what is the number of  
11 small businesses currently in New York City?

12 DEPUTY COMMISSIONER VAN TOSH: There is  
13 about 230,000 small businesses, but we have, as of  
14 2015, about 185 micro.

15 CHAIRPERSON GJONAJ: And micro being with  
16 less than 10--

17 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

18 CHAIRPERSON GJONAJ: employees.

19 DEPUTY COMMISSIONER VAN TOSH: Employees.

20 CHAIRPERSON GJONAJ: Does that take into  
21 consideration part time or employees are defined  
22 whether part time or full time?

23 DEPUTY COMMISSIONER VAN TOSH: I think it  
24 must be full time equivalent.

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2 CHAIRPERSON GJONAJ: Full time  
3 equivalent.

4 DEPUTY COMMISSIONER VAN TOSH: Likely. I  
5 could check.

6 CHAIRPERSON GJONAJ: You referred to the  
7 Small Business First initiative.

8 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

9 CHAIRPERSON GJONAJ: That was started and  
10 launched I believe in February of 2015?

11 DEPUTY COMMISSIONER VAN TOSH: That's  
12 right.

13 CHAIRPERSON GJONAJ: To help reduce the  
14 regulatory burdens on small businesses, what are  
15 results so far?

16 DEPUTY COMMISSIONER VAN TOSH: So far,  
17 we've been able to close 24 of our 30 commitments,  
18 which have resulted in serving tens of thousands of  
19 business owners and making it easier for them to  
20 understand and navigate the regulatory environment in  
21 the city.

22 CHAIRPERSON GJONAJ: But have you done  
23 more to re-- to relieve of the burden of regulatory  
24 agencies on small business? The recent report by  
25 that Red Tape Commission revealed that there were

2 more than 6,000 rules and regulations, 250 businesses  
3 that relied on licenses and permits, and more than 15  
4 separate agencies that small businesses had to work  
5 with. Have we even began the focus on the over-  
6 regulation or removal of outdated legislation,  
7 conflicting legislation and policies, and over-  
8 regulatory of different agencies as--

9 DEPUTY COMMISSIONER VAN TOSH: Yeah. So  
10 the Mayor's Office of-- as part of Small Business  
11 First, the Mayor's Office of Operations is currently  
12 conducting a review of I think over 5,000 different  
13 rules and regulations to see if there is ways that we  
14 can make updates to those to help streamline them for  
15 small businesses. We're in the process of doing that  
16 now.

17 CHAIRPERSON GJONAJ: When should we  
18 expect some type of conclusion on the review?

19 DEPUTY COMMISSIONER VAN TOSH: It's going  
20 to be ongoing. So I think that you know as we make  
21 changes they will be brought to the rulemaking  
22 process and will move forward.

23 CHAIRPERSON GJONAJ: So no definitive  
24 date as far as evaluating the five or six thousand  
25 different--

2 DEPUTY COMMISSIONER VAN TOSH: We see  
3 regulatory reform as ongoing work. Like we did Small  
4 Business First, we set you know a set of 30  
5 commitments, but we're not going to stop there.  
6 Through all of the services that we offer, we get  
7 feedback on what are some of the common violations  
8 and issues for business owners, so we really see this  
9 as ongoing, and the rules review is part of that.

10 CHAIRPERSON GJONAJ: In your testimony--

11 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

12 CHAIRPERSON GJONAJ: you refer to SBS has  
13 connected with approximately 1,800 businesses to 150  
14 million dollars in financing.

15 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

16 CHAIRPERSON GJONAJ: Explain connected.

17 DEPUTY COMMISSIONER VAN TOSH: Sure. So  
18 we help business owners who need assistance with  
19 financing in the following way. If you are a  
20 business owner, you can come to one of our business  
21 solution centers or call, and we will take a look at  
22 your business financial history, usually over the  
23 past couple of years depending how long you've been  
24 in business, and we'll work with you to understand  
25 what you need financing for, and then we'll help you

2 actually prepare your financing package to go to what  
3 we think is the best lender for you. We work with 40  
4 different lenders in the city. Everything from small  
5 sort of micro lenders up to regular banks to credit  
6 unions. So we will look at your financials, identify  
7 the best match, help you package your loan  
8 application, be an interface between you and the  
9 banker, all the way through being approved. So we  
10 really hold your hand through the process.

11 CHAIRPERSON GJONAJ: And when there is  
12 difficulties, do you help them navigate through the  
13 diffic-- the hurdles?

14 DEPUTY COMMISSIONER VAN TOSH: Yeah, we--  
15 I mean we do everything that we can. Like we often  
16 act as a translator between the business owner and  
17 the bankers and help businesses sort of present their  
18 best (INAUDIBLE)

19 CHAIRPERSON GJONAJ: And how many of  
20 those small businesses were just denied any type of  
21 credit that you couldn't help connect?

22 DEPUTY COMMISSIONER VAN TOSH: We are  
23 pretty successful in that area. I think that our--  
24 I'd have to check what our most recent approval  
25 ratings are, but they tend to be better than average,

2 and we-- even if someone is denied in one place, we  
3 will work with them until they are able to access the  
4 financing they need. So for example, we've done a  
5 lot of work with Kiva. Are you familiar with Kiva?  
6 It's a-- like a crowd funding platform where you can  
7 get access to zero percent interest loans of up to  
8 10,000 dollars, which helps a lot of people,  
9 especially micro businesses. So even if you are  
10 denied traditional credit, we will work with you to  
11 set up a profile, get backers so that you get access  
12 to financing.

13 CHAIRPERSON GJONAJ: Do we have the stats  
14 on the number of businesses that came to you for some  
15 type of loans? You refer to the 1,800 businesses  
16 that you were able to help connect. How many more  
17 came to you or sought help in financing?

18 DEPUTY COMMISSIONER VAN TOSH: We  
19 usually-- I'd say we have a probably almost double  
20 that number, but not everybody is ready to actually  
21 access financing when they come to us. Often times,  
22 they'll come like with a question and then through  
23 working with us realize that it's actually not the  
24 right time to seek bank financing.

2 CHAIRPERSON GJONAJ: So roughly 50  
3 percent of the small businesses that came to you for  
4 some type of financing were not helped.

5 DEPUTY COMMISSIONER VAN TOSH: That's--

6 CHAIRPERSON GJONAJ: Or connected to  
7 financing.

8 DEPUTY COMMISSIONER VAN TOSH: Yeah, I'd  
9 say that not everybody is ready or actually needs  
10 financing that comes to us for help.

11 CHAIRPERSON GJONAJ: You also brought up  
12 the commercial rent protection. Can you define that  
13 a bit more, explain what is it that you're-- you mean  
14 by rent protections?

15 DEPUTY COMMISSIONER VAN TOSH: So are you  
16 referring to the commercial lease assistance program?

17 CHAIRPERSON GJONAJ: Yep.

18 DEPUTY COMMISSIONER VAN TOSH: Okay. So  
19 we offer a service that we just launched earlier this  
20 year that pairs business owners who can't afford an  
21 attorney with pro bono legal assistance to help them  
22 review their leases, negotiate their leases, work  
23 with a landlord if they're experiencing tenant  
24 harassment.

2 CHAIRPERSON GJONAJ: And this is done I  
3 guess prior to them signing a lease or on a renewal?

4 DEPUTY COMMISSIONER VAN TOSH: Either.  
5 We will help businesses if they're reviewing a lease,  
6 either to sign it for a second time or it's a new  
7 lease or if they're negot-- in the middle of  
8 negotiating.

9 CHAIRPERSON GJONAJ: So you'll be helping  
10 the tenant renegotiate the lease and defining the  
11 fair market values and what they should be expected  
12 to pay based on a square footage model, I would  
13 imagine? Is that the objective?

14 DEPUTY COMMISSIONER VAN TOSH: That is  
15 part of it. It's also looking at the lease and  
16 making sure that they understand things like what  
17 sort of property tax like assessment might be passed  
18 through to them, make sure that they have rights  
19 around that, utilities, and things like that.

20 CHAIRPERSON GJONAJ: What are the major  
21 hurdles that you see small businesses, in particular  
22 micro businesses, deal with day in and day out?

23 DEPUTY COMMISSIONER VAN TOSH: I think  
24 many of the things I mentioned in my testimony are  
25 what we hear the most often. Access to financing,

2 complying with government rules and regulations,  
3 adapting to changes in their neighborhood, and those  
4 are the primary things that we hear.

5 CHAIRPERSON GJONAJ: I didn't hear any  
6 mention of the impact of fees that are associated or  
7 taxes that are imposed, whether it be through real  
8 estate taxes, water and sewer, forced mandates, paid  
9 family leave, sick pay, forced healthcare coverage.  
10 Has any-- do any of those issues come up when you  
11 interact with small businesses?

12 DEPUTY COMMISSIONER VAN TOSH: We do hear  
13 about some of those things. We tend to focus our  
14 efforts in areas that we discussed, which we hear as  
15 the top issues as well.

16 CHAIRPERSON GJONAJ: But specifically  
17 those issues don't come up as much?

18 DEPUTY COMMISSIONER VAN TOSH: I mean we--  
19 - we hear about issues with minimum wage, paid sick,  
20 things like that. Really our focus as an agency  
21 though is making sure that business owners understand  
22 those rules and regulations and are able to comply,  
23 and where they put pressure on their business  
24 operations, we try to help them adapt to those  
25 changes through all of the services that we offer.

2 CHAIRPERSON GJONAJ: So how can they  
3 adapt if they can't meet their obligations with  
4 minimum pay-- minimum wage increases or paid family  
5 sick leave, healthcare coverage? How do you help  
6 them?

7 DEPUTY COMMISSIONER VAN TOSH: We work  
8 with them to figure out ways to increase revenue,  
9 streamline other operations, so that they're able to  
10 adapt to those changes.

11 CHAIRPERSON GJONAJ: So if we realize  
12 that small businesses already have a challenging  
13 environment to operate, whether it be there's a  
14 consumer behavior and the internet or competing with  
15 the box stores, the mega stores, chains, how do you  
16 help them? Raise pricing when they're already at a  
17 disadvantage and can't compete with the box stores?

18 DEPUTY COMMISSIONER VAN TOSH: As I said,  
19 we have a-- a vast array of services, and we will  
20 help business owners across all different areas,  
21 whether it's looking at their operations or their  
22 financing, helping them access talent, helping them  
23 access capital, those are all different ways that we  
24 help business owners adapt and grow in New York City.

2 CHAIRPERSON GJONAJ: But wouldn't that be  
3 a downward spiral if they can't currently meet their  
4 financial obligations, to get-- obtaining further  
5 financing, doesn't that dig them into a deeper hole?

6 DEPUTY COMMISSIONER VAN TOSH: Yeah, and  
7 as I said, we work with them on all different ways to  
8 improve their operations. If financing is something  
9 that they need, we'll work with them there, but we  
10 have you know multiple courses that will help you in  
11 a really intensive way. Love Your Local, as I  
12 mentioned, is a program for longstanding businesses  
13 where someone really goes deep into the operations of  
14 the company. You get like a business consultant to  
15 sit down and work with you hand in hand, and we're  
16 providing grants for implementation of those plans,  
17 so I think we-- we do a lot to help businesses try to  
18 adapt.

19 CHAIRPERSON GJONAJ: You brought up free  
20 courses. How many SBS-- how many courses does the  
21 SBS offer?

22 DEPUTY COMMISSIONER VAN TOSH: We offer  
23 about 700 courses a year.

24 CHAIRPERSON GJONAJ: 700.

25 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

2 CHAIRPERSON GJONAJ: What subjects of  
3 those courses are covered and how often are they-- of  
4 the 700 courses, how often are they offered?

5 DEPUTY COMMISSIONER VAN TOSH: We have  
6 them about once every week across the city, and it--  
7 it's a wide range of classes. Everything from  
8 marketing, website fundamentals, basic business  
9 planning, QuickBooks.

10 CHAIRPERSON GJONAJ: One a week. 700  
11 courses.

12 DEPUTY COMMISSIONER VAN TOSH:  
13 (INAUDIBLE) Yeah. So (SIC) more than that.

14 CHAIRPERSON GJONAJ: Okay. The math  
15 doesn't add up. 700 courses (INAUDIBLE) [cross-talk]

16 DEPUTY COMMISSIONER VAN TOSH: At least  
17 once a week.

18 CHAIRPERSON GJONAJ: At least once a  
19 week.

20 DEPUTY COMMISSIONER VAN TOSH: Yeah.

21 CHAIRPERSON GJONAJ: Okay. Are those  
22 courses offered in all five boroughs?

23 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.  
24 And we also offer-- I mean many of them are offered  
25 on site at our business-- (BACKGROUND VOICE)

2 CHAIRPERSON GJONAJ: I was going to (SIC)  
3 ask that. I'll let you ask that question.

4 DEPUTY COMMISSIONER VAN TOSH: Many of  
5 them are offered at our centers, which are located  
6 across the city, but we also do off-site courses as  
7 well in partnership with community organizations,  
8 local groups.

9 CHAIRPERSON GJONAJ: What would you say  
10 the single biggest stumbling block that prevents  
11 businesses with less than twe-- 10 employees,  
12 typically referred to as mom and pop shops, to grow  
13 their revenue and hire an additional employees? What  
14 would be their largest-- single biggest stumbling  
15 block?

16 DEPUTY COMMISSIONER VAN TOSH: I mean I  
17 think all of the hurdles that we talked about  
18 intersect for different business owners. In terms of  
19 finding talent, you know we work with small  
20 businesses in two different ways to help them in that  
21 area. First, because we know that many small and  
22 especially micro businesses don't have like an HR  
23 department or somebody to do recruiting for them, we  
24 offer free recruitment services at all of our  
25 centers. We also provide some subsidy for on the job

2 training, and we also work with businesses across the  
3 city to create (INAUDIBLE) employer informed training  
4 for job seekers in the city.

5 CHAIRPERSON GJONAJ: How do you-- how  
6 does the SBS advertise or promote their services?

7 DEPUTY COMMISSIONER VAN TOSH: Well,  
8 we're always looking for help. So we will take any  
9 assistance there. But we do a lot in that area. One  
10 of I think the best initiatives that we have in  
11 recent years we've done in collaboration with  
12 council, which is called Chamber on the Go, and that  
13 is working with chambers across all of the boroughs  
14 to actually go to business owners' doorstep and tell  
15 them about the free services that we offer, that the  
16 chamber offers, so that people don't have to come out  
17 and find us. We also recently invested in a mobile  
18 unit that brings our services right to different  
19 neighborhoods. We staff it. We can bring it to  
20 corridors all over the city so you can just walk down  
21 the street and access our services. And then you  
22 know, we work with community groups, we send out  
23 email blasts, sometimes we'll do marketing for a  
24 specific program, so it's a whole range, but we're  
25 always happy for help in getting the word out.

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2 CHAIRPERSON GJONAJ: What's the total  
3 budget of SBS?

