



THE CITY OF NEW YORK MANHATTAN COMMUNITY BOARD NO. 3

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Community Board 3 (CB3) has had an increasing problem for the last several years regarding loss of retail diversity. The Community Board has no position on how to deal with this problem. At this time we can only go on record with this problem and state that this is an important issue to the district, and we need help.

The current District Needs Statement (DNS) reads: *Community Board 3 has worked to retain affordable housing and local businesses as well as serve the needs of the newcomers to this community because it recognizes that the displacement of long-time residential and commercial residents has caused great loss to this community. Many small family-owned stores, especially those that serve local retail needs, arts businesses, and nonprofits have closed and been replaced by an ever growing number of bars and restaurants.*

In addition, the DNS also reads: *The Lower Eastside and East Village have been identified by the media as nightlife destinations. As a result, there has been an exponential increase in the population of people who enter these neighborhoods to patronize nighttime businesses.... Eating and drinking establishments continue to open on avenues and on residential side streets whose commercial components previously only consisted of small retail businesses.*

I mention the nightlife industry only to emphasize that this seems to correlate to losing the diversity of small retail businesses that once existed in this area and recognized that other market forces have likely contributed. We are now a community with many retail businesses—but many of them are of one type of business and serve only one demographic—young people with disposable income that have moved to area for the nightlife or visit the community for the nightlife. There are increasingly upscale establishments that are not affordable to many who live here and do not serve the residents of this community. Many streets are shuttered during the day and open only at 5:00 pm. There are different views as to why this is happening. Some think that the nightlife businesses are the only ones that can pay the high rents. The landlords know they can get this rent, so they advertise at rates that other businesses cannot afford.

Others think that internet shopping and big box stores have changed the way we shop—and the small businesses that formerly served communities are no longer viable. It is also possible that we shop more often on the internet because we do not have local retail to serve our needs. Local retail also suffers from loss of many of the businesses and other entities whose employees helped support local retail during the day.

Businesses that have served the community for over 10 and 15 years have closed when it came time to renew their leases. These include very successful businesses that could not afford new doubled or tripled rents. In addition, even eating and drinking businesses that have served the local community for years are being forced out because landlords want upscale eating and drinking businesses. Many of you may have heard of Life Café—the local eating/drinking hangout that starred in Rent. The owner called me for technical information because of an effort to replace this thriving business with a more upscale restaurant.

Our community's loss of local retail mom and pop shops has been a constant and common complaint for the last few years—and it only gets worse. Every year Manhattan community boards are assigned a graduate level urban planning fellow to work on a project. CB'3s number one project this year for our fellow is:

Lower East Side is losing its local businesses/mom and pop shops and is also losing diversity

of businesses for various reasons. There have been reports and studies recently regarding this problem—some done locally. The Fellow from the previous year has collected a number of reports which need to be summarized as to challenges faced and potential ways to address the problem. In addition a field study of sample areas should be performed to use to compare and contrast with a model of services needed to serve local retail needs and what price points would both serve the diverse community and be viable. Research as to businesses viable today in the time of internet shopping would be part of the study.

I hope and expect that a year from now the CB 3 fellow will have specifically documented this problem for our board along with potential strategies that we can advocate for. In the meantime, we are very appreciative that you are focusing on this topic and hope that it will result in identifying best practices for supporting and facilitating the preservation and revitalization of retail businesses.