

Community Board 12 – Manhattan
Business Development Committee – Meeting Minutes
December 4, 2018

Committee Members Present

Eleazar Bueno, Chair
Matthew Levy, Asst. Chair
Tanya Bonner
Waldys Cruz
Domingo Estevez
Sara Fisher
Rud Morales
Bruce Robertson

Committee Members Absent

Glennis Aquino

Board Members Present

Richard Lewis

Public Member Present

None

Public Member Absent

Guests: Manuel Belliard, Community Liaison, Office of Council Member Mark Levine; Heidy Hernandez, Executive Director of the Chamber of Commerce of Washington Heights & Inwood; Vicky Mao, Street Vendor Project, Jackie Tesman, Project Manager, Avenue NYC, Community League of the Heights (CLOTH).

1. Meeting called to order at 7:06 p.m. with quorum. Business Development Committee Chair Eleazar Bueno opened the meeting by welcoming Committee members and guests. Bueno congratulated former Public Member Bruce Robertson, who has been appointed as a full Community Board Member.
2. Bueno introduced Jackie Tesman of the Avenue NYC project of the Community League of the Heights (CLOTH) to discuss programs they are working on in the Washington Heights/Inwood communities.

Tesman explained the Avenue NYC initiative: it is funded by New York City Department of Small Business Services (SBS). It is a three-year program, and is currently in its very early stage (needs assessment phase). CLOTH will have a full presentation of the first stage findings in either January or February of 2019. The initiative in Washington Heights/Inwood focuses on the following corridors: Broadway, between 155th and 178th streets, and St. Nicholas Avenue between 165th and 178th streets. The following are the components of the Avenue NYC initiative: 1). Business inventory (that includes vacancy rates); 2). community capacity; 3). Streetscape (surveying conditions of the sidewalks and the streets to see if the conditions are good, street lighting, if tree pits need to be replaced or cleaned, trash management, parking); and 4).

merchant and consumer surveys - which Tesman is currently working on.

The results of the business inventory that was completed in September 2018 revealed the following: total number of storefronts is 440 stores (that includes vacant stores, lots, parking lots). Vacancy rate is high at 18 percent. This is in tandem with city (20%), CB12M's vacancy percentage amounts to about 89 vacancies on Broadway and St. Nicholas on those corridor areas previously delineated.

Estevez asked why Amsterdam Avenue wasn't part of the study - as that's where he's noticed most of the vacancies. Tesman stated that others have asked this as well, but that the parameters are up to SBS. She's sure that in the future, SBS will consider other corridors, and noted that SBS gives a certain cohort of organizations the project (that is done every year or every two years), and that right now in this cohort, there are about eight or nine Community-Based Organizations (CBOs) that have been given different corridors as part of the current study.

Tesman added that since CLOTH has completed the business inventory part of the project, four or five stores have closed, including Coral Diner and Crazy Annie's. She assumes it was because of rent, noting that there's an area where the Coral Diner was located where there are three or four stores where the rent will increase by like \$3,000 come March. Robertson noted the pending rent increase from \$6,000 to \$7,000 for Mary's Flowers, stating the landlord is a rich son-of-a-bitch. Tesman noted the landlord is pushing everybody out of there, and she stated that on St. Nicholas, there is a cluster of stores that when property ownership changed hands all of sudden, property taxes went sky high.

Bueno asked Tesman what the end game is for the Avenue NYC project. Tesman responded that the end game is after the needs assessment, there will be programming - and SBS will fund it. The programming funded could be for anything at this point - such as district marketing, to encourage people within Washington Heights to patron stores within Washington Heights, spending money inside the community, or it could be funding for merchant organizing (providing services within the community, including free classes for merchants and free legal services, etc.), or funding events to bring people into the community. The end game is to encourage patronage of small businesses on these corridors. CLOTH won't know until February or March 2019 what the programming/funding plan will be.

Estevez acknowledged someone in audience who doesn't speak English. And he translated what was just related. He noted the woman responded that "it is great that this is happening, and that it is always great to bring resources to people." She is stated in Spanish that "a lot of street vendors have five plus

years working on getting licenses, but the City and the City Council is not really helping.”