4 DEPUTY COMMISSIONER VAN TOSH: Hold on.  
5 I'd say our total city budget-- it looks like  
6 (INAUDIBLE) 191 million.

7 CHAIRPERSON GJONAJ: (INAUDIBLE)

8 DEPUTY COMMISSIONER VAN TOSH:  
9 (INAUDIBLE)

10 CHAIRPERSON GJONAJ: How many employees?

11 DEPUTY COMMISSIONER VAN TOSH: At SBS?

12 CHAIRPERSON GJONAJ: Uh-hm.

13 DEPUTY COMMISSIONER VAN TOSH: A little  
14 over 300.

15 CHAIRPERSON GJONAJ: How many chambers do  
16 we have?

17 DEPUTY COMMISSIONER VAN TOSH: Across the  
18 city? I'd say probably more--

19 CHAIRPERSON GJONAJ: That participate in  
20 the Chamber to Go program.

21 DEPUTY COMMISSIONER VAN TOSH: Oh,  
22 Chamber to Go, I think it's like seven maybe.

23 CHAIRPERSON GJONAJ: Seven.

24 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.  
25 Hold on, I can look. I have the exact number.

2 CHAIRPERSON GJONAJ: Seven is the answer?

3 DEPUTY COMMISSIONER VAN TOSH: Yeah, we  
4 work with all of the like borough-wide chambers,  
5 Bronx, Brooklyn, and then we have some like the New  
6 York Women's Chamber and others that we work with as  
7 well. But we work with all of the major borough  
8 chambers in that program.

9 CHAIRPERSON GJONAJ: And I would imagine  
10 they don't have many employees, so I'm just trying to  
11 figure out how an agency with 191,000-- 191 million  
12 dollar budget with 300-- with how many employees did  
13 you say? Three--

14 DEPUTY COMMISSIONER VAN TOSH: More than  
15 300.

16 CHAIRPERSON GJONAJ: More than 300  
17 employees. Well, why (INAUDIBLE) the chambers which  
18 have very limited resources to get the word out? I  
19 would hope-- I would imagine it would be just the  
20 opposite. Do they get reimbursed for Chamber on the  
21 Go? Is there any type of mechanism which helps--

22 DEPUTY COMMISSIONER VAN TOSH: They're  
23 funded for it. Yes.

24 CHAIRPERSON GJONAJ: What-- what is that  
25 dollar amount roughly?

2 DEPUTY COMMISSIONER VAN TOSH: It's a few  
3 hundred thousand dollars I think across all five  
4 chambers. It's council funded.

5 CHAIRPERSON GJONAJ: It's council funded.

6 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

7 CHAIRPERSON GJONAJ: Per chamber or all  
8 seven chambers a few hundred thousand?

9 DEPUTY COMMISSIONER VAN TOSH: Across all  
10 the chambers.

11 CHAIRPERSON GJONAJ: One of the issues  
12 that was brought up to me by some-- by chambers was  
13 the procurement and the wait for funding. Ha-- are  
14 they up to date or can you explain how they receive  
15 the-- the few hundred thousand?

16 DEPUTY COMMISSIONER VAN TOSH: I mean I  
17 think that we would all agree that there's ways to  
18 improve the contracting process in the city, but the  
19 chambers contract with us for this we work with them  
20 to gather their documents, and we try to process  
21 payments as quickly as possible.

22 CHAIRPERSON GJONAJ: But do they get paid  
23 first and-- and draw down on the dollar amount or do  
24 they have to first spend the money and then get  
25 reimbursed at a later date?

2 DEPUTY COMMISSIONER VAN TOSH: They  
3 invoice us for their costs as they have them.

4 CHAIRPERSON GJONAJ: And how long does  
5 that payment normally take? Reimbursement?

6 DEPUTY COMMISSIONER VAN TOSH: I would  
7 have to check with our-- our payment processing team.

8 CHAIRPERSON GJONAJ: That'd be a good--  
9 that'd be a good concern I think for many if there--  
10 we can treat chambers as small businesses in that  
11 matter. They--

12 DEPUTY COMMISSIONER VAN TOSH: Uh-hm, and  
13 we work--

14 CHAIRPERSON GJONAJ: They are providing a  
15 service, and they wait for their money after they  
16 spend the money.

17 DEPUTY COMMISSIONER VAN TOSH: We work  
18 closely with them and support them in many different  
19 ways, and we are committed to making sure that they  
20 have what they need to do the outreach that we  
21 partner with them on.

22 CHAIRPERSON GJONAJ: Do you offer the  
23 same to BIDs to help get the word out?

24

25

2 DEPUTY COMMISSIONER VAN TOSH: We will  
3 send out information about all of our services and  
4 upcoming program launches to BIDs.

5 CHAIRPERSON GJONAJ: Do they participate  
6 in helping SBS get the word out in the (SIC) services  
7 and products that they offer?

8 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

9 CHAIRPERSON GJONAJ: Do they also get  
10 funding for that?

11 DEPUTY COMMISSIONER VAN TOSH: Not in the  
12 same way that we do with Chamber on the Go.

13 CHAIRPERSON GJONAJ: How many BIDs are  
14 there?

15 DEPUTY COMMISSIONER VAN TOSH: 75.

16 CHAIRPERSON GJONAJ: Seven bi-- seven  
17 chambers cooperate on Chamber to Go, and 75 BIDs,  
18 which are more regional, don't get the funding to  
19 help promote the services or the-- inform the  
20 businesses of the services that you offer. Is that  
21 correct?

22 DEPUTY COMMISSIONER VAN TOSH: Not  
23 through Chamber on the Go.

24 CHAIRPERSON GJONAJ: Hm.

2 DEPUTY COMMISSIONER VAN TOSH: But we  
3 work closely with them in many different areas.

4 CHAIRPERSON GJONAJ: Such as?

5 DEPUTY COMMISSIONER VAN TOSH: When (SIC)  
6 we have the deputy commissioner for neighborhood  
7 development here as well, but we work with them on  
8 like (SIC) retail attraction efforts, we work with  
9 them on local sanitation services and marketing.  
10 This is a lot of the work that the BIDs do.

11 CHAIRPERSON GJONAJ: Is that all that  
12 they do?

13 DEPUTY COMMISSIONER VAN TOSH: That is  
14 not a comprehensive list.

15 CHAIRPERSON GJONAJ: What would you  
16 expect the BIDs to do?

17 DEPUTY COMMISSIONER VAN TOSH: I mean the  
18 BIDs in terms of sharing our information, BIDs send  
19 it out in-- in their newsletters, in email blasts.  
20 Sometimes we'll participate in local events that the  
21 BIDs have. That is the way we often work with them  
22 to get the word out to their community.

23 CHAIRPERSON GJONAJ: What i-- what is  
24 your understanding the purpose of a BID?

2 DEPUTY COMMISSIONER VAN TOSH:

3 (INAUDIBLE) Go ahead.

4 CHAIRPERSON GJONAJ: (INAUDIBLE)

5 DEPUTY COMMISSIONER BACKER: Hi, Chair.

6 I'm Blaise Backer, Deputy Commissioner for  
7 Neighborhood Development at SBS. I oversee all the  
8 community-based organizations that work with us on  
9 commercial corridors in a very sort of play space  
10 (SIC) manner, which includes the BIDs. So I think to  
11 address the question perhaps that I understand you're  
12 asking, the work we do with the BIDs specifically in  
13 getting the word out is-- is different. It's not a  
14 contracted service they're doing for us in the way  
15 Chamber on the Go is. So the business improvement  
16 districts obviously, as I think you're familiar with,  
17 they go through a formation process that we help to  
18 oversee. The dollars that we work with Department of  
19 Finance to get to the BIDs are (SIC) collected  
20 through the assessment process carry out the duties  
21 that are explicitly laid out in their district plan.  
22 So each BID, you know within reason, has sort of a  
23 scope of work that they can put those funds toward.  
24 General sort of small business assistance in getting  
25 the word out in sort of that collective manner within

2 the BID is-- is work essentially that we (INAUDIBLE)  
3 most BIDs, and I-- I can't-- you know, each BID is  
4 somewhat different, but most BIDs sort of inherently  
5 believe to be part of their underlying mission, so in  
6 many cases what we're doing is some of this--the-- the  
7 programs that-- that Rachel's team puts together, it  
8 really is about just connecting the dots. So we,  
9 betwee-- you know between regular email news blasts  
10 and-- and BID-- the BID association and other means,  
11 gets information out to the BIDs that they can then  
12 distribute to their own stakeholders via their own  
13 sort of electronic means, flyering, whatever.  
14 Whatever tool they find works best in their own  
15 neighborhoods. But generally, in a lot of cases BIDs  
16 have been incredible partners to the agency in  
17 regards to sort of piloting new programs, so when we  
18 can get out there and we want to go out in sort of a  
19 high touch way in order to see what might work around  
20 compliance or other means, we can work with a BID to  
21 sort of tailor that, see how it works, and then that  
22 can be sort of deployed elsewhere in the city.

23 CHAIRPERSON GJONAJ: You currently work  
24 with all 75 BIDs?

25 DEPUTY COMMISSIONER BACKER: Correct.

2 CHAIRPERSON GJONAJ: Great. And I belie-  
3 - we have more in the pipeline in BID formation city-  
4 wide?

5 DEPUTY COMMISSIONER BACKER: Correct. We  
6 have about-- again, the pipeline, we use that term  
7 pretty broadly, so pipeline can be anything from--  
8 from someone ex-- a group expressing interest or a  
9 council member expressing interest and there being  
10 sort of an active effort that have-- and they've  
11 approached us expressing interest, but we roughly say  
12 we have abou-- I think right now we have about 13 in  
13 any stage of sort of interest, organizing, up through  
14 sort of the legislative phase, and then there's  
15 probably about another eight existing BIDs that are  
16 going through an expansion exploration.

17 CHAIRPERSON GJONAJ: And--

18 DEPUTY COMMISSIONER BACKER: (INAUDIBLE)

19 CHAIRPERSON GJONAJ: your opinion on  
20 successive BIDs. Generally fulfilling their  
21 obligations?

22 DEPUTY COMMISSIONER BACKER: Yes,  
23 generally we-- I think we've-- yeah, I believe the  
24 model has been quite effective in helping to empower  
25 local communities and commercial districts to you

2 know use essentially (SIC) their local knowledge,  
3 their local familiarity with the community and what  
4 tho-- those needs are, and leveraging this mechanism  
5 by which the city partners with the BID to collect  
6 those resources, provide a lot of structural guidance  
7 and oversight, so so far I mean I wouldn't say there  
8 haven't-- occasionally there are challenges we have  
9 to overcome certainly with individual BIDs, and we  
10 work very closely with them to sort of-- to build  
11 their capacity, but certainly the model has been I  
12 think quite effective.

13 CHAIRPERSON GJONAJ: What hurdles?

14 DEPUTY COMMISSIONER: Hurdles can re--  
15 well, there can be both governance and contract  
16 compliance hurdles that are just sort of the nature  
17 of running a nonprofit organization, and then there  
18 can be of course more programmatic hurdles where  
19 there just might be genuine challenges that an  
20 organization is having in actually carrying out the  
21 work around their commercial district as you know as  
22 neighborhoods change or as you know maybe a community  
23 is going through you know maybe land use changes or  
24 rezonings right where a BID (INAUDIBLE) so there's  
25 challenges that are just around sort of the nature I

2 think of working in the city of New York, but I think  
3 the-- the governance and sort of contract compliance  
4 areas is where we have certainly (SIC) been putting a  
5 lot more attention for those BIDs that are really  
6 struggling with it. So as-- as you may know, there  
7 are certain guidelines. For example, minimum  
8 requirements for the composition of a BID board. And  
9 some BIDs, just given the nature of their geography,  
10 their size, might have a really hard time getting  
11 sort of that minimum seven prop-- seven commercial  
12 property owners and one residential tenant, given  
13 that either the b-- the size might be too small and  
14 they've had trouble sort of engaging with  
15 stakeholders, some-- some BIDs may have very few  
16 residential tenants within their boundaries, so it's  
17 particularly hard to reach sort of that threshold.  
18 So we have to work with them quite closely to make  
19 sure they're in compliance with the BID law,  
20 nonprofit law, and those things like that. So  
21 hurdles, you know I use the term broadly, but I mean  
22 we're generally working quite closely with them to  
23 make sure they're in compliance, which we find to be  
24 reflective of their ability to then carry out all  
25 their other responsibilities.

2 DEPUTY COMMISSIONER VAN TOSH: And  
3 they're-- just to say, like they are good partners of  
4 ours in reaching micro businesses. We share a joint  
5 mission in that way, but we do take a-- a broader  
6 approach to reaching micro businesses and truly have  
7 worked in the past with many council members on that,  
8 so we would be happy to partner with you in-- in any  
9 way you think is best for your district or city-wide.

10 CHAIRPERSON GJONAJ: I-- I have a slew of  
11 other questions, but I do want to give my colleague  
12 an opportunity to ask a few questions.

13 COUNCIL MEMBER PERKINS (?): Thank you  
14 very much, Chair Gjonaj. Congratulations on your  
15 first hearing.

16 CHAIRPERSON GJONAJ: (INAUDIBLE)

17 COUNCIL MEMBER PERKINS (?): Quick  
18 question about-- so in the last couple of terms I've  
19 been very supportive of the street vendor community.  
20 Passed legislation in 2013 reducing some of the  
21 (INAUDIBLE) fines that vendors were receiving for  
22 non-health related issues of being too close to the  
23 curb or too far from the curb or too close to a  
24 doorway or too far from a doorway could've resulted  
25 at the time in a fi-- in a-- a thousand dollar-- up

2 to a thousand dollar fine, and-- and we were able to  
3 get that reduced through legislation, so I was very  
4 proud to sponsor that with prior speaker (INAUDIBLE)  
5 What does SBS do in term of supporting vendors who  
6 often are micro businesses? You know one or two or  
7 three people with a license?

8 DEPUTY COMMISSIONER VAN TOSH: Thank you,  
9 and good morning, Council Member. Welcome. So yeah  
10 (SIC), SBS, we often hear issues with street vendors  
11 from some of the businesses that we work with, but we  
12 also believe that vending can provide a path to  
13 economic security and mobility for some individuals,  
14 so our role in that is to work with them to make sure  
15 that they are in compliance, that they're able to you  
16 know do the things that they need to do to grow. So  
17 I think we take a more sort of help them to  
18 understand and build their capacity. None of our  
19 services are-- all of our services are available to  
20 them.

21 COUNCIL MEMBER PERKINS (?): Okay.  
22 Anything that's particularly targeted to-- I mean  
23 there is you know thousands and thousands of vendors  
24 across New York City, a lot of immigrant communities  
25 that are-- that you know have--

2 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

3 COUNCIL MEMBER PERKINS (?): have people  
4 that are vending as part of their communities, so is  
5 that-- is there any specific actions that SBS could  
6 potentially take to-- to directly engage with that  
7 community around their specific set of needs?

