



City Helps Chelsea's Small Businesses Survive

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In a previous article, Chelsea Now reported on the shuttering of many small businesses due to landlord/tenant issues in this increasingly upscale neighborhood ("Retail Roundtable Conference Champions Mom & Pop Shops" — July 28, 2010).

With Chelsea's Eighth Avenue now largely a bastion of chain stores, banks, and fast food outlets, pioneers are heading west — but this time, the small businesses owners who helped change the landscape of this once-undesirable neighborhood are working with their elected officials and Chamber of Commerce to keep their family businesses alive.

A series of meetings were held this summer to air grievances, discuss incentives designed to allow landlords to make a profit, and outline steps that mom and pop shops can take to stay open.

On July 19, merchants from Ninth Avenue attended a "Retail Corridor Roundtable Discussion" — also attended by NYC Economic Development Corporation president Seth W. Pinsky, NYC Department of Small Business Services commissioner Robert W. Walsh, and NYC Department of City Planning chair Amanda M. Burden.

Greenwich Village-Chelsea Chamber of Commerce (GVCCC) executive director Lauren Danziger, who attended that event, spoke at the time about how some of previous well-intentioned policies ended up hurting the small businesses they were meant to help. She cited the bike lanes on Ninth Avenue — beloved by cyclists, but a hindrance to delivery drivers unloading goods for these nearby businesses. She also noted the discrepancy between parking meters on Ninth Avenue (which must be fed until 10 p.m., and those on Eighth Avenue, which stop at 7 p.m.). This, noted Danziger, could discourage High Line visitors from exploring the neighborhood, as they must return every 45 minutes to feed the meter.

Said City Council Speaker Christine Quinn after that meeting, "The issues they raised are 1,000 percent right, and we're working with the Department of Transportation. We hope to hear back quickly."

During that July meeting, small business owners discussed the possibility of the city offering incentives to landlords to rent to them. Quinn noted that this would not be met well by large chains, but did say, "We're researching to see if there is a way to structure a tax credit."

The issue of rising rents was foremost among small business owners' concerns. According to a spokesperson for Bowery Kitchen Supply, "Rising rents are what kill small businesses. We have been here for 15 years, and love our landlord, but the lease is up soon, and our rent will be going up significantly. We are going to stay and make it work, but not everyone can afford to do that. I think small businesses make the neighborhood individual and fun, and that this middle class is the heartbeat of not only Chelsea, but of America. I just don't want New York City to become a

shopping mall.”

Tony Juliano, president of GVCCC, recently spoke with Chelsea Now to share his kudos with Speaker Quinn’s involvement in the area’s small business community. Although it was too soon to see any direct results of the summer roundtable, said Juliano, Quinn had done many things to help small businesses.

“That roundtable is one of them,” said Juliano. “She actually sat down with commissioners and speakers from these departments, and listened to the needs these small businesses have and the challenges they are facing.”

As landlord, business owner, and CB4 member Seth Weissman noted about the July 16 meeting, “The biggest take-away for me was that a lot of the retailers who were there weren’t familiar with the details of their leases. The vet mentioned she didn’t know she only had 60 days notice of when her lease would end. And one retailer didn’t understand that in the lease, they have to ‘pass through,’ meaning a tenant is responsible for a certain part of the utilities or real estate taxes. There were four or five of these examples where it was all in the lease and they were just not aware of it.”

In the past few years, said Juliano, Speaker Quinn has suggested and implemented things help these businesses owners, including streamlining the process for new businesses, coordinating and consolidating inspections, and providing a tax credit for very small businesses (called S Corps) that roll all revenues and profits back to the individuals.

On Sept. 15, Quinn met with state and federal officials to discuss ways to help alternative small business

lenders expand their lending. In a meeting with the New York Coalition of Community Development Financial Institutions and the National Federation of Community Development Credit Unions, state and federal agencies discusses programs meant to expand small business lending and spur job creation. Said New York State Coalition of CDFIs Senior Program Officer Melanie Stern, “New York City has a new program that will guarantee 35 percent of loans to small businesses... to encourage loans to women- and minority-owned businesses.”

They will also provide credit counseling, to help people restore their credit to a point where they be eligible for bank loans, and allow lenders to refinance. “They offer lower rates, work out better terms, and in the end these programs will put capital out into the communities.”

And on Sept. 16, the City Council passed a bill that will make agency processes easier for small business owners to understand, require the Law Department and Mayor’s Office of Operations to review all proposed rules, and have agencies reach out to regulated communities as part of the solicitation of public comment, to allow those most impacted by the rules to be involved in their process.

“In order to help our City grow, we must streamline government processes and cut red tape,” said Speaker Quinn. “This bill is another step in breaking down barriers that often stand in the way and put unnecessary burdens on our business community. We want to do everything we can to empower each industry and each business to give them the opportunity to succeed. By stripping away unnecessary processes, this bill puts them one step closer to success.”

Added Council Minority Leader James Oddo, “Even the

best intentioned rules and regulations can choke the entrepreneurial spirit that this economy so desperately needs today, and this bill hopes to inject common sense into what at times is a bureaucratic nightmare for too many small businesses and New Yorkers.”

“This is a good start,” said Juliano. “I am encouraged by the level of attention the Speaker gives to small businesses; she recognizes that we are the engine of the economy in New York. She’s really working hard to hear what we have to say and incorporate ideas into city laws and regulations.”

For their part, the GVCCC will soon rollout a Shop Local Program designed to empower merchants and consumers. Getting residents to shop mom and pop stores instead of chain stores will be the biggest predictor of the neighborhood keeping its unique charm.

“We explored similar programs in Chambers of Commerce around the country, and you will see us roll this out within the next couple of months in fairly significant way, in conjunction with the Chamber’s new web site,” said Juliano. “When you support a local, independently-owned business, the dollars that you spend in that shop go right back into the neighborhood where you live and work. It has a multiplier effect. And when you shop in these stores, you’re maintaining the character of the neighborhood, helping it be unique and different, as opposed to spending in a chain store, where the profits leave the city and go to their corporate headquarters. That kind of attention has a real effect.”

According to Juliano, the whole idea of the Shop Local program stemmed out of the closing of St Vincent’s Hospital. “Many of the stores around there are

suffering,” said Juliano, “and if you spend money in these shops, you are doing something important to help these stores bridge the time between when this area is empty and when it becomes reoccupied. If they survive, our neighborhood can remain vibrant and exciting.”

In addition to the Shop Local program, the GVCCC is doing much to keep these small businesses alive. On Sept. 21, they will host a lunch with New York State Comptroller Tom DiNapoli that focuses on small businesses concerns. On Oct. 13, they will meet with Google for “Expanding your business past your storefront,” a workshop to help teach small businesses how to market themselves on the web. On Oct. 28, the Chamber is teaming with SBS Commissioner Robert Walsh to sponsor a half-day business forum where professionals will advise small businesses about issues including creating a business plan, best practices, operating procedures, risk management, loans, lease negotiations, and insurance.

“As a member of CB4 and a resident, it is important to find solutions that work for both sides, to find a realistic compromise, like programs for educating independent retailers,” said Weissman. “One of the reasons I joined CB4 is because it’s important to me to see the neighborhood thrive and see independent retailers do well.”

Between the Chamber of Commerce, the Speaker of the City Council, and Community Board 4, small businesses in Chelsea should soon find more help in their struggle to thrive in a landscape dominated by corporate chain stores.