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**Community Board 8 Manhattan
Small Business Committee meeting
Monday, October 7th 2019 – 6:30 PM
Marymount Manhattan College, Regina Peruggi Room
221 E71st Street New York NY 10021**

Community Board 8 members in attendance: Paul Higgins, Michael Mellamphy, Barry Schneider, Gayle Barron, Michelle Birnbaum, Rebecca Lamorte
Community Board 8 Public Member in attendance: Jennifer Gao, Cortney Bond

MINUTES:

1. Welcome our newly appointed public members

The Small business committee is delighted to welcome two newly appointed public members. Jennifer Gao, of the café Tenney and Betsy & Cortney Bond of ice cream shop/ speakeasy UES. Jennifer has lived on the Upper East Side for over 27 years and opened her business as a safe haven catering mainly to kids and families as a place to go to after school. She collaborated closely with board members Sara Solomon and Dorothea Newman recently on a very successful student art project. Cortney Bond owns and operates UES. An ice cream store catering to families in the front and a more exclusive type of “speakeasy” bar catering to adults in the back. Both Jennifer and Cortney bring wonderful experience and expertise to our committee as local business owners.

2. Update on Madison Ave Bus Shelters

Our proposed resolution from September’s meeting was passed at the September full board meeting. Matt Bauer from Madison Avenue BID was in attendance tonight to offer updates. The October meeting between the BID and Dept. of transport has been cancelled. Some tenants have expressed to the BID that they will not be staying on Madison Avenue once their leases expire. The illuminated signage continues to be a major issue for small business with these proposed bus shelters. He reiterated the BIDs support for benches to be placed at bus stops. Gayle Barron mentioned that this issue has been addressed by Landmarks committee and have written to the Landmarks commission to express their opposition.

3. Comptroller’s office report and discussion

Preston Niblac from comptroller Scott Stringers office presented a report by Andrew McWilliams from the office of City planning on retail vacancy across the city. Although conclusions were limited they were able to determine a number of things.

Vacancy has increased overall across the city from 4% in 2007 to 5.8% in 2017

While the highest rents exist in Manhattan the highest rates of vacancies are found in Brooklyn and Queens. The closure of business in Malls in particular has a devastating chain reaction of business closings.

Commercial Rents citywide are up 28% and rent across CB8 is among the highest in the city.

The vacancy rate across the Upper East Side is up.

Preston mentioned a number of factors such as rising rents. Rents were expected to rise from 2004 to 2007. The recession and the onslaught of online retail both have contributed too much of the hardship that affected smaller business across the city. A number of large chains such as Barnes and Noble closed. One Barnes and Noble closed at 6th Ave, and 8th street was eventually reopened as a TD Bank. It has since closed its doors but continues to pay rent on its lease and take the loss. This is a trend that we hadn't heard of in the past. It is not uncommon for this to happen although it is unknown how much this occurs across the city.

Change in use is also another issue that has affected small business. Obtaining construction permits and licenses are a headache for business owners. The applications for construction permits outside of Manhattan are also rising.

The report also found that regulatory controls are also a major factor.

During the discussion on Mr. Niblac's report Stacy Kelz, a leasing agent on The Upper East side shared her experience. Although deals are happening in the neighborhood right now there are still reasons why landlords will keep spaces vacant. Tax breaks could be a first incentive for landlords as property taxes have risen 20% - 23% over the past number of years.

Are there considerations to giving tax breaks to landlords renting to 501 (C) (3)? Shouldn't landlords get a tax incentive if renting to charitable organizations? These types of organizations bring added value to the community.

Are there other incentives to explore? Perhaps empowerment zones. Very often retail zones lead to more big box stores in areas as opposed to smaller business. This can create issues of their own as it creates a mall effect where all the stores close at once etc. which can lead to safety concerns. San Francisco has placed restrictions on where big chains can be located around the city.

Joanna Cawley from Carnegie Hill neighbors mentioned that pop ups have been quite successful in her neighborhood. With the holidays around the corner there is ample opportunity for business's to explore these options.

Jennifer Gao of Tenny and Betsy spoke how her type of business recognizes how important community outreach is compared to the bigger corporate style coffee shops. Working with block associations could be a key to helping our local business.

Cortney Bond of UES made a point that in her experience although some landlords look for "outlandish" deals in order to put prospective tenants off as very often the landlord is holding out for a major developer to come in, she has found dealing with landlords one on one remains the best way to get what you want.

4. Update on fellows

We are pleased to announce that thanks to the wonderful work that our fellow from last year, Andrea Pertenio, performed we have been assigned not 1 but 3 new fellows to help us keep track of vacancies among business throughout CB8 in Manhattan. They will be collecting data from now until May 2020 and we hope this will contribute more and more to our understanding of the issue of vacancies.

5. Old Business

Since July we have had some positive news as we report 17 closings but 40 openings of small business, which is a gain of local business for our community.

Michelle Birnbaum suggested we make a list of these trends and circulate it as a letter to elected officials and BIDs. She also mentioned the idea of retail sharing between small businesses.

Meeting adjourned 7.41pm

Mick Mellamphy and Paul Higgins, Co-Chairs