8 DEPUTY COMMISSIONER VAN TOSH: So you  
9 know all of our services I would really say are  
10 targeted to micro businesses and tailored for them to  
11 meet their needs, and we offer services in many  
12 different languages. We try our best to make sure  
13 that our services are culturally competent, and  
14 micro-- you know vendors are, like you said, micro  
15 businesses--

16 COUNCIL MEMBER PERKINS (?): Uh-hm  
17 (INAUDIBLE)

18 DEPUTY COMMISSIONER VAN TOSH: so I'd say  
19 that th-- right, so the-- the vast range of services  
20 that we've talked about I'd say are well positioned  
21 for them. Happy to-- to talk to you further about  
22 ways that we might be able to reach them better.

23 COUNCIL MEMBER PERKINS (?): Additional  
24 engagement, perhaps.

25 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

2 COUNCIL MEMBER PERKINS (?): Good. Thank  
3 you, Chair.

4 CHAIRPERSON GJONAJ: Thank you,  
5 Councilman. You do bring up a interesting point when  
6 it comes to street vendors and the inherent conflict  
7 between vendors and brick and mortar shops. What has  
8 SBS done to alleviate some of the conflict?

9 DEPUTY COMMISSIONER VAN TOSH: So as the  
10 council member mentioned, the administration's been  
11 working closely with council, especially the end of  
12 last term, to figure out a comprehensive solution to  
13 this issue that takes into account both sides of the  
14 equation. We're happy to continue to work with  
15 council on that, and for us right now you know we  
16 work both with small businesses who have some issues  
17 with this but also with street vendors where they  
18 need support.

19 CHAIRPERSON GJONAJ: So when there is a  
20 conflict between brick and mortar and vendor, what is  
21 your stance when--

22 DEPUTY COMMISSIONER VAN TOSH: We-- we  
23 work to resolve those things where we think there's a  
24 role for us on a case by case basis, but we really  
25 think there needs to be a more holistic and

2 comprehensive solution, and it's something that the  
3 administration continues to work with council on.

4 CHAIRPERSON GJONAJ: Alright. It's--  
5 it's just interesting. I can't figure out the  
6 dynamic that if we believe that BIDs are successful  
7 and we are not siding with their concerns on their  
8 brick and mortar, which is their existence, the  
9 conflict is much deeper, and working on it without  
10 resolving the conflicts, such as locations and fines  
11 and street or sidewalk issues of ADA compliance and  
12 blocking doors and the lack of follow through from  
13 city agencies on this, where would you like to see  
14 this discussion head to ultimately come up with a  
15 platform or clear expectation?

16 DEPUTY COMMISSIONER VAN TOSH: I mean I  
17 think we agree that there needs to be, again, a  
18 holistic solution that takes into account both  
19 storefronts and vendors. And you know, it's a  
20 complex issue, as you've said, and I think our role  
21 in it will be helping business owners, both brick and  
22 mortar and vendors, understand what they are-- how  
23 they can be in compliance, how they can avoid  
24 conflict, so I-- I think we are in agreement that

2 there needs to be a comprehensive solution to this  
3 that takes into account both sides.

4 CHAIRPERSON GJONAJ: Can I take that as a  
5 commitment from you that we can actually work on  
6 coming up with a-- not only a commitment but outline  
7 as to what is acceptable and what would not be  
8 acceptable?

9 DEPUTY COMMISSIONER VAN TOSH: I think  
10 the administration has expressed support in working  
11 with council on this.

12 CHAIRPERSON GJONAJ: In understanding  
13 that you would-- that where SBS is function is to  
14 help small businesses thrive, would you be supportive  
15 of the HPD Agency approach of notifying business  
16 owners when they're in violation, giving them a time  
17 to cure rather than penalizing those mom and pop  
18 shops?

19 DEPUTY COMMISSIONER VAN TOSH: We work  
20 with our-- our sister agencies to allow for cure  
21 periods wherever possible. Our role in that is  
22 really to make sure business owners are informed when  
23 they're-- when they have the ability to cure a  
24 violation.

2 CHAIRPERSON GJONAJ: Right, 6,000  
3 different regulations for a small mom and pop shop.  
4 How can you possibly help them conform?

5 DEPUTY COMMISSIONER VAN TOSH: I mean we  
6 help them in-- in many different ways. I've  
7 mentioned a few of them like our compliance advisor  
8 program which goes to their door and walks them  
9 through the top violations, really spends time making  
10 sure they understand those violations. We make sure  
11 that violations are clear on our website. We have  
12 guides around how to avoid common violations, we have  
13 listings of all the violations, we are-- you know  
14 we've invested a lot, I think we've talked about, in  
15 trying to get the word out, but any support, any  
16 partnership we can have with council in how we can  
17 better reach business owners and help them avoid  
18 these violations we are open to.

19 CHAIRPERSON GJONAJ: Right, so wh--  
20 typically a mom and pop shop finds out that they're  
21 in violation when they receive a little notice that  
22 says pay. You're in violation. What is your role at  
23 that point?

24 DEPUTY COMMISSIONER VAN TOSH: We have  
25 members of our team that work with business owners

2 once they've received a violation to figure out if  
3 there is some path forward for them in order to cure  
4 it or to negotiate with the agencies. We have people  
5 who work hand in hand with businesses in that way,  
6 but we really put most of our efforts into helping  
7 businesses avoid those violations in the first place.

8 CHAIRPERSON GJONAJ: It-- some of these  
9 small mom and pop shops have been in existence way  
10 before legislation took effect. They won't even know  
11 they're in violation. I can give you a simple  
12 example of store signage. Shop has existed for 50  
13 years and you have a existing sign, an ordinance  
14 dating back to 1961 which defines signage.

15 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

16 CHAIRPERSON GJONAJ: It-- I would imagine  
17 it's much a surprise to anyone here that none of the  
18 signs are currently in compliance with that 1961 law.  
19 The fine for noncompliance, which is sporadic, is  
20 5,000 dollars. What has the SBS done to inform these  
21 mom and pop shops that there is a signage requirement  
22 that you may not be adhering to and could subject you  
23 to a minimum of 5,000 dollar fine?

24 DEPUTY COMMISSIONER VAN TOSH: That is a  
25 good example of a violation that business owners

2 experience, and I think all of the things that I have  
3 mentioned around our proactive work with compliance  
4 consultations, having the information in a clear and  
5 accessible way online, those are all ways that we try  
6 to inform business owners before they receive a  
7 violation like that, and again, any thought or  
8 partnership on ways we can further our reach and make  
9 sure our services hit all the mom and pops who might  
10 experience that issue, we're open to.

11 CHAIRPERSON GJONAJ: That's what I'm  
12 looking for as a partner. What can we do-- what role  
13 can you take now to help mitigate those fines, those  
14 hefty fines? What was once doubled-- dubbed as you  
15 know cost of doing business in New York City in  
16 nickels and dimes are no longer nickels and dimes.  
17 They come with a lot of zeros. How do we get ahead  
18 of this, and would you be supportive of taking the  
19 approach of informing on violations rather than  
20 penalizing and giving a time to correct and cure?

21 DEPUTY COMMISSIONER VAN TOSH: So at SBS  
22 we believe our role is trying to make sure that  
23 business owners are informed of these violations  
24 before they get those fines and fees, so we will be  
25 supportive of working to make sure business owners

2 are informed. We're very committed to that. It's  
3 really at the heart of what we do around regulat--  
4 regulations.

5 CHAIRPERSON GJONAJ: So then we go back  
6 to the question. Of the 6,000 regulations that mom  
7 and pop shops have to adhere to, how is SBS getting  
8 out the message of these regulations? 6,000. To  
9 the--

10 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

11 CHAIRPERSON GJONAJ: one hundred and what  
12 is the number? 81,000?

13 DEPUTY COMMISSIONER VAN TOSH: 85, yeah.

14 CHAIRPERSON GJONAJ: 185,000 businesses.

15 DEPUTY COMMISSIONER VAN TOSH: I mean as  
16 I said, I think we do a whole bunch of different  
17 things to get the word out about all of our services,  
18 which include helping business owners understand  
19 rules and regulations that the city has, so we use  
20 our NYC business website, we have even like classes  
21 and seminars we hold on this, we will go to business  
22 owners into their shop and for free go over all the  
23 common violations, we work to train community groups  
24 on some of the common violations so they can tell  
25 their business owners, a sort of train the trainer

2 model, we help bring regulatory agencies to  
3 communities so that business owners can talk to them  
4 directly, so those are some of the ways that we-- we  
5 work towards getting the word out.

6 CHAIRPERSON GJONAJ: So I can go on your  
7 website and see all 6,000 regulations by industry,  
8 the 250 business-related license and permits by  
9 industry?

10 DEPUTY COMMISSIONER VAN TOSH: You can go  
11 onto our website, and you should be able to get all  
12 of the regulations that apply to business owners,  
13 yes, and you can-- they're searchable.

14 CHAIRPERSON GJONAJ: Okay. We're joined  
15 by other council members, and I'd like to give them  
16 the opportunity to ask any questions if they have.

17 UNIDENTIFIED COUNCIL MEMBER: (INAUDIBLE)  
18 Sure. And my apologies for being late. There's some  
19 conflicts this week, and I-- I read your testimony,  
20 and I saw about the Lower East Side and--

21 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

22 UNIDENTIFIED COUNCIL MEMBER: small  
23 jewelry counter, and I--

24 DEPUTY COMMISSIONER VAN TOSH: Yes.

2 UNIDENTIFIED COUNCIL MEMBER: represent  
3 that area, which has a lot of small businesses that  
4 are struggling.

5 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

6 UNIDENTIFIED COUNCIL MEMBER: And we say  
7 small businesses and I guess micro businesses  
8 interchangeably because of this statistic of 80  
9 percent. You know, we have a lot of small retail and  
10 commissaries, and I wanted to talk a little bit about  
11 financing.

12 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

13 UNIDENTIFIED COUNCIL MEMBER: And my  
14 apologies for any questions that I might've missed  
15 about loans. I know you do a lot of referrals to  
16 banks and to credit unions to try to get them the  
17 information on how to get a-- a-- a low interest loan  
18 that's going to help them. It's about security  
19 deposits. So I feel for micro businesses security  
20 deposits are probably one of the biggest hurdles that  
21 they have to get over you know in terms of not just  
22 first and last month's rent, a-- as we typically  
23 think of security deposits, but sometimes for two,  
24 three, four, five, six, nine months at a time they  
25 have to make a deposit to a landlord to prove that

2 financially they're viable and sustainable. So I  
3 guess my question to you is what are you doing to  
4 ensure that they can get assistance with some of  
5 these loans, and of course I know that you can't just  
6 give six months of a security deposit or six months'  
7 rent to a business without an intense vetting  
8 process, but kind of what are you providing in terms  
9 of those services to-- to help these businesses get  
10 started?

11 DEPUTY COMMISSIONER VAN TOSH: Great. So  
12 I think two questions, what are we doing to help  
13 business owners access capital, and then how do we  
14 ease the process of them getting access to commercial  
15 space. Is that--

16 UNIDENTIFIED COUNCIL MEMBER: Yeah.

17 DEPUTY COMMISSIONER VAN TOSH: Okay.

18 UNIDENTIFIED COUNCIL MEMBER: Commercial  
19 space and-- and really making sure that they have,  
20 again, the capital to start their business for-- for  
21 the first couple months, making that investment.

22 DEPUTY COMMISSIONER VAN TOSH: Great. So  
23 there are two different ways that SBS works with  
24 business owners to get them access to capital because  
25 we hear that's a top issue for businesses all across

2 the spectrum, but especially micro businesses. If  
3 you are a business owner in New York City you can  
4 come to any one of our business solution centers.  
5 You can call, you can show up in person, and they  
6 will help you identify what you need in terms of  
7 financing, identify the right lender for you, help  
8 you package your loan application, and then help  
9 interface with the lender in-- in order to make the  
10 process as easy as possible. And we work with, as  
11 you mentioned, all different types of lenders.  
12 Everything from banks, retail banks to credit unions.  
13 We also work with crowd funding platforms for  
14 business owners that are unable to access more  
15 traditional forms of credit. So you know we really  
16 take a sort of business-centered approach and make  
17 sure that they're able to get what they need. So I  
18 think that is how we work with businesses on access  
19 to capital. We also do make investments on occasion  
20 where we see there to be market gaps. So for  
21 example, we recently launched our contract financing  
22 program which helps business owners access low cost  
23 capital when they're bidding on city contracts. So  
24 those are the two ways that we work with business  
25 owners to access capital, and then in terms of

2 looking at things like security deposits and working  
3 with business owners to make sure that they can get  
4 into commercial space, we do help business owners  
5 negotiate items like that through our commercial  
6 lease assistance program. They have attorneys that  
7 can work with landlords to negotiate a reasonable  
8 security deposit, things like that, and we also, as I  
9 said, can help them make sure that they're well  
10 equipped when they get started. They have actually  
11 the money in the bank or they're accounting for those  
12 types of costs before they launch and secure a  
13 location.

14 UNIDENTIFIED COUNCIL MEMBER: Are there  
15 any grants available? And again, I realize that when  
16 you give a grant and the application or the vetting  
17 process would be extensive, but you know when you--  
18 when you consider build-out and when you consider the  
19 violations that the chairman was mentioning, expenses  
20 can add up really quickly.

21 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

22 UNIDENTIFIED COUNCIL MEMBER: So I wonder  
23 whether SBS ever considered a grant program just for  
24 security deposits or something I think that has--

2 that is something directly related to opening your  
3 doors for the first time.

4 DEPUTY COMMISSIONER VAN TOSH: So you  
5 know most of the time money is not free. There's  
6 only a few instances where we have done grants for  
7 SBS, and it's primarily around helping business  
8 owners in the case of like natural disasters. We  
9 will help them recover, and we have a grant program  
10 right now to help very longstanding sort of legacy  
11 businesses adapt to neighborhood change in an effort  
12 to learn what the most effective sort of adaptation  
13 strategies are so we can scale that across the city.  
14 But we do work with business owners to make sure that  
15 they have adequately planned for all of the expenses  
16 that they might have when opening a business and  
17 build that into things like their loan application.

18 UNIDENTIFIED COUNCIL MEMBER: Thank you.

19 DEPUTY COMMISSIONER VAN TOSH: Thank you.

20 UNIDENTIFIED COUNCIL MEMBER: (INAUDIBLE)

21 CHAIRPERSON GJONAJ: Do you have any  
22 questions? We're also joined by Councilman Diaz. Do  
23 you have any questions, councilman, that you want to  
24 bring up?

25 COUNCILMAN DIAZ: No, not yet.

2 CHAIRPERSON GJONAJ: Not yet? Okay. So  
3 let me continue then. In what areas do you think the  
4 SBS can improve the services that are offered to  
5 (SIC) small businesses, in particular micro business?

6 DEPUTY COMMISSIONER VAN TOSH: I mean I  
7 think that we seek to improve our services all the  
8 time. We work with the business owners that we serve  
9 to understand how we could serve them better, more  
10 effectively. We're also always looking for areas  
11 that are new challenges that are coming up, and we  
12 try to offer services around them like courses on e-  
13 commerce or social media when we hear that's a  
14 question coming up from business owners, and we also  
15 look to council members, to local community groups to  
16 let us know if there are gaps in our-- our services.