Bueno ask Tesman that besides the patronage of the existing businesses and encouraging people to come, is there anything planned in regards to having our elected officials assume this issue. It doesn't look good (vacancy issue) politically speaking. Is there anything we can use as a tool to mitigate it? Tesman responded that she thinks that's a question a lot of people are asking. She stated that it's a free market. Besides the Small Business Jobs Survival Act (SBJSA), she doesn't know what else can be done in the area of intervention. Robertson agreed that a lot of this comes down to the SBJSA not getting passed so far, and because of this, businesses have no mediating remedies. Cruz wondered what can be learned from the success of Coogan's staying open despite lease challenges? Estevez felt it was because NY Presbyterian was the landlord and the community and local officials embarrassed the hell out of them. Bueno felt the success was due to the restaurant having a lot of political clout. Cruz wondered how we can be implement a similar strategy toward smaller businesses with smaller voices?

Fisher stated the issue for her is that we (as a Board) keep treating these issues as all singular issues. We don't make any impact when we segregate all these issues to one committee focusing on it. She stated that regarding the SBJSA: word on the street is that it will never pass. That's why elected officials are pushing it because they want to get brownie points with the businesses they are screwing over in so many other ways. They can pretend they care about small businesses. The truth is, it will never pass. We can't say to our small businesses that there is hope out there, when we know there is no hope out there. How do we put pressure on people to be honest and stop lying to us, or give them a real option? It's unfair. We are losing businesses right and left. We are losing Carrot Top. Columbia raised rents down at its 168th Street location- that was to be surviving store. That was one of the reasons the male owner of the business said the owner killed herself. We are in a shit pile of trouble. But to treat this as only a business issue, and to pretend to anyone that the SBJSA has a snowball's chance in hell of becoming law is disingenuous.

Bonner asked Tesman that when the City conducts these Avenue NYC projects/surveys, what is the plan to look at the overall plan for the community itself? In what way is this going to fit in an overall vision for the community? In what way will this contribute to this vision? Or are they leaving this overall vision out and just piecemealing individual things? Tesman agreed with this concern. Tesman stated that in her experience with SBS in their neighborhood 360 program in East Harlem, she thinks they are trying to do what they can do within their limitations as well. I do know this: a lot of things I brought up to them (SBS), they were grateful for hearing it.

Because I don't think they are aware. Also their definition of small business is not this community, or any other underserved community of small businesses. Small business here is 10 employees, 15 employees, maybe 20. Their definition was a lot larger. I think they are more aware now of issues that small businesses are confronted with. Can they do something about it? I don't know. Bueno stated that for a lot of these community organizations, their primary function 20 years ago was to advocate for the communities they serve. But as they grow and evolve, that mission sometimes takes fourth place, and they have to take from a lot of people whose interest is different from ours. On the other hand, an organization like CLOTH - that serves thousands of tenants and multiple buildings - just starting a conversation with Council Member Levine can go a long way. I think we need to get back to basics. Tesman stated she plans to have this conversation with Council Member Levine.

Tesman stated that while she's not cheerleading for SBS, she thinks they are very open to understanding what the real needs are: Bonner questioned this, nothing that SBS hasn't been responsive to coming out to CB12M committee meetings, stating she's reached out to them and they have not been open. Estevez stated people have to stop treating people like kids and create outreach mechanisms that work for everybody- not just people who seek the information and often do get it, which is a privilege. Fisher wants the message taken back to SBS and CLOTH that when they approach a problem in community, they need to look at resources that are there and how to engage people within the community first before engaging other partners that are there. Tesman noted she has been speaking to local CBOs as part of the project. Cruz wondered about the possibility of reaching out to the top ten landlords in the community to engage them in the dialogue as well. Robertson felt the landlords don't want anything to do with it. Bueno thinks legislation is the answer.

Both Estevez and Bueno translated key points that had just been made in Spanish. Fisher asked if the survey boundaries were defined by the grant, and Tesman answered in the affirmative.

3. Bueno introduced Vicky Mao of the Street Vendor Project, who handed out information to the Committee about the organization.

