

**TESTIMONY**

**BY**

**CHIEF OF STAFF**

**CYNTHIA KEYSER**

**NEW YORK CITY**

**DEPARTMENT OF SMALL BUSINESS SERVICES**

**BEFORE**

**THE COMMITTEE ON SMALL BUSINESS**

**OF THE**

**NEW YORK CITY COUNCIL**

**MONDAY NOVEMBER 26, 2018**

Good morning **Chair Gjonaj** and members of the Committee on Small Business. My name is Cynthia Keyser, and I am the Chief of Staff at the New York City Department of Small Businesses Services (“SBS”). At SBS, we aim to unlock economic potential and create economic security for all New Yorkers by connecting them to quality jobs, building stronger businesses, and fostering thriving neighborhoods across the five boroughs. Today, I am pleased to testify on Intro 1000, a bill to define and report on the number of microbusinesses in New York City.

SBS strongly agrees that microbusinesses are essential to the local economy and character of every neighborhood. In New York City, microbusinesses make up nearly **80 percent** of businesses and employ approximately **15 percent** of the private sector workforce. These companies cover many industries – ranging from retail to professional services to food services. They also contract with the City – more than **75 percent** of City-certified Minority and Women-Owned Businesses (M/WBEs) are microbusinesses. While the number of microbusinesses across the country has **decreased by approximately 16 percent**, microbusinesses in New York City have **grown by more than ten percent**. We continue to work towards fostering that growth through small business resources including workshops, courses, access to financing, capacity building, technical support, workforce training, emergency preparedness, and contracting opportunities with the City. All of these services are offered, for free, at either our NYC Business Solutions Centers or Workforce 1 Centers located throughout the five boroughs. Through the work of our Chamber-on-the-Go and Compliance Advisor teams, along with our new Mobile Outreach Unit, SBS is also able to reach business owners who are too busy running their businesses to stop into our centers or attend a workshop.

In addition, SBS recently launched two new programs; **Love Your Local** and the **Commercial Leasing Assistance Program**; to help both longstanding and other small businesses adapt to changes in the retail environment. Love Your Local was created to support longstanding legacy businesses as they navigate changing market conditions. This program celebrates and promotes the diverse, independent, small businesses that enrich neighborhoods across New York City and encourages New Yorkers to share their favorite non-franchise businesses on an interactive online map. Business owners had an opportunity to - apply for business advisory consultations and eligible business owners were able to apply for grants of up to \$90,000. Since launching, over 2,000 businesses have been added to the map and 50 businesses have received initial assessments.

To support businesses that are facing issues with their leases, we provide free legal representation through our Commercial Leasing Assistance Program. Our pro-bono attorneys help businesses with signing a new commercial lease, amending, renewing or terminating an existing lease, negotiating on behalf of the commercial tenant with their landlord, and providing advice and referral services when litigation cannot be avoided. This new program, which launched in February, has already served approximately 250 businesses. The Commercial Lease Assistance Program builds on our prior and continuing work with commercial lease education workshops to help business owners better understand the components and implications of signing a commercial lease.

The Administration has also worked closely with City Council to further assist small businesses by raising the threshold for the Commercial Rent Tax. On average, 2,700 small businesses will save about \$13,600 a year due to the leadership of City

Council and Mayor de Blasio. This change will help small businesses save more money to renovate, expand and hire new employees.

The City has also committed to making the regulatory environment easier for small businesses. Regulations are important to ensure health and public safety, but they should be fair and not overly burdensome to businesses. That is why three years ago Mayor de Blasio challenged his Deputy Mayors and regulatory agencies to reduce the regulatory burden on the business community. Following an extensive eight-month outreach effort to hundreds of businesses, the City launched Small Business First (SB1), an inter-agency initiative to make government more effective and efficient in helping businesses start, operate, and expand. Based on stakeholder feedback, the City developed 30 commitments with four key objectives: 1) to provide clear information with coordinated services and support, 2) to help business owners understand and comply with regulations, 3) to reduce the burden imposed by complex regulations and fines, and 4) to ensure equal access for all business owners. As we complete our commitments for SB1, we are continuing to source new ideas and continuing our work with regulatory agencies to identify ways to ease the burden on businesses. For example, since the start of this administration, DCA has reduced fines to small businesses by more than 50%. With the support of Council, this administration also oversaw the implementation of the Cure Law, which allows business owners to correct many first-time violations.

SBS is committed to better understanding the needs of microbusinesses and providing them with essential services. To that end, SBS supports the intent of Intro 1000 and would like to work with Council to develop a method to best collect this data. Currently, in New York, businesses are incorporated at the State level and are not

required to register with the City, this makes it difficult to determine if a business is independently owned and operated, not dominant in its field or if it has 9 or fewer employees. SBS believes that collecting accurate data is a vital first step in the creation of impactful programming and we have been exploring ways of collecting accurate and up-to-date information. We agree that collecting information on businesses would allow us to better understand the needs of small business owners. One method that has been proposed is the creation of a storefront registry, which would allow the City to collect better data on commercial properties. We are working closely with the Administration and the Department of Finance to determine the design and implementation of a potential storefront registry.

SBS is an advocate for small and microbusinesses and we are committed to ensuring that they succeed in New York City. Our role is to serve as a resource to all business owners – no matter where they come from or what barriers they face. Although we are proud of our current accomplishments, there is always more to be done. We look forward to learning more about the businesses in your districts and partnering with you to help them grow. Thank you for the opportunity to testify, I am happy to answer any questions from Members of the Committee.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Carl Caske - Real Estate Property Attorney

Address: 345 Adams St., Bk. VJ

I represent: DOF

Address: \_\_\_\_\_

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Karen Schlain, Associate Commissioner

Address: 55 Maiden Ln

I represent: DOF

Address: \_\_\_\_\_

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor     in opposition  
Date: \_\_\_\_\_

(PLEASE PRINT)

Name: WARREN GARDNER  
Address: 110 William Street  
I represent: NYC SBS  
Address: \_\_\_\_\_

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

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_  
 in favor     in opposition  
Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Cynthia Keyser  
Address: 110 William Street  
I represent: Wall Beside A Sewer  
Address: \_\_\_\_\_

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