17 CHAIRPERSON GJONAJ: It sounds like  
18 you're focused more on marketing their business.  
19 We're not doing very much to help them comply. We're  
20 not doing very much to help with the burdens, the  
21 financial burdens that are put on them. Do business  
22 owners tell you that your assistance is valuable and  
23 worth their time?

24 DEPUTY COMMISSIONER VAN TOSH: Yes. I  
25 mean we get very good feedback. The majority of

2 businesses that we serve would recommend our services  
3 to one of their colleagues or business owner, local  
4 business owners.

5 CHAIRPERSON GJONAJ: Do you hear any  
6 issues of small mom and pop shops competing with the  
7 larger chains?

8 DEPUTY COMMISSIONER VAN TOSH: Yes, I  
9 mean I think that business owners face all types of  
10 pressures in their local environment. Sometimes it  
11 can be from chain stores, sometimes it can be the  
12 result of changing demographics in their  
13 neighborhood, sometimes it can be a result of needing  
14 to adapt products over time, so we work with business  
15 owners to figure out what is sort of the best plan  
16 for them in order to remain competitive and grow.  
17 What's their sort of competitive advantage. So--

18 CHAIRPERSON GJONAJ: Can you give me an  
19 example?

20 DEPUTY COMMISSIONER VAN TOSH: Sure. I  
21 mean we have worked with business owners who are you  
22 know selling products that are-- are old, like I-- I  
23 always like to use like the Russ and Daughters  
24 example, the company that has been around for a  
25 hundred years, and they have adapted their product

2 line over time, and we've supported them through some  
3 grants around training their employees and otherwise.  
4 So things like that where you have a business line  
5 and a brand that was you know great 50 years ago, but  
6 now you bring in sort of new products for your  
7 customers like they opened a small restaurant up the  
8 street from their store, for example.

9 CHAIRPERSON GJONAJ: So let's take like a  
10 traditional mom and pop pizzeria. How would you--  
11 (CROSS-TALK)

12 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

13 CHAIRPERSON GJONAJ: --help them compete  
14 with a chain such as Domino's?

15 DEPUTY COMMISSIONER VAN TOSH: So we  
16 would work with them I'd say in a... in a number of  
17 different ways. If they've been like a longstanding  
18 business in their community they would be eligible  
19 for Love Your Local, which is a program that gives  
20 them access to a business consultant who will sit  
21 down and work with them for several weeks like really  
22 diving into their operations, understanding where  
23 they might be able to save money, where they may be  
24 able to introduce new products, things like that, and  
25 then we will provide them with a grant to implement

2 those services. We also have business courses, like  
3 40 hour business courses that we license from  
4 institutes like Kauffman Foundation that takes  
5 cohorts of business owners and helps them create like  
6 a growth plan for their business that also addresses  
7 issues like that. So we I'd say approach it in a  
8 number of different ways.

9 CHAIRPERSON GJONAJ: Would you be open to  
10 helping industries through a trade organization where  
11 they can purchase their products and services and  
12 benefit from bulk purchase discounts?

13 DEPUTY COMMISSIONER VAN TOSH: I think  
14 we'd be open to exploring an idea like that. I'd  
15 want to learn more about it.

16 CHAIRPERSON GJONAJ: Well, if the box  
17 stores and major chains are able to sell their  
18 products at a lower price--

19 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

20 CHAIRPERSON GJONAJ: --because of the  
21 services that they can purchase or their products at  
22 bulk savings, wouldn't it be practical that we focus  
23 on that same initiative where pizzerias can buy,  
24 while keeping their competitors between themselves,  
25 be able to benefit as a buying power?

2                   DEPUTY COMMISSIONER VAN TOSH: I think  
3 that is certainly one avenue where business owners  
4 can you know minimize their operating cost and-- and  
5 sort of get benefits of scale, and it's something  
6 we'd be able to explore, but there are many different  
7 ways a business owner can adapt to those sorts of  
8 competitive changes in their environment, and you  
9 know we address it in a comprehensive way. So we'd  
10 be open to looking into it.

11                   CHAIRPERSON GJONAJ: Can you tell us  
12 about the legacy business grant?

13                   DEPUTY COMMISSIONER VAN TOSH: The Love  
14 Your Local grant? We would be happy to. And (SIC)  
15 we do-- right now we're taking applications, so  
16 please encourage some business owners to apply in  
17 (SIC) Love Your Local. They can submit a preliminary  
18 application, and we're really looking for businesses  
19 that have been in the city for a number of years. So  
20 we're looking for businesses that have established  
21 themselves in a neighborhood, are really like a  
22 cornerstone of their community, that feel that they  
23 are experiencing pressure due to change in their  
24 neighborhood. Either rising costs of real estate,  
25 changing demographics, or otherwise, and we will go

2 through a selection process, look for sort of top  
3 businesses across the city, and once we've made that  
4 selection, as I said, match them with a business  
5 consultant who specializes in restaurants, for  
6 example, if it was a restaurant. They'll work hand  
7 in hand with that business consultant for a number of  
8 weeks and then have a plan at the end of it that goes  
9 through different ways that they could adapt.  
10 Increase their revenues, change their operating  
11 expenses, if they need different types of employees,  
12 address that. They will give us that plan and a  
13 proposal to use up to 90,000 dollars to implement  
14 that plan.

15 CHAIRPERSON GJONAJ: What is the total  
16 budget for the grant?

17 DEPUTY COMMISSIONER VAN TOSH: It's  
18 90,000 dollars per company.

19 CHAIRPERSON GJONAJ: And what is the  
20 total grant? How many businesses are you going to  
21 choose?

22 DEPUTY COMMISSIONER VAN TOSH: We're  
23 looking to select about 25 per year with the goal of  
24 learning through helping those companies what are the  
25 effective, impactful, scalable solutions so that we

2 can help, we hope, you know every legacy business in  
3 the city.

4 CHAIRPERSON GJONAJ: Uh-hm.

5 DEPUTY COMMISSIONER VAN TOSH: And you  
6 know we would look forward to working with you,  
7 Chair, or any council member on the committee to make  
8 sure that we are getting the word out about that to  
9 business owners.

10 CHAIRPERSON GJONAJ: When is the  
11 application deadline for this grant?

12 DEPUTY COMMISSIONER VAN TOSH: Right now  
13 we don't have a set deadline. We're collecting  
14 preliminary applications.

15 CHAIRPERSON GJONAJ: There's been much  
16 focus on new business and very little focus on  
17 retaining current businesses, and it's always the  
18 low-frang-- the low-hanging fruit that we reach for.  
19 The larger businesses get many more of the resources  
20 and attention and draw to our great city with very  
21 little investment in offering the same incentives to  
22 existing businesses. What more can the SBS do to  
23 help not only larger business but secure and offer  
24 the same incentives to existing businesses?

2           DEPUTY COMMISSIONER VAN TOSH: I mean I  
3 think that is a--a great question. As I said, our  
4 focus really foundationally is on micro businesses,  
5 and many of the services that we offer speak directly  
6 to existing businesses that you know work day in and  
7 day out in the city. Our compliance work is really  
8 focused on existing businesses. Much of our  
9 financing work focuses on businesses that already are  
10 established. A lot of our business classes and  
11 planning, some of that is for new businesses, but our  
12 more intensive services are really geared toward  
13 business owners who want to invest time in growing  
14 their company. So I-- I think we have a real focus  
15 in agreement with you on helping existing companies,  
16 and we'd be happy to talk through anything more we  
17 could do in any of those areas.

18           CHAIRPERSON GJONAJ: It's more than talk.  
19 How do we compete with New Jersey which offers  
20 250,000 dollars to businesses to relocate? How can  
21 we compete with that?

22           DEPUTY COMMISSIONER VAN TOSH: We-- I--  
23 you know SBS's role is really to offer services to  
24 help build the capacity of business owners. We do  
25 offer some tax incentives like our energy cost

2 savings program that really help small business  
3 owners deal with some of the ongoing costs of doing  
4 business in the city that helps to reduce the energy  
5 cost for small businesses, for example. But our  
6 focus is on you know exactly what you were saying,  
7 helping businesses stay strong and thrive in New  
8 York.

9 CHAIRPERSON GJONAJ: Alright. So how do  
10 we compete with dollar amounts so significant that  
11 truly lure businesses to other states and away from  
12 the city? And a energy savings plan is not that  
13 enticing to stay.

14 DEPUTY COMMISSIONER VAN TOSH: I mean I  
15 think that as I said, our role at SBS is to really  
16 help business owners understand what the benefits are  
17 of being in New York City in terms of customer base,  
18 in terms of talent, in terms of the neighborhoods  
19 that they can work in, make sure that they are able  
20 to do that successfully and grow here.

21 CHAIRPERSON GJONAJ: In terms of 6,000  
22 regulations, 250 different licenses, high real estate  
23 taxes, water and sewer rates, forced mandates, and  
24 we're going to compete with that by telling them that  
25 we're here for you. (INAUDIBLE) We've got a long..

2 we've got a lot to do. The focus is certainly on  
3 small business. Not enough has been focused on the  
4 true economic engine of this city, and that is micro  
5 businesses. I would like to first come up with a  
6 definition, work alongside SBS and the administration  
7 to define micro business. And as my grandmother  
8 would say, because God has given us two ears and one  
9 mouth, we should listen as twice as much as we speak,  
10 actually hear what their true issues are and address  
11 them in coming up with proactive ways and not  
12 reactive ways that we can be of assistance. Our  
13 small businesses are a day away from closing up, and  
14 it's just not rent. It's the whole climate and the  
15 environment that we've created where we're not  
16 business friendly. And as elected officials, we  
17 pride ourselves when a new business opens up and  
18 we're there to cut the ribbon, and typically we're  
19 the stumbling block that prevents them from thriving.  
20 Our businesses make the investments, risk their own  
21 monies, have a vision, and government typically finds  
22 a way to make their dreams more difficult, and once  
23 they get there we find ways to make it complicated  
24 for them to keep their doors open. So I-- I really  
25 want to take a hard look at some of the simple things

2 that can be done with understanding (SIC) the long  
3 game would be a comprehensive approach to a facet of  
4 issues that can easily be addressed with a willing  
5 partner, and that's what government should be.

6 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

7 CHAIRPERSON GJONAJ: A partner. Not an  
8 obstacle or a hurdle that businesses have to  
9 overcome. So I'll turn to my colleagues once again  
10 to see if they have any additional questions or  
11 comments. Yeah.

12 COUNCIL MEMBER AYALA: I have a question.  
13 I'm council member Ayala. How are you? Thank you  
14 for-- for coming today. So my question is really I...  
15 so I represent East Harlem and the South Bronx, and  
16 we had a natural disaster a few years ago in the East  
17 Harlem part of the district where we had several  
18 buildings that blew up because of a (INAUDIBLE) pipe  
19 that was underneath the building and was leaking for  
20 days. A lot of our small businesses were affected by  
21 that explosion, and there were opportunities to  
22 receive grants, but the grants were grants that  
23 turned into loans if the business did not survive I  
24 believe maybe a year after the natural disaster had  
25 occurred, and I wa-- so a lot of our small businesses

2 didn't really feel that this was something that they  
3 would you know be interested in applying for even  
4 though they desperately needed you know the-- the  
5 resources because they had blown up windows, they  
6 hadn't seen a customer in you know maybe three to  
7 four weeks, so I wonder if-- if-- y-- you know out of  
8 that, that you know disaster SBS was able to maybe  
9 take into consideration some of the special  
10 circumstances around natural disasters and maybe  
11 modify that grant process so that it wasn't so you  
12 know restrictive.

13 DEPUTY COMMISSIONER VAN TOSH: Thank you,  
14 and-- and welcome. So we take a very proactive  
15 approach to addressing disasters. We both work with  
16 business owners once they've experienced a disaster,  
17 we have a team that's been doing that for many years,  
18 and I believe that Bernadette was up in your district  
19 following that disaster helping business owners get  
20 access to a number of different resources, but we  
21 also work to ensure that business owners are prepared  
22 for any crisis or interruption like the one that you  
23 mentioned. We have a program that also goes to  
24 business owners' doors, connects them with experts in  
25 business continuity, making sure that they are able

2 to mitigate any disaster, and provides them with a  
3 small amount of funding to help them implement some  
4 simple tools in order to prepare for any future  
5 emergency. So I'm happy to talk with you further  
6 about what sort of grant programs might be available  
7 to businesses once they've experienced a disaster,  
8 but I also would love your help in getting the word  
9 out in your district about proactive programs to help  
10 businesses prepare for emergencies like that.

11 COUNCIL MEMBER AYALA: Do you have like  
12 one example of what one of those programs would look  
13 like? Like wh-- what do you mean by proactive  
14 programming? (INAUDIBLE) (CROSS-TALK)

15 DEPUTY COMMISSIONER VAN TOSH: Yeah, so  
16 we have-- I'm sorry.

17 COUNCIL MEMBER AYALA: No, no, no.  
18 Because I'm-- I-- we had-- we had (INAUDIBLE) right?  
19 That was-- (CROSS-TALK)

20 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

21 CHAIRPERSON GJONAJ: --smack in the  
22 middle of the disaster area. There was nothing that  
23 proactively they would have been able to do to  
24 prevent one, the explosion, or two, the fact that  
25 the-- the-- that whole entire block was cor-- you

2 know blocked off to pedestrian traffic, so there was  
3 no way anyone was going to go in there. I don't know  
4 how you would you know actively prepare for that.

5 DEPUTY COMMISSIONER VAN TOSH: So what we  
6 do to work with business owners in this case is we  
7 have hired consultants who are experts in this that  
8 work directly with the business owner. We give them  
9 to the business owner, and they make sure-- you know  
10 they make sure they have things like their records on  
11 file, they have business interruption insurance which  
12 can help business owners once this happens, make sure  
13 that they have cash reserves on hand, help them think  
14 about how they would build that over time. We find  
15 business interruption insurance to be a major-- a  
16 major issue. Most business owners don't have that,  
17 and in the event that you're talking about, that is a  
18 way they could have received funding after that  
19 disaster occurred. So-- so we're doing a lot to try  
20 to make sure that business owners are aware of that  
21 and are able to-- to acquire it. And we'd love to  
22 partner with you on that.

23 COUNCIL MEMBER AYALA: Is-- is it that  
24 businesses are not-- don't have the-- the-- the

2 insurance because they can't afford it? I mean how  
3 costly is it?

4 DEPUTY COMMISSIONER VAN TOSH: Business  
5 owners are often just not even aware of the  
6 insurance.

7 COUNCIL MEMBER AYALA: They're not aware.

8 DEPUTY COMMISSIONER VAN TOSH: Yeah,  
9 they're-- they're often not even aware that their  
10 insurance policy doesn't already cover that. So it's  
11 helping them to make sure that they are fully  
12 covered.

