

**Alida Camp**  
Chair

**Will Brightbill**  
District Manager



**505 Park Avenue, Suite 620**  
**New York, NY 10022**  
**(212) 758-4340**  
**(212) 758-4616 (Fax)**  
**info@cb8m.com – E-mail**  
**www.cb8m.com – Website**

**The City of New York**  
**Manhattan Community Board 8**

**Small Business Committee**  
**Monday, June 11, 2018 - 6:30PM**  
**James Lenox House**  
**49 East 73rd Street (Madison / Park)**

**MINUTES**

**Present:** Michael Mellamphy, Sarah Chu, Michelle Birnbaum, Alexandra Harrington, Cece King

**1. Discussion of Small Business Owner needs assessment**

- Small Business Jobs Survival Act (SBJSA)
  - Ray Rogers, the Director of NYC-based Corporate Campaign, Inc./Campaign to Stop REBNY Bullies and a small business owner in East Harlem, spoke on the challenges of commercial rents. He believes it is in the number one issue for small business owners and believes that businesses have the right to a 10 year lease and that they are operating on an uneven playing field with landlords. He suggested the SBJSA as the solution for the pressing issue of rent hikes.
  - There was a discussion of why commercial spaces remain vacant for so long and how a landlord could continue to lose income. Some proposed solutions have included a vacancy tax or small business enterprise zones. Courtney Bond, the owner of UES, shared her experience trying to find space for her ice cream shop/speakeasy. It took her 3 years to find her space. In addition to high rents, she also encountered wealthy investors who outbid her. Ms. Bond cautioned that a business may not want a 10 year lease, as businesses need to think about how they will pay the rent as it increases each year. She noted a number of issues that small business owners need to think about as they enter lease such as a demolition clause. A business should ensure the contract doesn't allow the landlord to demolish or sell the space for a set number of years of the lease and provide 24 months notice. Additionally, if a business shares its basement space with a landlord, the business will need to ensure that all elements of the basement are compliant with city regulations for their type of business. One problematic example that was raised was noncompliant boilers in building basements.
  - A question about the constitutionality of SBJSA was raised and Mr. Rogers stated that this assertion was false and later provided an August 17, 2017 article from The Villager which can be found at <http://thevillager.com/2017/08/17/hey-politicians-stop-the-b-s-s-b-j-s-a-is-legal/>.
- Vacancy Tax
  - Business owners did not believe the vacancy tax was a solution. Many buildings are owned by large real estate interests and a vacancy tax would be a drop in the bucket and, they believed, would just amount to the cost of doing business.
- Other potential ways to control commercial rents:
  - Buy the building - this is how Glasers survived for over 100 years.
  - Suggest that NYC subsidize rents for small businesses
  - Commercial zoning with small businesses in mind
  - Pop up stores can provide transient presence of small businesses
  - Putting retail in public housing

- Michelle Birnbaum asked how street vendors affect small businesses.
  - Ms. Bond responded that street vendors offered different options for the community, that there is a market for the \$1.50 and \$4 cups of coffee, and that it's part of the fabric of NYC.
  - Street and truck vendors will now be subject to the same letter grades to which brick and mortar restaurants are subjected.
  - Ms. Birnbaum stated that there's a lot of fraud with street vendors – many of the vendors are underpaid, overworked, and subject to difficult working conditions, while the vending license is owned by someone else. Licenses are sold on the black market and pose unfair competition for the veterans who legitimately hold special licenses to vend.
- Challenges arising from regulations as described by business owners present:
  - The liquor license process can be complicated by individuals who may call in complaints about a business in hopes of forcing them out.
  - Sanitation fines when tenants move out of a building and place their cast off furniture on the sidewalk.
  - Contradicting regulations. One example was a fire escape violation a business owner received from the Department of Housing because the winter doorway enclosure was in the path of the fire escape. However, no city agency could provide an answer for a solution.
  - Department of Buildings not showing up to appointments.
  - Department of Health inspections feel like a lottery – a restaurant's assessment is dependent on the graciousness of the inspector.
  - Increased minimum wage has created a significant burden on small business owners. It would, and reported has, put restaurants out of business due to rising labor costs. Restauranteurs expressed the need to keep the tip credit to control costs.
  - A business needs a lawyer in order to understand and communicate with city agencies and is a cost that many small business cannot bear.
- Small Business Start Up Kit
  - Another solution raised at the meeting was the production of a start up kit to help small businesses understand and prepare for the challenges they will face.
  - This start up kit could also come with a training on issues like navigating regulating agencies and negotiating leases.

## **2. Discussion of Community-Led Vacant Storefront Survey**

- Vacant Storefront Survey
  - The Small Business Committee will discuss how to analyze the vacant storefront data and how to present the information at a following meeting.
  - Michelle Birnbaum suggested hiring an intern to analyze the data.

## **3. Old Business**

None

## **4. New Business**

None

Next meeting will be scheduled for September 2018.

**Submitted by Sarah Chu and Michael Mellamphy, Co-Chairs**