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COMMITTEE ON SMALL BUSINESS

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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March 25, 2021
Start: 11:06 a.m.
Recess: 11:16 a.m.

HELD AT: REMOTE HEARING (VIRTUAL ROOM 1)

B E F O R E: Mark Gjonaj,
Chairperson

COUNCIL MEMBERS:

- Stephen T. Levin
- Bill Perkins
- Ydanis A. Rodriguez
- Helen K. Rosenthal
- Vanessa L. Gibson

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SERGEANT AT ARMS: Cloud is up.

SERGEANT PEREZ: Back up is rolling.

SERGEANT AT ARMS: Sergeant Polite, will you begin the opening?

SERGEANT POLITE: Thank you. Good morning and welcome to the Remote Hearing on Small Business. Will Council Members and staff please turn on your video at this time. Thank you. To minimize disruptions, please place all cellphones and electronics to vibrate.

Chair, we are ready to begin.

CHAIRPERSON GJONAJ: Good morning. I am Council Member Mark Gjonaj, Chair of the Committee on Small Business and I would like to welcome you to our remote vote today on Proposed Intro. 2243. The COVID-19 crisis presents the greatest threat to the small business economy in modern history.

According to a report by the City Comptroller, at least 2,800 small businesses closed permanently between March 1st and July 10th. Partnership in New York City as many as a one-third of the 230,000 small businesses in New York City will not survive the COVID crisis.

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2 According to the opportunity insights, small
3 business revenues were down over 55 percent in March
4 2021 in comparison to January 2020. As small
5 businesses are experiencing declines in revenue, many
6 small businesses have been unable to pay their rent.
7 The Hospitality Alliance served restaurants, bars,
8 nightclubs and event venues and found that over 90
9 percent of the respondents could not pay their full
10 December rent.

11 I want to emphasis that many landlords in this
12 city are renegotiating their lease agreements with
13 their tenants in good faith. Some small businesses
14 may fear however, that their inability to pay rent
15 may leave their landlords to go after their personal
16 assets or property because of the leases that they
17 may have included personal guarantees in.

18 This past spring, the Council voted to prevent
19 this through the passage of Local Law 55, which
20 temporarily prohibited the enforcement of personal
21 liability collisions and some commercial leases. The
22 City Council extended this vital protection through
23 March 31, 2020 for the passage of Local Law 98.

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2 Proposed Intro. 2243, which we are voting through
3 Committee today will extend the suspension of these
4 provisions even further through June 30, 2021.

5 I would hope this Administration would follow
6 suit. As we all know the City has provided loans
7 during COVID to struggling businesses. These loans
8 include personal guarantees of repayment. It's
9 ironic that by passing a law which remove the
10 personal liability and part of lease agreements
11 between landlords and tenants but the same personal
12 liability guarantees by including a city sponsored
13 loan agreements to the same struggling small
14 businesses.

15 With that being said, the mass closure of the
16 city's small businesses will leave commercial
17 corridors decimated and unemployment rates high.

18 As the Chair of the Committee on Small Business,
19 it is my priority to ensure our small business sector
20 will reemerge strong after the COVID-19 crisis is
21 over. I am proud of the work that this Committee in
22 fighting to protect and support the city's mom and
23 pop shops, microbusiness a backbone to this city.

24 With that said, I would like to thank my Chief of
25 Staff Reggie Johnson, Our Legislative Counsel

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2 Stephanie Jones, Policy Analyst Noah Meixler and
3 Financial Analyst Aliya Ali for all their hard work
4 in preparing for this day.

5 I also want to recognize baby Cecilia, which we
6 have named as the one for her contributions of moral
7 support to this Committee and these important
8 hearings.

9 Thank you Baby Cecelia.

10 Are we going to have a roll call?

11 COMMITTEE CLERK: Yes sir. Good morning, still
12 morning. William Martin, Committee Clerk roll call
13 vote Committee on Small Business Proposed
14 Introduction 2243-A. Chair Gjonaj?

15 CHAIRPERSON GJONAJ: I vote aye.

16 COMMITTEE CLERK: Rodriguez? I will come back
17 Council Member Rodriguez. Council Member Levin?

18 COUNCIL MEMBER RODRIGUEZ: I am sorry, I am here
19 now.

20 COMMITTEE CLERK: Yes, Council Member Rodriguez,
21 Introduction 2243-

22 COUNCIL MEMBER RODRIGUEZ: Aye.

23 COMMITTEE CLERK: Thank you sir, thank you.

24 COUNCIL MEMBER RODRIGUEZ: Thank you.

25 COMMITTEE CLERK: Levin?

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COUNCIL MEMBER LEVIN: Aye.

COMMITTEE CLERK: Rosenthal?

COLUNCIL MEMBER ROSENTHAL: Aye.

COMMITTEE CLERK: Perkins? One moment, Council Member Perkins? I can't hear you Council Member. One moment while we try to fix Council Member Perkins audio.

SERGEANT AT ARMS: Billy?

COMMITTEE CLERK: Yeah.

SERGEANT AT ARMS: I have Council Member Perkins on the line on my phone. Can you call the vote?

COMMITTEE CLERK: Sure, Introduction 2243-A, Council Member Perkins?

COUNCIL MEMBER PERKINS: Aye, thank you.

COMMITTEE CLERK: Thank you.

SERGEANT AT ARMS: Thank you Council Member.

COMMITTEE COUNSEL: By a vote of five in the affirmative, 0 in the negative and no abstentions. The item has been adopted by the Committee. Thank you.

CHAIRPERSON GJONAJ: Thank you all. Have a great day.

SERGEANT AT ARMS: Thank you Chair.

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 26, 2021