13 COUNCIL MEMBER AYALA: I-- I'd love to be  
14 able to help-- to help in my district, so (SIC)--

15 DEPUTY COMMISSIONER VAN TOSH: That's  
16 great.

17 COUNCIL MEMBER AYALA: whatever I can do  
18 (SIC).

19 DEPUTY COMMISSIONER VAN TOSH: We'll  
20 follow up right after this.

21 COUNCIL MEMBER AYALA: Okay.

22 UNIDENTIFIED COUNCIL MEMBER: I just have  
23 a quick followup to that because business  
24 interruption is a little bit--

25 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

2 UNIDENTIFIED COUNCIL MEMBER : I think a-  
3 - a broader term than a disaster. Right? So is that  
4 specifically for disaster-related events? I guess I-  
5 - I'll give you what--

6 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

7 UNIDENTIFIED COUNCIL MEMBER: I'm  
8 thinking is-- is what about when there is a-- a big  
9 transportation interruption like the construction of  
10 the Second Avenue Subway?

11 DEPUTY COMMISSIONER VAN TOSH: Yes,  
12 business interruption insurance can help in a range  
13 of different scenarios, and something like the Second  
14 Avenue Subway, we also work to make sure that the  
15 business owners are aware of services or offerings  
16 that the MTA has around advertising signage and  
17 things like that.

18 UNIDENTIFIED COUNCIL MEMBER: Because a--  
19 I think you would agree that a number of those  
20 businesses closed down and did not return to Second  
21 Avenue. So you know in terms of marketing, I'm happy  
22 to help. This-- this in-- is not the same in-- in  
23 terms of I think how disruptive it's going to be, but  
24 we're going to have L trains shut down, and while we  
25 will have a-- a bus way on 14th Street, or whatever

2 the final plan will turn out to be, I would call that  
3 a business interruption.

4 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

5 UNIDENTIFIED COUNCIL MEMBER: And you  
6 know, a lot of our businesses on the East Side are  
7 also still trying to recoup after Sandy. Some have  
8 closed down just recently because they can't catch up  
9 to the--

10 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

11 UNIDENTIFIED COUNCIL MEMBER: --  
12 violations, they can't catch up to-- to the  
13 businesses, the customers that they didn't see. So  
14 again, the business interruption, I just want to-- I  
15 wanted to be clear on what the definition was, and of  
16 course I'm-- I'm very willing to help in terms of  
17 marketing.

18 DEPUTY COMMISSIONER VAN TOSH: Great. We  
19 look forward to it.

20 COUNCILMAN DIAZ: (INAUDIBLE)

21 CHAIRPERSON GJONAJ: Yes, Councilman  
22 Diaz. Please introduce yourself.

23 COUNCILMAN DIAZ: That's the-- that's  
24 the-- the chairman--

2 DEPUTY COMMISSIONER VAN TOSH:

3 (INAUDIBLE)

4 COUNCILMAN DIAZ: --job.

5 CHAIRPERSON GJONAJ: (INAUDIBLE)

6 councilman from the borough of the Bronx, Councilman  
7 Diaz, Senior.

8 COUNCILMAN DIAZ: Thank you, sir. Good  
9 morning, everyone. Before I do that, I'm going to do  
10 a criticism that I did in another committee that I  
11 will just-- and I'll do (SIC) the same criticism here  
12 because I come from the state senate, and now this  
13 morning I had a committee and had to get up by five  
14 o'clock in the morning so I could do my thing, my  
15 hygiene and beat the traffic, run over here (SIC),  
16 then we sat there (SIC) eight council members, and  
17 the commissioner didn't show up. The commissioner  
18 sent an assistant commissioner, and I-- that doesn't  
19 sound right to me. Now I come to this committee from  
20 that one, and I (SIC) see again a commissioner--the  
21 commissioner's not here neither. So I don't know how  
22 City Council works, but I-- I find-- I found this  
23 very disrespectful (SIC), but that's me, and I'm--  
24 I'm not talking for my colleagues, I'm talking for--

2 for me. But let me ask you a question. Do you know  
3 who's Marlene Cintron?

4 DEPUTY COMMISSIONER VAN TOSH: Yes.

5 COUNCILMAN DIAZ: Who's Marlene Cintron?

6 DEPUTY COMMISSIONER VAN TOSH: We work  
7 with her. She runs the Women's Chamber of Commerce,  
8 right (SIC)?

9 COUNCILMAN DIAZ: No, no, no, look at me.  
10 Who's Marlene Cintron?

11 DEPUTY COMMISSIONER VAN TOSH:

12 (INAUDIBLE) I mean we-- we work with her on

13 (INAUDIBLE) (CROSS-TALK)

14 UNIDENTIFIED: Yeah, I mean she-- I mean  
15 with Bronx Over-- Bronx Overall Economic Development  
16 Corporation, I know she's partially in Borough Hall  
17 as well.

18 DEPUTY COMMISSIONER VAN TOSH: Yeah.

19 I'm--

20 COUNCILMAN DIAZ: So--

21 DEPUTY COMMISSIONER VAN TOSH: I'm sorry,  
22 we work with her on Chamber on the Go, but we work  
23 with both organizations, so I was just mixing it up  
24 (SIC).

25

2 COUNCILMAN DIAZ: We have so many-- I  
3 think that we have many, many minority business women  
4 from (SIC) businesses (INAUDIBLE) The Bronx  
5 (INAUDIBLE) and the Bronx open for business  
6 (INAUDIBLE). But (INAUDIBLE) are the one that's  
7 supposed to help us, help all these minority, so if I  
8 ask you who is Marlene Cintron, I'm asking that  
9 question with a purpose. Because I want to-- I want  
10 to-- to see how involved you are with organizations  
11 that are responsible to help businesses (INAUDIBLE)  
12 but if-- if you don't know (INAUDIBLE) who's Marlene  
13 Cintron and what did she do-- she does-- what does  
14 she do, then I'm-- I'm-- I'm worry. I'm worry,  
15 because Marlene Cintron is the-- the-- the-- the  
16 president of the Bronx Economy--

17 DEPUTY COMMISSIONER VAN TOSH:

18 Development Corporation.

19 COUNCILMAN DIAZ: -- Development. And--  
20 and-- and we need-- we need (INAUDIBLE) we in the  
21 Bronx, I-- I s-- as I said before, we open for  
22 business, but we need organization-- we need  
23 organization that comes and really do-- and really  
24 cares and really do help us and really do help our  
25 minority businesses and small businesses, and I--

2 I'm-- I'm normally here, but I-- some of the  
3 questions here that I see maybe have been a-- has  
4 been already made an answer, but I want to do it  
5 again. In the Bronx, can you tell me what is the--  
6 the budget? How do you-- how you-- how can (SIC) you  
7 tell me our-- our budget or-- or help in different  
8 boroughs, this is Brooklyn, this in Manhattan, this  
9 in the Bronx, and can you tell me what have you done  
10 in the Bronx?

11 DEPUTY COMMISSIONER VAN TOSH: Sure. I  
12 mean we have a number of investments in the Bronx,  
13 including one of our business solution centers, and  
14 we actually work closely with Marlene on Chamber on  
15 the Go. We have partnered with them for the last two  
16 (SIC)--

17 COUNCILMAN DIAZ: With wh-- with who?

18 DEPUTY COMMISSIONER VAN TOSH: With the--  
19 with Marlene Cintron, the-- the OEDC. We work with  
20 them and have for the last two years or so on Chamber  
21 on the Go, so they work closely with us to get the  
22 word out about our services in the borough.

23 COUNCILMAN DIAZ: Can you-- can you-- can  
24 you give me-- can you give me a figure money wise?

2 DEPUTY COMMISSIONER VAN TOSH: I would  
3 have to get back to you in terms of the exact dollar  
4 amount of our investment-- (CROSS-TALK)

5 COUNCILMAN DIAZ: I hate that word. I  
6 hate that word, ha-- have to get back to you. I hate  
7 that word. C-- 'cause you know what?

8 DEPUTY COMMISSIONER VAN TOSH: Uh-hm.

9 COUNCILMAN DIAZ: You never do.

10 DEPUTY COMMISSIONER VAN TOSH: Okay. We  
11 will get back to you. I promise. But I don't have  
12 in front of me the exact figure of investments  
13 specifically in the Bronx, but we can find that, and  
14 we will get it back to you.

15 COUNCILMAN DIAZ: Yeah, but it-- it's  
16 good to come here and say oh, we have done (SIC)  
17 (INAUDIBLE) but not-- with no specific, then you have  
18 to ask the question, where's the beef? There's no  
19 specific, no oh, the Bronx, I done this (INAUDIBLE)  
20 in Brooklyn, in-- in-- in Manhattan, this is what we  
21 have done and this is the program that we have here,  
22 and this was (SIC) done to help minority, to help by  
23 people that are not Engli-- English proficiency,  
24 people that-- that are (SIC) Chinese, Bangladesh. In  
25 my district, Chinese, Bangladesh, I have (INAUDIBLE)

2 minorities that they need help, but I don't know--  
3 you don't-- you don't give me a specific.

4 DEPUTY COMMISSIONER VAN TOSH: Yeah, we  
5 work across all five boroughs. The majority of our  
6 services are outside of Manhattan, and I absolutely  
7 follow up with you on some of the work that we're  
8 doing in the Bronx.

9 COUNCILMAN DIAZ: Oh (SIC).

10 DEPUTY COMMISSIONER VAN TOSH: But we--  
11 we do offer our whole range of services, everything  
12 from business classes to access to capital in the  
13 Bronx, we have a center up there-- (CROSS-TALK)

14 COUNCILMAN DIAZ: Any specific program  
15 for the Bangladesh community?

16 DEPUTY COMMISSIONER VAN TOSH: We don't  
17 have a specific program for the-- the Bangladesh  
18 (INAUDIBLE) (CROSS-TALK)

19 COUNCILMAN DIAZ: Any specific  
20 (INAUDIBLE) community?

21 DEPUTY COMMISSIONER VAN TOSH: We try to  
22 tailor our (INAUDIBLE) (CROSS-TALK)

23 COUNCILMAN DIAZ: Any specific program  
24 for the Hispanic community?

2 DEPUTY COMMISSIONER VAN TOSH: We work  
3 with all of these communities across all of our--  
4 (CROSS-TALK)

5 COUNCILMAN DIAZ: Any specific program  
6 for the Chinese community?

7 DEPUTY COMMISSIONER VAN TOSH: We work,  
8 as I said, with all of these different-- (CROSS-TALK)

9 COUNCILMAN DIAZ: Uh-hm.

10 DEPUTY COMMISSIONER VAN TOSH: --  
11 communities across all-- (CROSS-TALK)

12 COUNCILMAN DIAZ: Oh yeah?

13 DEPUTY COMMISSIONER VAN TOSH: -- of our  
14 services.

15 UNIDENTIFIED COUNCIL MEMBER: (INAUDIBLE)  
16 I-- I was just saying you can at least confirm that  
17 there are-- there is interpretation, that (INAUDIBLE)  
18 (CROSS-TALK)

19 DEPUTY COMMISSIONER VAN TOSH: Yeah, we--  
20 we offer our services in-- in many different  
21 languages. 90 percent of the courses that we offer  
22 are offered in languages out-- besides English, and  
23 that includes everything from Spanish, Russian,  
24 Haitian Creol, the whole range. We also have  
25 translation services available for all of our-- our

2 services, so we certainly make sure that our services  
3 are accessible to-- to we hope every community in New  
4 York City.

5 UNIDENTIFIED COUNCIL MEMBER: And does  
6 that work as-- as a hotline or, for example, if you  
7 have for example Chinatown or places where there is  
8 a--a certain ethnic community that is-- they're very  
9 present or very visible, do you-- are you proactively  
10 going out there to talk to them in their own language  
11 that-- (CROSS-TALK)

12 DEPUTY COMMISSIONER VAN TOSH: Yes.

13 UNIDENTIFIED COUNCIL MEMBER: --is their  
14 first language?

15 DEPUTY COMMISSIONER VAN TOSH:  
16 Absolutely. We have staff members that are fluent in  
17 many different languages, and we make sure that when  
18 we go out to communities we have the appropriate  
19 language capacity.

20 UNIDENTIFIED COUNCIL MEMBER: And  
21 appropriate literature.

22 DEPUTY COMMISSIONER VAN TOSH: Yes.

23 UNIDENTIFIED COUNCIL MEMBER: Okay.

24 Thank you.

25 DEPUTY COMMISSIONER VAN TOSH: Thank you.

2 CHAIRPERSON GJONAJ: Deputy Commissioner  
3 Tosh, what is your background? Do you come from the  
4 small business world by any chance?

5 DEPUTY COMMISSIONER VAN TOSH: I  
6 personally do not, although as I mentioned, my family  
7 certainly does.

8 CHAIRPERSON GJONAJ: But you have no  
9 experience as a small business owner or operator.

10 DEPUTY COMMISSIONER VAN TOSH: I have not  
11 worked as a small business owner or operator, but  
12 I've worked with many for years.

13 CHAIRPERSON GJONAJ: They brought up an  
14 interesting issue when it comes to business  
15 interruption. As far as you know, would that  
16 insurance cover you something for like the Second  
17 Avenue debacle where a corridor was closed down and  
18 businesses had no access to sidewalk or street?

19 DEPUTY COMMISSIONER VAN TOSH: In some  
20 instances it would. It depends on exactly the  
21 scenario and what type of policy you've taken out,  
22 but if something is closed down for days at a time,  
23 things like that, it-- it will help mitigate your  
24 lost revenues as a result of that.

2 CHAIRPERSON GJONAJ: I'd like to look  
3 into that. Do you often hear concerns from your  
4 commercial corridors and these mom and pop shops when  
5 it comes to congestion, traffic?

6 DEPUTY COMMISSIONER VAN TOSH: We hear  
7 about parking from certain constituents. Parking  
8 enforcement.

9 CHAIRPERSON GJONAJ: Uh-hm.

10 DEPUTY COMMISSIONER VAN TOSH: We hear  
11 about difficulty with loading zones for commercial  
12 pickups and drop-offs, and we work on sort of a case  
13 by case basis when we get complaints. We have a team  
14 that's worked with Department of Transportation,  
15 NYPD, for many years to help resolve like sort of  
16 concentrated issues. So if you're hearing that in  
17 your district, we're happy to follow up and see what  
18 we can do to mitigate it.

19 CHAIRPERSON GJONAJ: I think we're facing  
20 that throughout the city, but give me an example of  
21 how you deal with aggressive ticketing by traffic  
22 agents.

23 DEPUTY COMMISSIONER VAN TOSH: Aggressive  
24 ticketing by traffic agents for business owners?

2 CHAIRPERSON GJONAJ: Uh-hm. For the cars  
3 that their patrons which are parked in-- in front of  
4 their locations and come out and after they purchase  
5 their two dollar slice of pizza have a 115 dollar  
6 ticket to pay.

7 DEPUTY COMMISSIONER VAN TOSH: So we-- we  
8 work with NYPD when we hear about that happening if  
9 we get a complaint from a business owner to-- (CROSS-  
10 TALK)

11 CHAIRPERSON GJONAJ: Uh-hm.

12 DEPUTY COMMISSIONER VAN TOSH: --  
13 understand why that's happening in the corridor.  
14 We'll-- we'll talk to business owners to make sure  
15 that they understand what the local parking  
16 requirements are, but we I'd say more often hear it  
17 about like delivery vehicles and-- and other things  
18 like that. And so in all of these cases we will work  
19 with the-- the local NYPD precinct and help sort of  
20 resolve any issues that are happening.