Mao gave some background on the Street Vendor Project: they are the only community organization working with street vendors in all five boroughs of New York City. She pointed out in the audience a long-time Street Vendor Project Board Member and long-time street vendor who lives in the District and sells on Broadway. Mao noted that the project has a leadership board of 12 elected each year by members - and that all members are street vendors. They provide direction on what the Street Vendor Project should focus on as an

advocacy organization. If people sell legal merchandise on street, then they are qualified to be a member. The Street vendor project launched the "Lift the Cap" campaign about four years ago, which aims to increase the number of street vendor permits issued by the City. Mao noted that in order to sell merchandise on public streets of NYC, vendors must have certain types of licenses. One is the "permit." that is issued to food carts. All those carts must have permit issued by the New York City Department of Health (DOH). Only about 3,000 permits are available in all of NYC - and these include all types of permits, including seasonal, fruits and vegetables, all-city, veterans. Problems have arisen because so many people want to work as street vendors, but there are only 3,000 permits. So what happens is vendors rent out permits from the black market for as high as \$25,000 every two years. It only costs permit holders \$200 to renew a permit every two years. Mao emphasized that this is a completely illegal practice, but no one is prosecuting it because they can't. And vendors can't report the owner because they will lose their job working on the cart. This permit cap has been in effect since 1983. So it has been 35 years without change. The Street Vendor Project wants the City Council to remove the cap and get vendors who want one a permit - but with limitations.

Mao also discussed some of the opposition to the street vendor permit cap lift, and other challenges to street vendors, including brick and mortar stores having concerns about opening up the cap, as well as law enforcement, because the regulation for vending is complicated.

Mao stated that the City Council introduced a new Street Vendor bill in 2016 that would lift the cap, but due to political reasons (a new City Council Speaker) this bill was affected because it was sponsored by the former Speaker (Melissa Mark-Viverito). She stated that this lack of bill passage is very significant because 90% of food vendors don't have their own permits. Estevez noted that the black market was created as a result of the freeze on issuing permits. Fisher wondered why - given that we know this illegal practice is going on - the City does not just go to the 3,000 and find out who they are and address the problem. Mao said there is no way to attack the black market. A big reason is permit holders are allowed to hire helpers. But in reality, those helpers actually pay money to the permit holder to run the street vending business.

Mao announced that a new bill was introduced in the City Council's Consumer Affairs Committee in September 2018 in the Consumer Affairs Committee by main Sponsor Margaret Chin and Council Member Carlos Menchaca. The bill has 22 co-sponsors already, and this looks promising. Bonner asked Mao to provide information about the specific situation here in the Washington Heights/Inwood communities in terms of number of vendors and black market situation/impact?

Estevez, concerned about disenfranchised street vendors with less power being displaced at the bidding the landlords that compose the WaHi/Inwood BIDS. wondered what roles have landlords been playing in pushing back on the bill and suppressing vendor voices? Mao responded that one of the complaints or accusations is that vendors don't pay rent like storefronts. And to them, it is unfair competitions because brick and mortars must pay rent. But in reality, vendors pay money to owners, and they don't make as much money as brick and mortars. Street vendors also can't compete with storefronts, as they sell different merchandise and have street restrictions. She has a report that she can provide further detail to the Committee on this area of concern.

Robertson requested to return to Bonner's question about how many vendors there are in Washington Heights/Inwood and the impact on the permit situation in this area. Mao stated the Street Vendor Project has 56 members from this District. Robertson stated that more information about the vendor situation in this District would help the Committee make a recommendation to the full Community Board - as the focus is on this District, and not the rest of the city - as Bonner was saying. Mao stated she will talk with the organizer from this area to find out more information.

Bueno disclosed that he had advocated and testified against the vendor bill in 2016. He also disagreed that the bill got pulled because of political reasons. Bueno wanted the Street Vendor Project to have a conversation with business owners first, and not just the vendors and city officials. There were business community concerns about the proximity of street vendors, reports of vendors selling fruit in front of supermarkets. Another issue was garbage pick up. Brick and mortars pay for garbage bags, but street vendors would use the garbage bags that we pay for. Mao replied that the Street Vendor Project did have talks with BIDS, but the response was not positive. The Street Vendor Project also thinks street vendors lack recognition as business owners. They pay taxes and create job opportunities, and they have 2,300 registered members. Bueno said the big issue right now is with regulations. Businesses currently have to deal with four agencies if they have a problem with vendors: Consumer affairs, DOH, Sanitation, police. They all have a piece of action, but none are effective. City has to create an agency to regulate vendors. Mao replied that the new bill proposes a street vending panel, and will have members from law enforcement, city agencies and the business community to deal with street vending issues. The bill will also fund a special task force. She emphasized that the new bill is more balanced than the first bill was, and believes if this bill will pass, there will be more discussion about these concerns.

