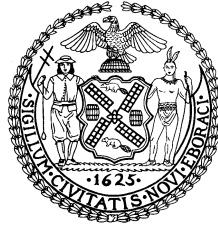


James G. Clynes
Chairman

Latha Thompson
District Manager



505 Park Avenue
Suite 620
New York, N.Y. 10022
(212) 758-4340
(212) 758-4616 (Fax)
www.cb8m.com Website
info@cb8m.com - E-Mail

The City of New York
Manhattan Community Board 8

SMALL BUSINESS COMMITTEE
Marymount Manhattan College
221 East 71st Street, (Second/Third)
Regina Peruggi Room
6:30PM
March 30, 2015

Committee Members Present: Matthew Bondy, Sarah Chu, Jim Clynes, Sophia James, Barry Schneider, Judith Schneider.

Committee Members Excused:

Public Members Present:

Nancy Ploeger, President of the Manhattan Chamber of Commerce (MCC), presented on her organization's work to support small businesses with a focus on specific initiatives that support or target Community District 8 (CD8) small businesses. The goal of the MCC is to "Advocate, Educate, and Connect" small businesses with resources and support. In addition to the initiatives below, MCC also supports the Community Benefit Fund that operates street fairs on 2nd and 3rd Avenues with proceeds from booth rentals supporting nonprofit organizations in CD8.

Second Avenue Businesses

MCC has conducted a survey every other year of every single business between E. 68th Street and E. 97th Street on Second Avenue to track the impact of the Second Avenue Subway construction. Over the last 10 years, she has collected five years' worth of data. MCC found that Second Avenue vacancies were never greater than 14% and were consistent with vacancies on First and Third Avenues. Of the 450 businesses on Second Avenue, 261 of the businesses that were tracked 10 years ago remain in business today. As a result of the Second Avenue Subway construction, the businesses have now formed the Second Avenue Business Alliance. Challenges for the businesses include disseminating information and engaging businesses to provide input on the MTA-funded streetscape improvements. Past efforts by MCC to attract business to Second Avenue stores include the "Shop Second Avenue" campaign, Second Avenue Restaurant Week, and the release of a new app to be released in May to encourage Second Avenue shopping that was funded by Councilmembers Garodnick and Kallos.

Small Business Support

MCC staff have become official federal Affordable Care Act Navigators and assist business owners with applications and coordinating healthcare. When a recent bill was suggested to reduce the use of plastic bags, MCC worked with the Bodega Association to provide feedback to the NYC Council. MCC advocated to relieve the burden on small businesses when the Paid Sick Leave Act was under discussion and has worked to educate businesses on their responsibilities after the bill was passed.

Commercial Real Estate Tax Relief

The current struggle of small businesses is the cost of rent. Iconic CD8 small businesses tend to be those that own their own building and are not under lease renewal pressure. While commercial lease renewals is a many layered topic, one area of advocacy that MCC plans to pursue is to release more small businesses from Commercial Real Estate Tax (CRT). CRT was initiated in 1963 as a 3-6% collection on commercial rent for businesses in all boroughs. Over the years, legislators have inserted provisions to eliminate Boroughs and communities from CRT and currently, only businesses in Manhattan below 96th Street must pay CRT. CRT is levied on the cost of rent, water, and electricity for businesses paying \$250,000 per year or more and in 2014, NYC collected \$712M in CRT. MCC is working with the Public Advocate, Manhattan Borough President, and Department of Consumer Affairs to advocate to exempt businesses who pay less than \$500,000 per year in commercial rent. Exempting these businesses would assist approximately 2,600 businesses, but only reduce CRT collection by \$33M. The money saved by small businesses will go directly back into their businesses and would likely generate more than \$33M in sales tax, payroll tax, and other benefits to the local economy

Next Meeting: May 19 2015, Lucian Reynolds from Manhattan Borough President's Office will present on Borough President Brewer's recently released report, "Small Business Big Impact: Opportunity for Manhattan Storefronts."

Sarah Chu and Matt Bondy
Co-Chairs, Small Business Committee