21 CHAIRPERSON GJONAJ: What are your  
22 thoughts on the administration's Vision Zero?

23 DEPUTY COMMISSIONER VAN TOSH: We think  
24 it's important to predect-- to protect pedestrians  
25 and encourage safety on our roads, but we recognize

2 that sometimes there are issues that business owners  
3 face in the areas that I'm talking about, and-- and  
4 we do try to resolve them wherever possible.

5 CHAIRPERSON GJONAJ: Right, but you're  
6 specifically here to protect the interest of small  
7 businesses, not worry about pedestrians, so-- a-- and  
8 I'm not saying that they're not insignificant. Your  
9 signif-- your role is focused on small business.  
10 Narrowing of roadways or road dieting and taking the  
11 two lanes which already have congestion and making it  
12 into one lane has an impact on commercial corridors.  
13 Have you voiced your opinion on the effect it has on  
14 commercial corridors and small businesses?

15 DEPUTY COMMISSIONER VAN TOSH: As I said,  
16 I think we believe that it's important to protect--  
17 protect pedestrian safety, and we do address this  
18 issue whenever we hear about it from business owners  
19 to the best of our abilities.

20 CHAIRPERSON GJONAJ: But isn't providing  
21 parking spaces, making sure that roads can handle the  
22 amount of traffic so customers can get to the  
23 products and services that our small businesses are  
24 offering, the objective? Survivability of small  
25 businesses, isn't that your focus?

2 DEPUTY COMMISSIONER VAN TOSH: I

3 completely agree that--

4 CHAIRPERSON GJONAJ: (interposing) Not as  
5 an individual. In your capacity as Deputy  
6 Commissioner.

7 DEPUTY COMMISSIONER VAN TOSH: Right,  
8 both. But yes, I mean and when we hear there are  
9 issues we do work to address them, I believe. Do you  
10 want to add?

11 DEPUTY COMMISSIONER BACKER: Yeah, I  
12 would just add that I think-- yes, as-- as I think  
13 Rachel touched on initially, not only are we trying  
14 to help small businesses but also neighborhoods  
15 thrive, and I-- I think this is an area where we  
16 actually work quite closely with BIDs and our other  
17 neighborhood partners, and I think a lot of our  
18 partners will take a really holistic approach and--  
19 and work with the small businesses and with DOT, and  
20 I think our-- and from-- from my vantage point, I  
21 would say the majority of BIDs have been quite  
22 supportive of Vision Zero, and when they're looking  
23 at both pedestrian safety, bicycle safety, and  
24 (INAUDIBLE) safety, you know that they've been really  
25 proactive partners in trying to look at so if there's

2 a-- you know an active ticketing issue is (SIC)  
3 actually looking at let's say the parking  
4 regulations. You know, what-- what does the signage  
5 say? What-- what are the meter regulations? How is  
6 the curb spaced actually used? How could it be freed  
7 up perhaps so that there's commercial loading zone  
8 spaces as well as spaces for parking? For consumer  
9 parking? So I think that's where when we have a  
10 partner on the ground that can be really proactive in  
11 helping to sort of survey what's happening and really  
12 understand the needs of local merchants, then they  
13 can work quite closely with SBS as well as with DOT  
14 to tackle those issues.

15 CHAIRPERSON GJONAJ: Now, are you saying  
16 that small businesses have approved of bus lanes,  
17 bike lanes, removal of driving lanes and removal of  
18 parking spaces?

19 DEPUTY COMMISSIONER BACKER: I can't  
20 speak to a specific instance, but I certainly do  
21 believe that in-- depending on the commercial  
22 district, there have been BIDs who are quite aware  
23 where their consumers are coming from, so I think in  
24 some cases in a very small let's say commercial  
25 district that know-- that has a sense of consumers

2 coming there either by walking or cycling, they see  
3 those as con-- consumers just like drivers, right?  
4 So I do think there's an attempt to look at where are  
5 people coming from and ensuring that they are sort of  
6 you know tackling all of those means so that they're  
7 improving the commercial district. So I don't-- you  
8 know I can't speak to a specific lane removal, but I  
9 do think there is a lot-- a lot of-- a lot of  
10 partners in the city right now, BIDs among them, that  
11 are really looking at this issue and making sure that  
12 they're-- they're sort of tackling this in a way.  
13 And I-- and there's no doubt there's times where they  
14 might bring a new issue to the city's attention that  
15 helps to ensure that we're doing something correctly,  
16 but I-- I definitely think there's a re-- a much more  
17 holistic view at the different modes of  
18 transportation that our commercial districts need to  
19 thrive.

20 CHAIRPERSON GJONAJ: I-- I've met with  
21 several BIDs. They've brought to my attention and  
22 chamber's the impact that Vision Zero has had on  
23 their commercial corridors. I have yet to hear one  
24 say this is great, it's wonderful, it's improved my  
25 business corridor. So unless you have-- of the 75,

2 and I have not met with all 75 BIDs, I'd like to  
3 continue this conversation, but inherently it sounds  
4 like we're on opposite sides of the pages here. It  
5 was overwhelming the complaints and the impact that  
6 this has had on commercial corridors and businesses  
7 alike. We're going to continue (SIC)-- (CROSS-TALK)

8 DEPUTY COMMISSIONER BACKER: Yeah, I'd be  
9 happy to. I mean I-- I guess I would just add that  
10 like a-- an-- key components of Vision Zero include,  
11 right, sort of shorter crossing distances, curb  
12 extensions (INAUDIBLE) like some of these things that  
13 are-- are inherently pedestrian safety in many cases  
14 do not take away parking or anything. They just  
15 shorten crossing distances, and those-- those again  
16 are-- are also improvements that are among Vision  
17 Zero improvements, and so those are you know  
18 additional things certainly that I've heard BIDs  
19 advocate for and actually request in many cases, so  
20 yeah, I'd be happy to help convene the BIDs and-- and  
21 discuss this with you.

22 CHAIRPERSON GJONAJ: Absolutely, and  
23 we're--

24 DEPUTY COMMISSIONER VAN TOSH: Also to  
25 emphasize, if there are issues that you are hearing

2 about from BIDs or in your district, we'd be happy to  
3 work with you to try to resolve them so that there is  
4 parking, there is commercial loading, and-- and  
5 mitigate other issues as they come up.

6 CHAIRPERSON GJONAJ: Well, that's great,  
7 Deputy Commissioner, because we have some here today,  
8 and I'm sure they're going to express themselves and  
9 their concerns, share them with us.

10 DEPUTY COMMISSIONER VAN TOSH: That's  
11 great. I'd be happy to give you my card.

12 (INAUDIBLE)

13 CHAIRPERSON GJONAJ: So at this time,  
14 unless there's a-- any other questions, we'd like to  
15 open up the floor, and I think we'll begin with the  
16 Brooklyn Chamber of Commerce with questions.

17 DEPUTY COMMISSIONER VAN TOSH: Thank you  
18 very much.

19 CHAIRPERSON GJONAJ: Thank you. Thank  
20 you. Chamber Third Avenue Brid--

21 UNIDENTIFIED: Third Avenue BID.

22 CHAIRPERSON GJONAJ: Third Avenue BID by  
23 Mr. Brady and Westchester Square BID Lisa Soren  
24 (SP?).

25 UNIDENTIFIED: (INAUDIBLE)

2 CHAIRPERSON GJONAJ: Perfect. Okay.

3 UNIDENTIFIED: (INAUDIBLE) He's terrible.

4 I love him as a person, but as an administrative

5 person, he's horrible. (BACKGROUND VOICE) He's a

6 good person to have a beer with. Like George Bush.

7 Thanks. (BACKGROUND VOICE) Yes.

8 CHAIRPERSON GJONAJ: This is the Brooklyn

9 Chamber.

10 UNIDENTIFIED: Yep. (BACKGROUND VOICE)

11 Hi. (BACKGROUND VOICE)

12 CHAIRPERSON GJONAJ: Good morning.

13 SAMARA KARASYK: Good afternoon.

14 CHAIRPERSON GJONAJ: It's actually (SIC)

15 good afternoon. Started morning. I just want to

16 thank you for being here, and I open up the floor to

17 you.

18 SAMARA KARASYK: Thank you. So good

19 afternoon, Chair Gjonaj and members of the committee.

20 My name is Samara Karasyk, and I am Chief of Staff

21 and Executive Vice President at the Brooklyn Chamber

22 of Commerce. I'm delivering testimony today on

23 behalf of Andrew Hoan, President and CEO of the

24 Brooklyn Chamber. With over 2,000 active members,

25 the Brooklyn Chamber is the largest and number one

2 ranked chamber of commerce in New York State. We  
3 promote economic development across the borough of  
4 Brooklyn as well as advocate on behalf of our member  
5 businesses. The Brooklyn Alliance is a not-for-  
6 profit economic development affiliate of the Brooklyn  
7 Chamber, which includes the business solution center  
8 in the borough that we manage. Brooklyn Alliance  
9 Capital is the third affiliate of the Brooklyn  
10 Chamber and provides micro loans to immigrant and  
11 minority-owned small businesses. In 2017, the  
12 average size of firms in Brooklyn hovered around 11  
13 employees and the majority of 20 or fewer workers.  
14 Since 2010, 40 percent of employment growth in  
15 Brooklyn is attributed to firms with under 50  
16 employees compared to eight percent in Manhattan. We  
17 also have approximately 35,000 freelancers in  
18 Brooklyn, and the number of self-employed individuals  
19 is growing at a much faster rate than in the rest of  
20 New York City and the country. Small business is the  
21 heart of employment in Kings County, and we work  
22 closely with our partners in government, the  
23 community, and private industry to help these  
24 companies flourish. As you can imagine, we focus  
25 many of our programs on these small businesses with

2 an emphasis on minority and immigrant-owned  
3 businesses. We believe the following are key points  
4 in giving them support. One, provide mobile services  
5 traveling directly to their places of business.  
6 Owners of small firms are very limited in their  
7 ability to travel from the location of their  
8 businesses. Chamber on the Go is a critical program  
9 which enables us to reach companies that we would not  
10 be able to otherwise and offer them all of our  
11 services on site. We need to grow the city's Chamber  
12 on the Go program so that we can reach even more  
13 businesses. Offer healthcare to these businesses.  
14 Micro enterprises need support navigating our  
15 healthcare system and determining insurance costs.  
16 This is why we offer healthcare navigation services  
17 throughout the borough, and we want to increase the  
18 support we can offer in this area. Three, streamline  
19 the regulatory environment. Laws affecting small  
20 businesses change rapidly, and many may not have the  
21 in-house expertise to quickly understand new  
22 regulations and comply. We should make it as simple  
23 as possible to understand changes to business  
24 requirements and offer businesses enough time to  
25 comply. And lastly, increase micro financing

2 opportunities for small businesses. We have seen  
3 firsthand how difficult it can be for a small  
4 business, especially one with little or no credit  
5 history, to borrow a small amount they need to grow.  
6 This is why last year we launched our own community  
7 development financial institution. We are pleased to  
8 report that we have already made eight loans to local  
9 businesses with an average loan size of approximately  
10 2,000 dollars. These loans not only help  
11 entrepreneurs cultivate their business, they also  
12 help build their credit for future growth. On behalf  
13 of the members of the Brooklyn Chamber of Commerce,  
14 thank you for the opportunity to testify and for all  
15 that you do to support us as we help small businesses  
16 in the borough.

17 CHAIRPERSON GJONAJ: Thank you. So this  
18 was an interesting first hearing for me, and I think  
19 it's your first as well.

20 SAMARA KARASYK: Yes, it is.

21 CHAIRPERSON GJONAJ: Great. Thank you  
22 for being here, making the time. Some of the issues  
23 that were brought up I'm sure impact the chamber,  
24 including in particular Chamber on the Go, that many  
25 feel is very beneficial to small businesses. What

2 else can we do to help expand or what other services  
3 would you like SBS to partner up with on Chamber on  
4 the Go for our commercial corridors and mom and pop,  
5 in particular the micro businesses?

6 SAMARA KARASYK: So Small Business  
7 Services is very supportive of Chamber on the Go.  
8 The Brooklyn Chamber started our Chamber on the Go  
9 program years ago, and Small Business Services took  
10 it to the rest of the city because they thought it  
11 was such a valuable program. We do get discretionary  
12 funding from City Council for that program, so more  
13 money means we can grow it further so that we can be  
14 out there more often, that we can have more staff  
15 working on that program. We're out every day. We  
16 work closely with members. If they want us to go to  
17 a certain corridor because they feel that there are  
18 services that are needed, then we like to work with  
19 an elected official to go out there with them to get  
20 sort of that initial introduction so they can trust  
21 us. I think being a chamber of commerce, we're not  
22 government. So once businesses realize that, there's  
23 a-- there's a sort of trust in value that is  
24 important in the work that we do because you know

2 they-- they understand where we're coming from and  
3 that we want to help them.

4 CHAIRPERSON GJONAJ: Would you be  
5 supportive of coming up with a definitive definition  
6 of micro business? And it sounds like most of your  
7 businesses are around 11 employees. Is 10 full time  
8 equivalent a definition that you would be supportive  
9 of?

10 SAMARA KARASYK: Yeah, I mean we would be  
11 happy to work with you to come up with a definition.  
12 I'm curious what would the definition be used for?

13 CHAIRPERSON GJONAJ: Well, certainly if  
14 we identify that mom and pop shops make up 80 percent  
15 of all small businesses, by clearly defining them and  
16 giving them a category we would then come up with  
17 creative services specific targeted to that group.  
18 We see the numbers in expansion and adding on  
19 additional employees that this would be the group  
20 that could potentially cre-- be the job creator and  
21 has been the job creator for New York City. So the  
22 intent is not only to expand, to help grow, to  
23 maintain, lure, and make sure that we offer the  
24 protective services that these mom and pop shops  
25 would need to thrive in the city and not be targeted

2 as a group for revenue driven budget line item as  
3 being targeted for failing to comply with the 6,000  
4 codes, or coming up with comprehensive ways that we  
5 could make sure that businesses are aware of the  
6 6,000 various regulations and 250 licenses in advance  
7 and allowing them the time to correct any violations  
8 versus penalizing them when we identify the  
9 violation.

10 SAMARA KARASYK: Of course, we'd be happy  
11 to work with you. We're very focused on our small  
12 businesses. About half of our members are 10 or  
13 less, so you know definition or no definition, we're--  
14 - we're on the same page that we-- we want to help  
15 our small businesses grow and thrive, and they're the  
16 back bone of our borough.

17 CHAIRPERSON GJONAJ: Any opinion-- or  
18 what is your concern when it comes to road dieting  
19 and taking away of valuable traffic lanes? Is there  
20 any impact that you're aware of when it comes to our  
21 commercial corridors? Have you heard any complaints  
22 from the small businesses?