Fisher stated that the Washington Heights/Inwood communities need vendors to serve healthy food - not just food. So the City should consider food

deserts or swamps when granting permits, and focus the resources there. She also had a concern that if the City increases the number of permits, there is not a single guarantee our community will get a single permit. She will not support a bill that does not support areas with an actual need. Mao responded that the bill is a city-wide initiative, and that permits will go to vendors with active vendor licenses since 2014. There will be a lottery, but it limits the candidates to this pool. Morales said most of permits go downtown. Is there lobbyists behind this bill? If lobby money is behind it, those permits will go downtown. Washington Heights and Inwood won't get permits. Bueno noted that he also emphasized to the first vendor bill sponsor (Council Member Levine) that our community wants an equal share of new permits, and for them to be distributed according to community needs.

Bonner asked how the new bill will ensure that any new permits issued won't end up on same black market as previous ones? Mao responded that in the new bill, the new permit won't be called a "permit." It will be called a "regulatory permit." And the permit holder must work on the cart, or they lose the permit. Bonner also asked Mao if her understanding that the Street Vendor Project supports the new street food vendor letter grading system - except for the GPS tracking component is correct? Mao stated that the Street Vendor Project does support the grading system, as everyone should get healthy, clean food. And that Bonner is correct in that the organization has concerns about GPS. She noted that DOH requests carts to have GPS so they can track where they are so they can conduct inspections on the cart. Mao has heard the City has promised to only use GPS data to track inspection - and not for anything else. In response to a Spanish-speaking member of the public in attendance whose question about permit distribution in this community was translated by Bueno, Mao said the permit issuing process will be a lottery, and people who are qualified for the lottery (valid food vendor license since 2014) will be eligible for the lottery. Mao noted the lottery was only for food vendors. The general vendor license is even worse - with only 839 general vendor licenses in the entire city. Veterans have priority privilege for these licenses.

Mao also noted that food vendors can set up anywhere in the city - with only fruit and vegetable vendors being location-specific. She also stated that the cart workers don't have to live in New York City, but that the permit holder has to reside there.

Robertson made a motion for the Street Vendor Project to return to the Committee in January to provide greater detail about the current bill and more specific data and information about the state of vendors in Washington Heights/Inwood, and the impact of the current vendor permit/license situation on that community. Seconded by Fisher.

4. Bonner gave an update on the SBJSA forum to be held by the Committee on Thursday, Dec 13th at 6:30 p.m. at the District office (second floor).

Bonner stated the intention for the forum is to get the small businesses out and hear from them, get input on bill, what they might need in terms of the bill, whether the bill meets their needs, and whether they can support the bill as it stands now.

Fisher asked if the bill's sponsor (Ydanis Rodriguez) was going to attend. Bueno stated he invited him personally. Bonner stated that at first Rodriguez indicated he cannot attend, and later indicated he was looking into whether he can attend. She also stated she asked Council Member Levine to attend (as he was the previous lead sponsor of the previous incarnation of the bill), and had invited the Manhattan Borough President's office (MBPO). Bonner noted that the MBPO doesn't support the bill as it is now, and that they want changes. Rodriguez wants the bill pass as it is now.

Hernandez thanked Bonner for her work on the flyers and translation. Hernandez stated the focus now will be on outreach to businesses. Her office will e-blast to all social media, and bring the information directly to merchants going door to door.

Bonner noted a flyer announcing the forum and a one-pager that provides the essential information about the SBJSA were created and translated into Spanish as well. Speakers will include: Friends of SBJSA Representative David Eisenbach, Chamber of Commerce of Washington Heights & Inwood, and the Women's Chamber of Commerce of New York. CLOTH was also asked to provide storefront vacancy data gathered, and Bonner will present it at the Forum.

5. Old Business

Update on City Charter Revision Commission

Levy updated the Committee on the City Charter Review Commission that has been called to do revisions to the City Charter. The deadline for submission of ideas is December 31, 2018. Levy asked the Committee if it can propose anything we would like to see in the Charter. It won't overturn previous election ballot questions, but we can ask for things that will limit the impact, such the mayor can't appoint Community Board members, or all new commissions require city council oversight. In packet are whole slew of ideas that this board should take positions on to submit to charter review commissions. Lewis suggested that the Committee circulate the list among themselves and come up with ideas for the charter or items already there that they support. Committee decided to not create an individual resolution, but

for Levy to filter Committee member charter suggestions, pass those on to Bueno to submit to the Executive Committee to create a resolution on behalf of the entire Board.

The meeting adjourned at 9:11 p.m.