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Manhattan B.P. Gale Brewer calls for lease mediation in final year of commercial leases for ground-floor storefronts, easing street vendor rules, and “condo-ization” of storefront space

Brewer announces first roundtable discussions to find solutions for small business survival

NEW YORK – This morning, Manhattan Borough President Gale A. Brewer unveiled proposals to help ease the path to survival of New York City small businesses at the Upper West Side storefront of The Halal Guys, which began as a single street cart on 53rd Street and Sixth Avenue, and is now a flourishing mini-chain with multiple carts, two storefront locations in New York so far, and expansion slated for Chicago and southern California.

“The Halal Guys demonstrate why small businesses are crucial to New York City: they become large businesses,” Brewer said. “The city can—and must—do more to help small businesses survive. Street vendors can climb the ladder to become store renters, store renters can become store owners, and store owners can expand and launch successful franchises.”

Borough President Brewer also announced her office would be convening a series of roundtable discussions around Manhattan on to discuss her small business proposals with neighborhood business owners and residents. The first is slated for May 6, during National Small Business Week.

Small Business, Big Impact: Expanding Opportunity for Manhattan’s Storefronters, Brewer’s report on small business in New York City, calls for reforms which would:

▪ **Take the pressure off lease renewals.** Brewer proposed legislation, with City Council Small Business Committee Chair Robert Cornegy, to dramatically depressurize the commercial lease renewal process for small businesses by instituting a mandatory negotiation and mediation period for storefront tenants and landlords. Landlords would be required to give small business tenants in storefront spaces notice of their intentions 180 days in advance of the end of a lease, followed by a negotiation period in which either party can request nonbinding mediation to assist with negotiations. The legislation would also provide the option of a one-year lease extension with no more than a 15 percent rent increase to give businesses the opportunity to transition to new space smoothly when necessary.

▪ **Modernize policies governing street vending.** Street vending is a low cost gateway to business ownership. Overhauling New York City's antiquated policies governing street vending and lifting the 1980s-era cap on vending licenses will jump-start small businesses that could eventually transition to a storefront model and even a larger brand, as The Halal Guys have successfully done.

▪ **Help established small businesses threatened by rent increases by encouraging "condo-ization" of storefront space.** Many successful small businesses still face rental insecurity; helping them buy their space as a commercial condominium can be a win-win for landlord and tenant alike. This model is already possible under current law, but the Borough President's report details strategies the city can use to encourage wider adoption of this strategy.

▪ **Creation of "low-intensity" commercial districts.** In certain neighborhoods experiencing rapid storefront rent increases, creation of new "low-intensity" commercial districts on quieter streets can act as a safety valve, reducing competition for rental space on high-traffic commercial streets.

Additional recommendations in the report include reform of the commercial rent tax, leveraging civic tech and app development to benefit small

businesses, and developing microcredit assistance options for small businesses in New York City.

“Whether it’s taking some of the pressure out of lease renewals or facilitating the training or microcredit assistance a vendor needs to take the next big step, our city government needs to get creative to help small businesses survive and thrive,” said Borough President Brewer. “Small storefront businesses and vendors create jobs and add value, vibrancy, and diversity to our neighborhoods – New York would not be New York without them.”

“Borough President Brewer’s wealth of experience and practical policy expertise are evident in the recommendations set forth in Small Business, Big Impact. She has examined the real problems existing small businesses and aspiring entrepreneurs in our city actually face and proposed achievable changes to powerfully transform their futures,” said New York City Council Small Business Chairman Robert Cornegy. “I am proud to partner with her to advance these proposals in my capacity as City Council Small Business Committee Chair.”

Background

Borough President Brewer is a recognized champion for Manhattan’s small businesses. As a councilmember, Brewer worked collaboratively with the Department of City Planning to design a special zoning district to limit the width of retail frontages of new and existing stores on the Upper West Side’s commercial corridors. These new zoning rules protect small businesses from being pushed out by national banks and convenience stores that typically combine retail spaces to leave blocks with huge frontages, but few actual stores.

Brewer also cosponsored the Cure Law of 2013, which allows businesses to correct violations that have been levied by the Department of Consumer Affairs, and Local Law 11 of 2012, which opened city government data to the world through a regularly updated central portal. The data available under Local Law 11 is used by developers to create exciting new products that have a great deal of potential for helping small business owners in their day-to-day affairs.

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