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The City of New York Community Board 8 Manhattan Small Business Committee Monday, February 11th, 6.30pm James Lenox House, 49 East 73rd Street

### **Minutes**

Members Present: Michael Mellamphy, Paul Higgins, Cece King, Dorothea Newman, Alexandria Abenshon Excused Absences: Sarah Chu, Gayle Baron, Alida Camp

### 1. Presentation by Paul Higgins and Andrea Partenio regarding a storefront survey for the community

Paul Higgins presented findings from the small business outreach efforts conducted in the East Sixties. Notes are attached.

### 2. Business Openings and Closings

The committee discussed CB8 businesses that have opened and closed. Notes are attached.

### 3. Impactful Small Business Issues

A list of small business issues was presented. Additional discussion will be had at next committee meeting. Notes are attached.

### 4. Small Business Committee 2019/2020 Priorities Discussion

The committee identified some priorities that will be further discussed at our next committee meeting, including:

- Facilitate conversations about small business issues with small businesses, residents, elected leaders, government agencies, business influencers, and other interested parties
- Recruit public members from small business community
- Utilize technology to communicate with small businesses
- Be a voice for small business through utilizing resolutions

### 5. Old Business

None

### 6. New Business

A list of upcoming events was distributed (see attached).

### June 10, 2019 Community Board 8 Small Business Committee Agenda Item: 1. Presentation by Paul Higgins and Andrea Partenio regarding a storefront survey for the community

### Paul's Presentation Notes

- (Background)
- Survey was conducted in conjunction with the East Sixties Neighborhood Association.
- The research methods used for the study were largely qualitative, with a focus on facilitating communication between stakeholders and creating relationships.
- Two Research Questions:
  - What challenges or barriers do small business owners within the Upper East Side face in their efforts to open, operate, and maintain the success of their businesses?
  - How can community boards and neighborhood associations' better support the small business community within the Upper East Side?
  - Qualitative data was collected via online survey using Survey Monkey and consisted of 23 questions. We used the East Sixties Neighborhood Association business mailing list, paring it down to those businesses identified as small business.
    - o Sent to 71 businesses on February 22<sup>nd</sup>.
    - 0 Re-sent to 38 businesses on February 28<sup>th</sup> to anyone who didn't open the first email.
    - 0 Total of 9 respondents, however 3 dropped off before finishing survey.
    - O Areas for improvement:
      - Make survey shorter
      - Deliver survey door-to-door
  - Quantitative data was collected via interviews with 11 people from November 11, 2018 April 9, 2019:
    - o Live XYZ
    - o 5 small business owners
      - 3 Restaurants
      - Bar/Restaurant
      - Laundry and Dry Cleaning Service
    - 0 5 Business influencers
      - Rob Byrnes, President, East Midtown Partnership
      - Nancy Ploeger, Former President, Manhattan Chamber of
      - Matt Bauer, President, Madison Avenue Business Improvement District

- Andrew Rigie, Executive Director, NYC Hospitality Alliance
- Betsy Polivy, Founder, Manhattan Sideways
- 0 (Review Notes From Survey)
- Response to research questions
  - #1 What challenges or barriers do small business owners within the Upper East Side face in their efforts to open, operate, and maintain the success of their businesses?
    - High minimum wage
    - High cost of rent
    - Business competition
    - Working with city agencies, specifically Department of Health
    - The detrimental effect of reviews from online sites (Google Maps, Yelp, etc.) on the perception of businesses.
  - How can community boards and neighborhood associations' better support the small business community within the Upper East Side?
    - Continue collecting quantitative and qualitative data
      - Improved survey
      - Increase one-one interviews with small business owners, business owners, elected leaders, government agencies
      - Establish public private partnerships for data collection (ex. Live XYZ)
    - Organize Community Events
      - Build awareness of issues
      - Connect small business owners
      - Create a collaborative environment for problem solving
    - Additional
      - Build contact list of local small business owners
      - Engage and involve small businesses in community discussions

### June 10, 2019 Community Board 8 Small Business Committee Agenda Item: 2. Businesses Opening and Closing

### **Opening Businesses**

(Nail Salon) 1122 3rd Avenue (65/66 - west)

### Opened: June 10th

### The Eneslow Shoe Company

1319 Third Avenue (75/76 - east)

- 110-year-old footwear chain currently operates three locations in Manhattan and Little Neck, Queens, NY.
- 4000, square-foot store featuring a variety of men's and women's footwear brands
- Open 7 days a week from 10:00 am 7:00 pm

Opening: June 13th

**Target** 1201 3rd Ave. (69/70 - east)

• Approx. 22,600 sq. ft.

**Opening:** Summer

### Closed Businesses

# East 86th Street Cinema

210 East 86th Street (2/3 - south)

Closed: May 13th

## The Gael Pub

1465 3rd Avenue (82/83 - east)

- In business for 14 years
- Naftali Group and Rockefeller Group are putting up a 250,000-square-foot tower with mixed residential and commercial uses and retail frontage on 3rd and E. 83rd

Closed: May 26th

### June 10, 2019 Community Board 8 Small Business Committee Agenda Item: 3. Impactful Small Business Issues

## Local Issues

## **Commercial Rent Tax**

- Tax is charged to tenants who occupy or use a property for commercial activity in Manhattan, south of 96th Street.
- The annual or annualized gross rent paid is at least \$250,000; and you do not meet any other exemption criteria, such as short rental periods, residential subtenants, use for theatrical productions, and not-for-profit status.