23 SAMARA KARASYK: So we poll all of our  
24 member businesses every year for what their top  
25 issues are, and transportation and infrastructure has

2 shown up as the top issue both this issue and last  
3 year. We'll be coming out soon with our state  
4 legislative agenda, which will be reflected in our  
5 city legislative agenda as well, and transportation  
6 will be on that list. For Brooklyn, because we are a  
7 pretty transit-rich borough, we-- we find that some  
8 of the hurdles are at the areas that don't have as  
9 much transit, that we want to see more of that  
10 transit. So we're focused on that. Of course,  
11 freight mobility is important as well, so that's  
12 something that we look at, too. The sort of specific  
13 parking issues that you brought up earlier isn't  
14 something that I'm as familiar with, but I can go  
15 back and see historically if that's been something  
16 we've grappled with.

17 CHAIRPERSON GJONAJ: And is there any  
18 other suggestions besides the ones that you've  
19 mentioned after hearing from SBS that you'd like to  
20 bring to our attention on issues that may not have  
21 been highlighted in your submission (SIC)?

22 SAMARA KARASYK: I-- I don't think so.  
23 I'd just say you know we love our partnership with  
24 council. They've been very supportive of Chamber on  
25

2 the Go specifically, and-- and we look forward to  
3 working with you on it.

4 CHAIRPERSON GJONAJ: Any procurement  
5 issues in the funding? Any backlog for you or that  
6 you're aware of?

7 SAMARA KARASYK: Fortunately for now  
8 we're-- we're okay. You know we do front the money  
9 for these programs, but the city does pay us, so.

10 CHAIRPERSON GJONAJ: Is it timely  
11 reimbursement for these expenses?

12 SAMARA KARASYK: I haven't heard  
13 complaints from my team, but if you want more  
14 specifics on sort of what that timeframe is, I'd be  
15 happy to follow up with you.

16 CHAIRPERSON GJONAJ: And how is your  
17 cooperation with the local-- with the other chambers?

18 SAMARA KARASYK: It's great. In fact,  
19 today we have a meeting with a bunch of-- with all of  
20 the chambers to work on our initiatives together,  
21 which includes educational seminars, Chamber on the  
22 Go, a digital program to help businesses sign up to  
23 be on the Google map, and-- and for other digital  
24 services as well.

2 CHAIRPERSON GJONAJ: And your  
3 relationships with the local BIDs?

4 SAMARA KARASYK: They're-- I-- I think  
5 they're very good. The BID-- we-- we work through  
6 our tourism (INAUDIBLE) very closely with the BIDs to  
7 help drive tourism to different corridors, but also  
8 they consult with us, we just finished an economic  
9 development strategy, and the BIDs came in and talked  
10 to us and expressed you know what they thought should  
11 be in there, so we-- we work very closely with them,  
12 and we also you know work to try and organize  
13 merchants in corridors where it seems like the  
14 businesses could use some organization.

15 CHAIRPERSON GJONAJ: Great. Thank you so  
16 much.

17 SAMARA KARASYK: Thank you.

18 CHAIRPERSON GJONAJ: Thank you. Next we  
19 have Michael Brady from Third Avenue BID.

20 MICHAEL BRADY: Good morning.

21 CHAIRPERSON GJONAJ: Good morn--  
22 afternoon.

23 MICHAEL BRADY: Good afternoon, yes. I  
24 probably won't be as eloquent as my statement is  
25 because it goes a bit longer than three minutes, but

2 good morning, Chair Gjonaj and Council Member Ayala.

3 Thank you for the opportunity to speak today. I

4 understand that traditionally during the public

5 comment period commissioners and senior agency staff

6 leave because they are very busy people. I thank you

7 for staying because that shows a level of respect

8 because we are all very busy people, including the

9 small businesses that have taken time out of their

10 day to show up here. My name's Michael Brady. I'm

11 the Executive Director of the Third Avenue Business

12 Improvement District located in the South Bronx, and

13 I'm representative from the Bronx Business

14 Improvement Districts. Collectively, the Bronx BIDs

15 represent over 1,400 small, emerging, and micro

16 businesses. Some locally owned mom and pops, others

17 are larger franchises. A healthy mix of destination

18 and convenience retailers and service providers.

19 Together, our organizations have had a great impact

20 on ensuring that businesses, particularly those in

21 the outer boroughs, can thrive in a rapidly changing

22 economic landscape that is New York City. The Third

23 Avenue BID is the Bronx's oldest BID. Has

24 approximately 200 member businesses, slated to grow

25 to 900 by 2019, and greets over 200,000 visitors

2 daily. I'm here today because New York City has  
3 failed its small, emerging, and micro businesses. We  
4 as a city have not created an environment whereby our  
5 micro businesses can grow, nor where our small  
6 businesses want to stay, nor have we provided an  
7 adequate definition of those businesses caught in  
8 between. I make the distinction between small,  
9 emerging, and micro businesses because so many shops  
10 and services offered in my district and throughout  
11 New York City rarely exceed or even come close to the  
12 SBA classification for small businesses. To give you  
13 a perspective, the 2017 SBA Small Business Table  
14 classifies a women's clothing store as a small  
15 business if they make 27.5 million dollars or less  
16 annually. Other metrics, for example micro  
17 businesses, use the number of jobs. Others attempt  
18 to account for on-the-ground reporting, but rarely is  
19 there ever an accurate depiction of what constitutes  
20 that business's makeup, especially in New York City  
21 where our businesses are as diverse as our people.  
22 As a result of these misnomers, many programs,  
23 funding sources, or financing tools designed for  
24 quote small businesses are unrealistic and do not  
25 have a measurable impact on the emerging or micro

2 business's growth and sustainability or on an area's  
3 economic development. Many of these programs are  
4 flawed by their very design. I'm going to jump  
5 because time is short. There are a couple ways that  
6 we can help out here. Number one is cut the red  
7 tape. Make government-- make this a government of  
8 doers as opposed to talkers. 191 million dollars is  
9 a broad budget for talking. I'm quite frankly sick  
10 and tired of being sick and tired. We need to keep  
11 city agencies accountable and guarantee an equitable  
12 dis-- distribution of city services. We need to  
13 examine the fine and penalty structure for small  
14 businesses. We need to create a system whereby the  
15 businesses can do businesses-- can do business and do  
16 it well. This includes introducing collective  
17 purchasing or service provisions to drive down the  
18 cost of insurance, payroll, snow removal costs,  
19 etcetera. Stop using 3-1-1 as a false sense of  
20 security, or if we're going to embrace 3-1-1, have  
21 the issues that are reported actually handled.  
22 Additional issues include commercial warehousing,  
23 something that often plagues my district. We have a  
24 34 percent vacancy rate, 29 percent of which is empty  
25 upper floor vacancies. There are other things within

2 my testimony that I think address some very specific  
3 issues, and I don't want to take up the committee's  
4 time too much, but I would encourage you to-- to take  
5 a read of them. They're very specific, and some are  
6 light lifts and some are heavy lifts. But overall,  
7 if we can accomplish one or two of the items we will  
8 be in a much better place than we are today.

9 CHAIRPERSON GJONAJ: Can you give me your  
10 top two?

11 MICHAEL BRADY: Sure. I think an  
12 examination of SBS and the real services that the  
13 agency provides and what the programs really do. SBS  
14 is a very large fan of using data and technology, and  
15 I think that's great, but like all statistics, they  
16 only give you the ones they want you to hear. In  
17 order to have a really good examination of the agency  
18 we need an honest and frank discussion. What's  
19 really working, what's really not working. It's not  
20 all sunshine every day. So let's really have a good  
21 hard look at that, and then also take a look-- 191  
22 million dollars is a lot of money, and it really begs  
23 the question of has SBS just become a large scale New  
24 York City workforce program? If that's the case,  
25 great, but let's acknowledge it for what it is.

2 There are other similar CBOs who have approximately  
3 200 employees that run their organization on a 14  
4 million dollar budget in the Bronx. There's a big  
5 disparity between 14 million and 191 million. So I  
6 think an examination of the agencies is a top  
7 priority, and then secondly you know really drilling  
8 down on commercial warehousing, commercial taxes, the  
9 transactional aspect on both the small business side  
10 but also the property owner's side. It may be a  
11 shocker-- shocker for many people, but property  
12 owners just like small business owners are not often  
13 wealthy people. Once you account for their actual  
14 cost of doing business, they're not making a ton of  
15 money. So to demonize property owners or to demonize  
16 small business owners and think that they are these  
17 wealthy fat cats is not really productive. We have  
18 to move beyond that, acknowledge it for what it is,  
19 and have a healthy dialogue as opposed to one that--  
20 that has a-- an unknown or an under-- under you know  
21 scored tension. I think those two aspects would  
22 really set the stage for a healthy move in the right  
23 direction.

24 CHAIRPERSON GJONAJ: Mr. Brady, th-- that  
25 sounds so different from what we often hear of the

2 (INAUDIBLE) devil of a landlord, and here you're  
3 referring to them as a small business and a partner.

4 MICHAEL BRADY: Yeah. You know, case in  
5 point, where our offices are housed. Our landlord,  
6 his family's owned the property for 30 years. They  
7 started off in retail, and then they slowly built  
8 out, and now they are mom and pop real-- real estate  
9 developers, although they'd probably kill me if they  
10 heard me say they were mom and pop real estate  
11 developers (INAUDIBLE) equities are related (SIC),  
12 we'll just put it that way. And they just got a tax  
13 bill about a month ago, 400,000 dollars for their  
14 building for this past year's taxes. 2825 Third  
15 Avenue if you want to take a look at due diligence.  
16 And how do those taxes get paid, particularly when  
17 there is a vacancy on the ground floor? They had a  
18 credit-rated tenant, Walgreen's, that was there that  
19 they passed through a lot of their taxes, but now  
20 Walgreen's is no longer there. How do they pay their  
21 taxes but also offer rent to a small business so they  
22 can compete? It's very difficult conversation to  
23 have to a small business owner but also to a property  
24 owner who has real bills. You know. Additionally,  
25 across the street there's Mr. Kwon (SP?), a 78-year-

2 old Korean guy, who's not wealthy. He still runs the  
3 cashier in his deli, and he owns three properties.  
4 His properties are adjacent to a large city public  
5 works project that's been going on for nearly 10  
6 years. All three of his properties are vacant. Mr.  
7 Kwon has a 160,000 dollar tax bill. How does Mr.  
8 Kwon pay his taxes? He made a 50,000 payment to the  
9 city about a month ago, and now he has roughly a  
10 115,000 debt to the city to carry over to next year.  
11 We're not creating an environment for small business.  
12 We're not creating an environment that actually  
13 addresses issues. That's the problem with city  
14 government right now. There's a lot of talking, a  
15 lot of service referrals, a lot of financing  
16 referrals. That's not real connecting to financing.  
17 I've played the game before. I can say the BID has  
18 connected 100 businesses to financing because I  
19 referred them to Spring Bank. That's not real.  
20 That's just not. And the fact that through every  
21 council testimony-- not just with SBS but multiple  
22 agencies-- we hear these-- these facts and figures,  
23 but what are the real facts and figures? What  
24 allowed that small business to keep their lights on?  
25 That's what we're not hearing. And then we do

2 punitive-- punitive measures on-- on result to (SIC)  
3 the city. You know fi-- fining someone 250 dollars  
4 because there's a bubble gum wrapper in front of  
5 their-- their storefront. How is that enhancing you  
6 know th-- the city's commercial corridors? It's not.  
7 We have made small business-- the small business  
8 environment in New York City so restrictive that the  
9 only folks who can really do business are the Pradas,  
10 the Dolce Gabbanas, the folks that are backed by  
11 these multi you know billion dollar companies that--  
12 that are-- that are conglomerates all around the  
13 world. Mom and pops cannot compete anymore. You  
14 know, you said earlier they're one day closer to  
15 closing their doors. That is true. It's not  
16 hyperbole. And I think that this council needs to  
17 really address it and address it in a way that's not  
18 issuing another long report that says oh, this is  
19 great, this is what we're going to do, but real  
20 action plans that hold agencies' feet to the fire.

21 CHAIRPERSON GJONAJ: Well, Mr. Brady, you  
22 bring up some passion, and you can hear it in your  
23 voice. Like yourself, I am concerned. What would  
24 you like the SBS to focus on immediately? The  
25 (INAUDIBLE) earlier there's 6,000 rules and

2 regulations that are applied to small businesses and  
3 250 different licenses, and there's no indication  
4 that any of those regulations will be removed anytime  
5 soon or those licenses streamlined or the various  
6 agencies that oversee a single establishment.

7           MICHAEL BRADY: Yeah, I-- I al-- I  
8 understood the Deputy Commissioner's trepidation in  
9 answering that question because I think it's above  
10 her pay grade. SBS is not empowered to change  
11 regulation (INAUDIBLE) council is. So-- so for her,  
12 that deflection was the reality. Like they can  
13 analyze all they want and make a recommendation, but  
14 we all know that you know legal is the one that's  
15 going to have to override that, and I'm sure you know  
16 as well as I, to-- to work through the state legal  
17 department is-- is just as similar as working through  
18 the city's legal department. It's very slow. So I  
19 think that's an unrealistic expectation. You know an  
20 honest thing that SBS could do tomorrow that would  
21 help-- help out (SIC)-- probably double their  
22 business owner participation cap is offering their  
23 workshops at night in the borough where there's  
24 interest. I had a business, she owns a cleaning  
25 company. She wanted to be an MWBE. The only MWBE

2 workshop was offered in Brooklyn at 9:00 a.m. Peak  
3 time for her business to do business. What the hell  
4 is that? And this is indicative of a lot of things  
5 with SBS. And then you know the 700 workshops  
6 annually, that means SBS is offering two workshops a  
7 day. That's a little ridiculous 'cause that's not  
8 true. Unless we're counting or unduplicated counts  
9 of partner organizations that are doing it for them.  
10 Let's drill down on that. What are the actual  
11 workshops? What are the actual attendee counts? I  
12 can speak for the other BIDs. Whenever we do a  
13 workshop, the pa- the amount of paperwork that we  
14 have to do to prove that we did it is enormous. We  
15 have to-- sign-in sheets, the number of sign-in  
16 sheets, scan the shi-- sign-in sheets, send them to a  
17 grant manager. Now, mind you, we're business  
18 improvement districts. We're funded by a property  
19 owner assessment, not funded by city government. It  
20 just so happens that SBS and Department of Tax and  
21 Fa-- Finance started to collect the assessment on our  
22 own behalfs, but we are not funded by city  
23 government. We're funded by private property owners  
24 in our districts, and that is something that SBS  
25 often forgets. They think that the BIDs are these

2 little redheaded stepchildren that will fawn to them  
3 when they need them but they're really not a major  
4 component of commercial corridors, but I can tell you  
5 right now, the Third Avenue BID, the Westchester  
6 Square BID, the Fordham Road BID, the Gun Hill BID,  
7 our property owners will come to us, our business  
8 owners will come to us, our community residents will  
9 come to us before they come to city government. And  
10 we've got the staff to back that up.

