

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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July 22, 2019
Start: 11:50 a.m.
Recess: 12:04 p.m.

HELD AT: 250 Broadway, Committee Room,
14th Floor

B E F O R E: Mark Gjonaj
Chairperson

COUNCIL MEMBERS: Daniel Dromm
Bill Perkins
Carlina Rivera
Helen K. Rosenthal

A P P E A R A N C E S (CONTINUED)

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2 ISRAEL MARTINEZ: Sound check, sound
3 check for the Committee on Small Business, July 22,
4 2019, being recorded by Israel Martinez, taking place
5 250 Broadway, 14th Floor. [pause]

6 CHAIRPERSON GJONAJ: Good morning. I'm
7 Council Member Mark Gjonaj, chair of the Committee on
8 Small Business and I'd like to welcome you to our
9 vote on a package of five bills that are designed to
10 improve the environment for small businesses in our
11 city. Thank you for making the time for us today.
12 Mom and pop shops must frequently an arcane maze of
13 thousands of rules and regulations, specifically
14 almost 6000 rules and regulations, as they set up
15 their businesses and keep their doors open. Without
16 strong transparency about these regulations, small
17 and micro businesses can face difficulties in
18 complying with the city laws. That's why I sponsored
19 Intro 1467, which would create an interactive web
20 site that would provide businesses with information
21 about applicable laws. It is absolutely vital that
22 small businesses can access and understand local
23 regulations, as this will enable businesses to
24 succeed. To be quite frank, if it's not available
25 for them in an easy to read and follow format it's

1 going to be very difficult for our small businesses
2 to comply with the city's rules and regulations.

3 It's not that they don't want to comply, it's that
4 they don't know, and basically, the way most of our
5 small businesses find out about rules and regulations
6 are through violations, through a gotcha scenario,
7 and that's not right. Another major area of concern

8 that was identified over the course of the last
9 several years has been the issue of vacant
10 storefronts. Two bills in the consideration today

11 will tackle the crisis head on by helping the city
12 acquire more [realistic] and comprehensive
13 understanding of this problem. Intro 1472, sponsored

14 by Council Members Rosenthal, the speaker, among
15 other sponsors, would require the Department of

16 Finance to maintain a database of commercial
17 properties, while Intro 1049, sponsored by Council

18 Members Rivera, the speaker, Yeger, Levine, and other
19 sponsors, would require surveys by SBS to assess the

20 state of storefront businesses. Small businesses are
21 the lifeblood of employment in this city. Nearly

22 nine out of every 10 employers in New York City has
23 fewer than 20 employees. While it can be a daunting

24 prospect for local shops to expand their services, we

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2 are making efforts to enable small businesses to
3 achieve greater prosperity. Council Member
4 Rosenthal, alongside the speaker, have introduced
5 Intro 1471, which requires SBS to offer certain
6 businesses education and training in marketing,
7 business operations, and regulatory compliance.
8 Micro businesses, known as mom and pop shops, are
9 also an essential element of the small business
10 community. I'm proud to sponsor Intro 1000, which
11 will require reports by SBS to assess the number of
12 micro businesses and the specific issues these
13 businesses face. These business, these bills will
14 provide vital support for mom and pop shops in the
15 highly competitive and challenging climate. Finally,
16 I would like to recognize the committee members that
17 have joined us today - Council Member Dromm, Perkins,
18 Rivera, and Rosenthal. It is my honor to now
19 introduce Council Member Rosenthal, who would like to
20 speak on the two bills, 1471 and 1472.

21 COUNCIL MEMBER ROSENTHAL: Thank you so
22 much, Chair Gjonaj. Good morning. I'm Council
23 Member Helen Rosenthal. Today this committee will
24 vote on legislation that will be the basis for
25 solutions to the ongoing loss of small businesses

1 across our city. My Storefront Tracker, try saying
2 that 10 times fast, my Storefront Tracker legislation
3 will require citywide tracking of commercial
4 storefront and second floor spaces for the first
5 time. It will provide critical comprehensive data on
6 both current vacancies and commercial strips at risk.
7 Solving the city's commercial vacancy crisis requires
8 a multipronged approach and this detailed audit will
9 be essential to developing a more effective
10 government response. Small businesses are a
11 meaningful economic engine for New York City, with
12 over 50,000 retail and restaurant businesses
13 employing over 600,000 people across the five
14 boroughs. These businesses are an economic
15 multiplier, recircling the high percentage of their
16 revenues within our local economy, creating even more
17 growth. Just as important, retail and restaurants,
18 small businesses are a crucial vehicle for
19 entrepreneurship, especially among recent arrivals to
20 our city. These businesses provide a critical,
21 provide critical neighborhood services and our
22 culturally relevant retail for so many New Yorkers.
23 Whether it's our five Chinatowns or the hundreds of
24 Caribbean-owned businesses in Flatbush, or the South
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2 American restaurants and businesses of Elmhurst,
3 small businesses are key to the ability to start a
4 new life and eventually enter the middle class. But
5 these opportunities are under threat and have been
6 for quite a while. Losing this economic ladder
7 limits opportunity and contributes to New York City's
8 growing economic inequality and we cannot develop
9 good public policy solutions until we have solid
10 data. I'd like to thank Manhattan Borough President
11 Brewer and her staff for their partnership in
12 developing this legislation. I'm also proud to
13 sponsor Intro 1471 that will require the city to
14 provide technical assistance to small businesses,
15 especially building an e-commerce presence. Both of
16 my bills are part of the comprehensive package that
17 will help protect small businesses and begin to
18 address the empty storefronts impacting so many of
19 our neighborhoods. I'd like to thank Speaker
20 Johnson, Chair Gjonaj, as well as Rob Newman, Rachel
21 Cordero, and Irene Bishovski from the speaker's
22 office and my legislative director, Ned Terrace. I'd
23 also like to recognize the tireless efforts of
24 advocates and organizations fighting for our local
25 small businesses, especially all of those within the