### **Delivery App's Fees and Policies**

GrubHub – which also owns Seamless and Menupages - has been accused of charging restaurants phone call fees that don't result in orders. Currently fees range from between 15% - 20% per order made using the delivery apps. While the company says it will refund amounts, many businesses have complained about the length of time it takes as well as the difficulty getting access to information that will allow them to know if they have a claim to a refund. The City Councils' Small Business Committee is scheduled to discuss this issue on June 27<sup>th</sup>.

## **Small Business Jobs Survival Act**

### Int. 0737-2018 (Rodriguez)

- Would give tenants a right to lease renewal, including a 10-year term for those in good standing.
- Tenants could demand arbitration if a rent hike is too high.
- Extends to all commercial businesses, including restaurants.

#### Last Action: Laid over by Committee on Small Business (10/22/2018) Paid Personal Time Off

### Int. 0800-2018 (Rosenthal)

- Requiring city employees to provide earned, safe, sick, and personal time to employees.
- Mandatory paid leave for workers.
- 5 or more employees.
- 10 annual days of paid personal time.
- Would allow employees to take paid time off for any purposes (religious observance, bereavement and time with family).
- Accrue hours immediately after employment.
- Earn one hour of paid personal time for every 30 hours worked.
- Available to workers after 90 days of employment and after working at least 80 hours.
- Unused paid personal time could be carried over to the following year for a total maximum of 10 days of paid personal time off.

### Last Action: Laid over by the Committee on Civil Service and Labor (5/28/2019)

### **Certificate of No Harassment**

### Int. 1410-2019 (Gibson)

• Institute a three-year pilot program in which landlords would be required to obtain a "certificate of no harassment" before the Department of buildings gives them permission for new construction.

### Assistance to Small Business Tenants at risk of being evicted

### Int. 1470-2019 (Levine)

• Would lend legal assistance to small business tenants at risk of being evicted.

### Last Action: Hearing held by Committee on Small Business (3/18/2019)

### Mandate that SBS provide "training and counseling" to small businesses

#### Int. 1471-2019 (Rosenthal)

• Would require the Department of Small Business services to offer certain business services, including training and education.

#### Last Action: Hearing held by Committee on Small Business (3/18/2019)

### Vacancy Storefront Registry

### Int. 1472-2019 (Rosenthal)

- Would mandate that the city compile a storefront-properties online database.
- Database would include information on rent, size and permitted use.

Last Action: Hearing held by Committee on Small Business (3/18/2019)

### Vacancy Tax

### Int. 1473-2019 (Rosenthal)

- Would mandate commercial landlords submit properties that become vacant to the Department of Small Business Services.
- A \$1,000-per-week fine would be imposed on property owners who fail to submit their properties.

Last Action: Hearing held by Committee on Small Business (3/18/2019)

### State Issues

### Minimum Wage

- \$15 minimum wage implemented on December 31, 2018
- Companies of 10 people or fewer in NYC will be \$13.50 until end of 2019

### **Tip Credit**

Assembly: A1240 Senate: s1760

- Hospitality Industry Wage Order
- Based on size and location of establishment
- Large employers who pay \$15/hour can claim a \$5 tip credit, only having to pay employees \$10/hour
- Tip credit smaller for Hotel service employees (room attendants and bell persons)
- Food delivery workers do not qualify as food service workers
- Nail salon employees fall under the wage order and employees can claim up to \$3.65 in tip credits
- Valet parking attendants falls under the states tipped wage rules for miscellaneous industries

Last Action: Assembly and Senate referred bill to Labor Committee (1/14/2019); Senate

### New York Health Act

#### Assembly: A5248 Senate: S3577

- All residents, regardless of immigration status, will be covered for: primary, preventive, and specialty care; hospitalization; mental health; substance abuse treatment; reproductive health; dental, vision, and hearing; and prescription drugs and medical supplies
- Within two years of passage, long-term care will be covered.
- No network restrictions.
- No more premiums, deductibles, or co-pays.
- Universal coverage funded through a graduated tax on income, based on ability to pay.
- Direct negotiation with pharmaceutical companies and medical device makers.
- Paid for through graduated tax on income, payroll tax with **80% paid by employer and 20% by employee,** and Federal Government waivers for current health related expenditures.

Last Action: Assembly Health Committee referred to committee Codes (2/28/2019); Senate referred to Health Committee (2/11/2019)

### June 10, 2019 Community Board 8 Small Business Committee Agenda Item: 6. New Business (Events)

### Upcoming Events

### **CB11 Small Business Fair** Tuesday, June 25<sup>th</sup> 10:30 am – 6:00 pm East Harlem Neighborhood Health Action Center 158 E. 115<sup>th</sup> Street

Get valuable information on worker's rights, environmental compliance, sign regulations, and more. You can also bring your commercial lease for legal review between 10:30 am - 12:00 pm and 2:00 pm - 4:00 pm. The NYC Department of Small Business Services Mobile Outreach Unit will be available for clients between 11:00 am - 2:00 pm.

NYC Council Budget Committee Meeting The changing market for food delivery Thursday, June 27<sup>th</sup> 1:00 pm Committee Room - City Hall

The committee will hold a hearing to discuss how deliver apps' fees and polices are affecting NYC restaurants.

# Michael Mellamphy and Paul Higgins, Co-Chairs