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**Gale A. Brewer, Borough President**

**Testimony of Gale A. Brewer, Manhattan Borough President  
Regarding Small Business Legislation  
New York City Council Committee on Small Business  
March 18, 2019**

My name is Gale Brewer, and I am the Manhattan Borough President. I want to thank Chairman Gjonaj for holding this hearing on Intro No. 1472-A and the other bills aiming to support small businesses that you will hear about today.

The crisis facing small businesses which inspired the Small Business Jobs Survival Act (SBJSA) decades ago has only grown worse. National chains steadily spread throughout the city, storefronts sit vacant for years, and online shopping is reducing foot traffic to our local shops. We need to act now to protect the storefronts which make our neighborhoods vibrant and healthy.

I am proud to sponsor Intro No 1472-A along with Speaker Johnson and Councilmembers Rosenthal and Levine. This bill will require property owners to report the vacancy status of their storefront properties to the Department of Small Business Services (SBS). Owners will also be required to report the asking rent and previous rent of each vacant property; the space's use capabilities; total square footage; and the owner's contact information. SBS will be responsible for maintaining a regularly updated database with this information on the Open Data Portal. New Yorkers will be able to monitor their local businesses and help ensure that property owners are in compliance by reporting vacant storefronts to SBS through an anonymous complaint hotline.

As the primary sponsor of the Open Data Law of 2012, I know the value of data. It allows us to track and identify issues and measure results. This database will identify vacancy trends throughout the city, spot areas where vacancies are rapidly increasing, and identify specific property owners and managers who demonstrate a pattern of forcing out small business. Additionally, it will be a resource for small business owners looking for new space. Everyone I have talked to about this issue agrees we need a database to track the problem and to develop effective responses.

As many of you know, I worked on the SBJSA during my time as a city council staff member and have continued to fight for small businesses in New York City throughout my career. Following the October hearing on the SBJSA, I formed a task force dedicated to analyzing the issues facing small businesses in New York City today and finding solutions to those problems.

Together, we are looking at every possible solution to help small business in New York City, including legacy business rent regulation (a form of rent regulation for businesses that have been

around for more than 20 years); a provision requiring that small business leases specify the percentage of annual rent increases and other mechanisms by which property owners can impose large increases; some form of required mediation to cover proposed increases; and zoning regulations to create Special Enhanced Commercial Districts similar to the one I helped put in place in the Upper West Side that has successfully curtailed the spread of formula retail by limiting the size of storefronts.

We are also discussing how to help small businesses compete with online retail and the digital economy. If we don't address this issue, we will see more and more money flowing out of our neighborhoods, out of our city, and into large corporations thousands of miles away. Our task force is discussing improving and increasing services for small businesses, including training to create and maintain an online presence; legal help for businesses in negotiating leases; assistance with utilizing government resources; training business owners in the use of free accounting and operations software; creating standardized lease provisions; and tax reform that reduces the sales tax for transactions completed in storefronts, and increases the tax on e-commerce transactions.

Our goal is to protect the local small businesses that are essential to the character and identity of neighborhoods, especially the storefronters that have contributed to the stability and neighborliness of communities for many years. There is no single solution to the crisis facing small retail business, but we must act to reduce the burden with reforms and incentives that are carefully tailored. And help ensure their success through close monitoring and adjustment, including additional legislation in the Council and in Albany if necessary.