11 CHAIRPERSON GJONAJ: When they do come to  
12 you, do you find SBS is invicing (SIC) of the BIDs in  
13 helping navigate or address the issues?

14 MICHAEL BRADY: They are helpful to a  
15 point. Usually the-- you know-- you know I-- in my  
16 district we deal with noncompliant vendors, we deal  
17 with homelessness, we deal with opioid use, we deal  
18 with large scale public works projects that are not  
19 completed on time. Not on time means 10 years old.  
20 And the-- the feedback that we get from SBS, and this  
21 is a little troubling, I understand your challenges  
22 and we're doing everything we can. Now, I can't help  
23 but think that either I'm being blown off or that's  
24 the reality. And if that's the reality, that's  
25 really scary.

2 CHAIRPERSON GJONAJ: I'm not  
3 understanding. Why are you dealing with opioid,  
4 homelessness issues?

5 MICHAEL BRADY: Because they all effect  
6 small businesses. No one's going to go to a  
7 commercial corridor, no one's going to patronize a  
8 small business, if you have people who are overdosing  
9 in front of the store. And New York City has no  
10 adequately addressed the opioid epidemic. Council  
11 Member Ayala had a-- a very lively committee meeting  
12 yesterday. But the city as a whole lags behind the  
13 count-- the country an-- and-- and the world in  
14 addressing this issue. You know I was on a task  
15 force for-- for Canada, and I was with the Canadian  
16 Minister of Health. What they did 10 years ago is  
17 just what New York City is doing now. Now, for being  
18 an innovative city that cares about our small  
19 businesses and our people and our pedestrians, we  
20 really have to examine whether that's true.

21 CHAIRPERSON GJONAJ: Please elaborate a  
22 little bit more. So you're-- you're focusing on  
23 opioid addiction problems--

24 MICHAEL BRADY: So--

25

2 CHAIRPERSON GJONAJ: --epidemic and  
3 homelessness, and how does that affect your focus  
4 which is--

5 MICHAEL BRADY: Small businesses. Our  
6 BID is unlike a lot of downtown BIDs or Manhattan  
7 BIDs. In order to ensure that we have no vacancies  
8 in our buildings and ensure that we can drive the  
9 pedestrian foot traffic-- we're one of the most  
10 transit-rich hubs in the Bronx-- to our stores to  
11 keep those stores open, we have to go to the-- the  
12 true BID axiom, which is clean, safe, and beautiful.  
13 Any BID director will al-- always tell you tho--  
14 that's what we do. Clean, safe, and beautiful. Our  
15 BID does clean, safe, and beautiful, but we actually  
16 make it count by offering policies or-- or ways to  
17 address the opioid epidemic, which is plaguing our  
18 hub. We're actually the number one area in the Bronx  
19 for the opioid epidemic and also the one that gets  
20 the least amount of services. Highest number of  
21 shelters and highest number of methadone clinics but  
22 least amount of real services. That's how we're--  
23 we're working to address the drug issue because it  
24 impacts our businesses. Just this past weekend I got  
25 a call on my cell phone from a jewelry store owner

2 who had a-- a substance abuser just come into his  
3 store and just hang out. Very small jewelry shop.  
4 The gentleman was probably very high. That's not a  
5 healthy environment for business. If you-- would you  
6 and buy your wife a-- a-- a-- a ring in a store that  
7 had that? Probably not. Similarly, homelessness  
8 affects our sidewalks. It-- it-- it affects  
9 pedestrian crosswalks. It affects just the  
10 appearance of-- of your commercial corridor.  
11 Something the city doesn't address. In order to have  
12 a mattress removed from our sidewalk, a mattress, if  
13 you're throwing away a mattress and you're putting it  
14 out, we have to have someone from NYPD, a sanitation  
15 supervisor, and a representative from BronxWorks,  
16 who's our homeless outreach provider for our area,  
17 all meet at the mattress and say that no one owns the  
18 mattress and that it can be thrown away.

19 CHAIRPERSON GJONAJ: I don't understand.  
20 So if someone throws out a mattress in their garbage  
21 for discarded (SIC)--

22 MICHAEL BRADY: Uh-hm.

23 CHAIRPERSON GJONAJ: --and it winds up on  
24 the sidewalk, you need three agencies there to have  
25 that mattress removed?

2           MICHAEL BRADY: We need three agencies to  
3 sign off so the city doesn't get sued for throwing  
4 out someone's property. There was a case I believe  
5 that was six to eight months ago where a homeless  
6 person sued the city of New York for throwing away  
7 their possessions, because the city was cleaning up  
8 the homeless encampment, and successfully won a  
9 lawsuit, and now these are the new-- the new policies  
10 that we have to enforce.

11           CHAIRPERSON GJONAJ: How long does it  
12 take for those three agencies to come together?

13           MICHAEL BRADY: I-- I will ask how long  
14 does it take you to meet with your colleagues and  
15 schedule that? It takes awhile.

16           CHAIRPERSON GJONAJ: So the mattress is--

17           MICHAEL BRADY: On the sidewalk.

18           CHAIRPERSON GJONAJ: --on the sidewalk.  
19 Property owner, store owner cannot remove it.

20           MICHAEL BRADY: Correct, and now throw on  
21 top of that 200,000 pedestrians a day. Now, you'd  
22 think that this would be the exact time where the  
23 Small Business Services agency would act as an  
24 ombudsman and address the situation. That doesn't  
25 happen.

2 CHAIRPERSON GJONAJ: When that happens,  
3 does sanitation also give an issue-- a violation to  
4 the property owner or the store owner?

5 MICHAEL BRADY: Depending on how close it  
6 is to the sidewalk and the proximity to that property  
7 owner's or that store owner's entrance. Correct.

8 CHAIRPERSON GJONAJ: Interesting. We're  
9 going to have to continue that. I need to call up a  
10 few more other people. Thank you both for your time,  
11 and I'm looking forward to being a real partner as we  
12 address the issues of small businesses together.  
13 Thank you. (INAUDIBLE) Calling up Evie Viruette  
14 (SP?)?

15 EVIE VIRUETTE (SP?): Viruette.

16 CHAIRPERSON GJONAJ: Viruette. And  
17 Armando-- and Armando, your handwriting is just as  
18 bad as mine.

19 ARMANDO MORITZ-CHAPELLIQUEN: (INAUDIBLE)

20 CHAIRPERSON GJONAJ: Thank you, Armando  
21 (SIC).

22 UNIDENTIFIED: (INAUDIBLE) but I'm going  
23 to have a lot of people coming up here for juvenile  
24 justice--

25 CHAIRPERSON GJONAJ: Got it.

2 UNIDENTIFIED: --and hanging out in the  
3 hallway's no good (SIC).

4 CHAIRPERSON GJONAJ: Good afternoon. Hit  
5 the button. Nope, hit the button.

6 EVIE VIRUETTE (SP?): Button. Thank you,  
7 Armando. Good afternoon. My name is Evie Viruette.  
8 I am a small business organizer with the Northwest  
9 Bronx Community and Clergy Coalition, so I am here  
10 just to tell you my personal story as an organizer.  
11 Okay, so I began organizing the Kingsbridge Jerome  
12 corridor back in 2016. Okay, so I began outreaching  
13 and strategizing and getting to meet some of these  
14 small business owners, and with all due respect,  
15 these are micro-- micro-- s-- small business owners  
16 that own bodegas, beauty salons, and flower shops,  
17 etcetera, etcetera. So throughout developing and  
18 also communicating a good trust with these people, I  
19 have found that they are in distress. Especially  
20 when it comes to their small business. They own the  
21 business. They don't own the property. So they're  
22 having many, many issues with their landlords. So  
23 many of them don't have leases. There is what we  
24 call a no lease corner, which is small-- 12 small  
25 business owners that don't have a lease owned by the

2 same landlord. So we have been trying to negotiate a  
3 one year, two year lease in order for them to at  
4 least get started. These small businesses cannot get  
5 a loan. Okay? They cannot go to a bank and ask for  
6 a loan or even file an application because they don't  
7 have a lease. Okay? Many of the landlords in the  
8 corridor do negotiate with the small business owner,  
9 but you have many that do not. And I get many phone  
10 calls, Councilman, many phone calls. Throughout the  
11 weekend they were calling with they would say being  
12 harassed by a landlord because they owe rent. Now,  
13 with these small business owners, a lot of situations  
14 that are happening especially during the wintertime,  
15 these small business owners with the no lease  
16 corridor, no lease corner, okay, so they had a piping  
17 system that was never directed with SBS. So they had  
18 no heat since 1997. Okay? I called SBS to see if  
19 they can help out, try to figure out what's  
20 happening, at least to have some backup. Okay? I  
21 called the landlord and told the landlord about the  
22 situation. Okay, HVAC systems aren't working,  
23 haven't been working since 1997. I called Department  
24 of Buildings, and I also called Department of Finance  
25 just to see what's happening with this landlord.

2 Okay, so what happened was that Con Edison shut--  
3 shut them down, okay, so they had to either make a  
4 decision. Okay, they either had to not pay rent for  
5 them to get all this fixed with this piping, but  
6 unfortunately, what had happened was I stepped in,  
7 and I spoke to the landlord, and I told them, I told  
8 the landlord that I will definitely make it my  
9 business to make sure all of them take him to court.  
10 So that's where everything started getting a little  
11 better throughout the wintertime. But just to make a  
12 long story short, I really think that our elected  
13 officials need to get involved. Okay, not just one  
14 or two in each district. We need all elec-- elected  
15 officials getting involved. Especially with these  
16 small businesses that don't have leases, and many  
17 have been owning (SIC) their shops for 20 or 30  
18 years. Okay, just to see if we can come up with some  
19 solution. Okay? So my time is up. Thank you.

20 CHAIRPERSON GJONAJ: I want to follow up  
21 with you on that. We certainly will there (SIC)  
22 recently passed an initiative that will be offering  
23 free legal services to these small businesses that  
24 can help n-- ne-- negotiate--

25 EVIE VIRUETTE: Right (SIC).

2 CHAIRPERSON GJONAJ: --with their  
3 landlords, and I will fill you in on that as well.

4 EVIE VIRUETTE: So right now on deck we  
5 have three businesses that have legal services, legal  
6 representation, through SBS. Okay? And they're just  
7 going around asking for you know if they need extra  
8 help, but we have communicated with-- with the  
9 lawyers, so we're good with that.

10 CHAIRPERSON GJONAJ: Excellent.

11 EVIE VIRUETTE: Okay? Thank you.

12 ARMANDO MORITZ-CHAPELLIQUEN: Good  
13 afternoon. Thank you, Chair Gjonaj, for the  
14 opportunity to provide this testimony. My name is  
15 Armando Moritz-Chapelliquen. I am the campaign  
16 coordinator for Equitable Economic Development at the  
17 Association for Neighborhood and Housing Development  
18 or ANHD. Also speaking as a part of United for Small  
19 Business NYC, which is a citywide coalition of  
20 community organizations, including Northwest Bronx  
21 Community Clergy Coalition, that is working to  
22 support and protect New York City's small businesses  
23 from the threat of displacement with particular focus  
24 on owner-operated low-income minority and immigrant-  
25 run businesses. And one note I actually just want to

2 make on the Commercial Lease Assistance Program, we  
3 actually worked really closely as a coalition with  
4 your predecessor Council Member Cornegie (SP?) in  
5 passing the commercial tenant harassment legislation  
6 that that program is built off of, so it's s--  
7 something that we're looking forward to working with--  
8 - with you in-- in this term. ANHD and USBNYC  
9 support the city council in examining the role of  
10 department-- in examining the role of the Department  
11 of Small Business Services and supporting micro  
12 enterprise or micro business. For the purpose of  
13 USBNYC's work, we have defined small business as  
14 those business with fewer than 20 employees. Using  
15 this framework, it is clear that small businesses are  
16 in dire need of support from both the Department of  
17 Small Business Services and the city as a whole. Our  
18 sm-- small businesses, as we've heard throughout this  
19 morning and now into the afternoon, are a central  
20 component to New York City's economic and cultural  
21 vitality. Under the combined pressures of landlord  
22 harassment and pending displacement, commercial  
23 warehousing, and the lack of affordable commercial  
24 spaces, small businesses face unprecedented  
25 challenges in the current commercial landscape.

2 Historically, there have been no protections for  
3 commercial tenants outside of their lease, leaving  
4 them vulnerable to landlord harassment, and in case  
5 where there are no leases it's even worse. With the  
6 passage of the city's commercial tenant harassment  
7 law, we have begun to turn the tide on this imbalance  
8 of power, and we applaud the Department of Small  
9 Business Services for the launch of its commercial  
10 lease assistance program, and we look forward to  
11 working with both the department and the city as a  
12 whole to further empower commercial tenants and to  
13 also build out and empower that law, the existing  
14 commercial tenant harassment law. I'm just moving  
15 along through my testimony. Warehouse storefronts  
16 are unsightly and reduce foot traffic for existing  
17 small businesses, reduce available rental space for  
18 small-- for new small businesses, and act as a  
19 mechanism for speculation, especially in communities  
20 of color where landlords hold onto vacant spaces in  
21 order to wait for real estate prices to rise and rent  
22 the property to newer and wealthier clientele.  
23 Commercial warehousing is the small business's  
24 placement that enacts cultural displacement, and  
25 currently there are no mechanisms in place to

2 penalize property owners who neglect vacant  
3 properties or intentionally leave space vacant. This  
4 ultimately stacks the deck against the remaining  
5 businesses in neglected corridors. And then this was  
6 brought up multiple times throughout the morning, but  
7 a major challenge to small businesses struggling to  
8 hold on is our out of control real estate market, and  
9 on the residential side which is where ANHD started  
10 off, one solution has been to work with nonprofits to  
11 develop affordable units. This has been facilitated  
12 through different financial incentives and tools  
13 available to said nonprofits, and this model is  
14 starting to be applied outside of the residential  
15 side on a city-wide scale with the city's nonprofit  
16 industrial development fund being the most noteworthy  
17 examples. We would want to apply that same model to  
18 commercial conversations. And just to wrap up, a lot  
19 of the conversations around this is-- is built around  
20 having access to better data. I think it was brought  
21 up in testimony earlier in terms of not knowing what  
22 is the city-wide vacancy rate for commercial spaces.  
23 We don't have that information, and as a closing  
24 note, the previous council passed this very lengthy  
25 planning for retail diversity report (SIC) that has a

2 number of recommendations to address a number of the  
3 issues that were raised throughout the morning. I  
4 think it's worth using that as a blueprint to start a  
5 lot of these conversations so that we can actually  
6 start enacting some real changes to support our small  
7 businesses. Thank you.

8 CHAIRPERSON GJONAJ: Thank you for your  
9 time. That was wonderful, and I promise you that we  
10 will.

11 ARMANDO MORITZ-CHAPELLIQUEN: Great.  
12 Thank you.

13 CHAIRPERSON GJONAJ: This long hearing is  
14 now officially closed. 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 \_\_\_\_\_ March 27, 2018 \_\_\_\_\_