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Gale A. Brewer, Borough President

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Testimony before the New York City Council Committee on Economic Development

Oversight: Economic Impact of Vacant Storefronts

My name is Gale Brewer, and I am the Manhattan Borough President. I want to thank Chairman Garodnick and the members of the Committee on Economic Development for holding this hearing. As you may know, I have spent the greater part of my career fighting to protect storefronters through advocacy, legislation, and zoning.

I would like to congratulate Council Member Dan Garodnick on the passage of crucial legislation that exempts more small businesses from the Commercial Rent Tax. The tax is an unfortunate vestige of a different New York City from the 1960s and I agree that winding the tax down must begin with those local businesses that provide my Borough of Manhattan with critical services and enrich every neighborhood with their unique character. This year I along with Councilmember Corey Johnson co-sponsored Intro 799A to remove the Commercial Rent Tax burden from affordable supermarkets. Neighborhood food markets are community anchors and serve as another critical service provider of nutrition and government services like SNAP and WIC, which are so important to those who may not otherwise be able to access healthy foods for their families to eat.

Each bill takes a slightly different approach to the CRT, but the message is the same: the best way to fight commercial vacancy is prevent the vacancy from occurring in the first place. We must keep looking for ways to strengthen our storefronters to withstand the existential threats that come in many forms.

As a councilmember representing the Upper West Side, I worked with the Department of City Planning to build a zoning special district to preserve our small storefronts by limiting a property owner's ability to combine small retail spaces into large frontages suited to big box stores, causing a loss of services in the community.

I'm pleased that the "Planning for Retail Diversity" report that the Council released today includes an analysis of my enhanced commercial district zoning. The report found that the rezoning was "successful in stabilizing the number of storefronts on Amsterdam and Columbus Avenue and preventing the displacement of existing businesses for storefront mergers. It is also

possible that the restrictions have helped contribute to a low vacancy rate and a higher rate of business retention.”

I continue to fight for similar protections in all neighborhood rezonings in Manhattan. It took some time for analysis to be made of the special zoning in my former district because the underlying data about the number of vacancies within the rezoning area is not readily available. To understand the status and history of vacancies in an area requires hiring a private data firm or conducting a comprehensive rent survey and an analysis necessitates many hours of study time.

During the summer of 2017, I recruited an amazing team of New Yorkers who wanted to help our office quantify the problem of commercial vacancy. Our volunteers and staff members canvassed the entirety of Broadway, from Inwood to the Battery, to count the number of empty storefronts. They found 188 empty storefronts, but the greater context for that number remained elusive. While Broadway was useful in capturing the northernmost and southernmost extremes of the borough, it is difficult to combine this with the concerted efforts of Council Member Helen Rosenthal who canvassed her district on the Upper West Side, or a local organization like CIVITAS that canvassed East Harlem and the Upper East Side. These surveys occurred at different time frames with different metrics and at best create a patchwork of data.

On September 15, 2016, I testified before the New York City Council Committee on Housing and Buildings to discuss pending legislation to establish a better accounting system for vacant land and buildings. I urged the members of that committee to incorporate a number of changes; most importantly, to break out the number of vacant commercial retail units from other types of vacancies because we currently are not able to accurately understand the magnitude of commercial vacancies on a citywide basis.

As the initiator of the city’s municipal Open Data Portal, I know a thing or two about the importance of timely, accurate data. I am certain that if we provide a data set about commercial vacancy that is freely available, we will enlist the support of academia, civic hackers, advocates, government, and small businesses themselves. This database would be populated with revised data when a commercial landlord has a retail unit that becomes untenanted for a number of months. For example, the property owner would be required to report the space as vacant to the City. The landlord would also report when a new lease is signed for the vacant space or when a new business begins using the space. I look forward to working with Council Member Rosenthal on this legislative initiative.

I believe that we need better data in large quantities to truly wrap our arms around the question of how, where, and when government policy or market forces create commercial zones populated with empty storefronts. The members of this committee will hear many excellent ideas here today, but unless we quantify the problem before, during, and after we attempt to enact a solution, how will we be able to assess our success and how to best proceed in combatting commercial vacancy in our neighborhoods? Thank you.