2 United for Small Business New York City Coalition.

3 Thank you very much.

4 CHAIRPERSON GJONAJ: Thank you, Council
5 Member. Council Member Rivera would like to speak on
6 Intro 1049.

7 COUNCIL MEMBER RIVERA: Thank you, Mr.
8 Chair, for the opportunity to speak and ask for
9 support on Intro 1049-A. The challenges facing small
10 business owners in New York City are well known -
11 rising commercial rents and taxes, competition from
12 corporate franchises, and the growth of online
13 shopping have forced an alarming number of mom and
14 pop stores to close their doors. In District 2 these
15 challenges are especially ac. It is now just as
16 common to see a big box retailer or a vacant
17 storefront as it is to see a small business. In
18 order to best support our city's small business
19 community, we need a full documented understanding of
20 the state of storefront businesses across the five
21 boroughs. That is why I am pushing for passage of
22 Intro 1049, which would require the Department of
23 Small Business Services to complete an assessment of
24 the state of storefront businesses in at least 20
25 community districts once every three years. The bill

1 also requires SBS and the Departments of Finance and
2 City Planning to publish reports on their findings.
3 These reports would include information about
4 individual stores, such as the owner's background,
5 the number of people they employ, the types of
6 economic activities in which they are engaged, their
7 annual sales and their sales tax, and their
8 experiences in accessing small business support
9 services provided by local agencies. By also
10 tracking the number of active storefront businesses
11 vacancies and physical streetscape conditions in an
12 area, these reports will provide a picture of the
13 economic health of our neighborhoods. When a small
14 business closes it is not only a loss for their
15 neighborhood's local economy, but also for its
16 vibrancy, history, and character. But the passage of
17 Intro 1049 would mark an important step in better
18 analyzing the small business environment in a
19 complicated retail landscape and, based on the data,
20 create new or expand on existing tools that address
21 the needs of these owners. Further, the information
22 in these reports will help clarify long-term citywide
23 trends, guide entrepreneurs and advocates in
24 promoting specific commercial use types, and focus
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1 attention on built environments that require
2 additional resources. I want to thank my fellow bill
3 sponsors and the small business owners who have been
4 tireless advocates on this important issue. I also
5 want to thank the United for Small Business New York
6 City Coalition, which includes the Association for
7 Neighborhood and Housing Development, Brooklyn Legal
8 Service Corporation A, Chhaya CDC, the Community
9 Development Project of Urban Justice Center, Cooper
10 Square Committee, Fourth Arts Block, the Municipal
11 Arts Society, Northwest Bronx Community and Clergy
12 Coalition, the New York City Artist Coalition, Street
13 Vendor Project, Women's Housing and Economic
14 Development Corporation, Volunteers of Legal Service,
15 and, of course, the committee staff here at the New
16 York City Council. Their input played a critical
17 part in our negotiations with the administration, the
18 ongoing and relentless negotiations with the
19 administration over every single detail in this
20 important bill. If you support a diverse, people-
21 powered environment, small business community I ask
22 the members of this committee to join me and vote yes
23 on this piece of legislation. Thank you.

1 CHAIRPERSON GJONAJ: Thank you, Council
2 Member, and between yourself and Council Member
3 Rosenthal you've been staunch supporters of our small
4 businesses and very loud advocates, along with many
5 of our colleagues. We have a workload ahead of us.
6 We have to be more proactive than reactive and these
7 are some incredible bills that go a long way
8 addressing the issues before they become major
9 issues, and our vacant storefronts are an alarming
10 concern for all. And I'll paint another picture for
11 you. I maybe shouldn't, this isn't the place, but
12 I'm going to take the opportunity to talk about
13 something that's on the horizon. When we look at our
14 commercial corridors the banks, which occupy almost
15 corner, are currently undergoing a process by which
16 they have an exit strategy available to them. They
17 are starting to sell the properties that they
18 currently own and lease them back. And that for many
19 is the playbook for an exit strategy for the day that
20 they decide to go fully automated using nothing more
21 than kiosks and ATMs to be the bank service
22 providers. With that we'll have a tremendous amount
23 of commercial space vacant, which will help continue
24 the downward spiral of all our commercial corridors.
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2 So thank you again for being such a loud supporter of
3 our small businesses and understanding that we have a
4 vital role in making sure that they continue to serve
5 and thrive in this ever-changing environment. So I
6 think now it's up to you, Bill, to call for a vote.

7 COMMITTEE CLERK MARTIN: Billy Martin,
8 committee clerk, roll call vote, Committee on Small
9 Business. All items are coupled. Chair Gjonaj.

10 CHAIRPERSON GJONAJ: Aye on all.

11 COMMITTEE CLERK MARTIN: Dromm.

12 COUNCIL MEMBER DROMM: Aye on all.

13 COMMITTEE CLERK MARTIN: Rosenthal.

14 COUNCIL MEMBER ROSENTHAL: Aye on all.

15 COMMITTEE CLERK MARTIN: Perkins.

16 COUNCIL MEMBER PERKINS: Aye on all.

17 COMMITTEE CLERK MARTIN: With a vote of 4
18 in the affirmative, zero in the negative, and no
19 abstentions, all items have been adopted by the
20 committee.

21 CHAIRPERSON GJONAJ: We are now
22 adjourned. Thank you. [gavel]

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COMMITTEE ON SMALL BUSINESS

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C E R T I F I C A T E

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



Date July 29, 2019