

In the Spring of 2016, students from the School for Legal Studies set out to investigate small businesses in their neighborhood. What do small businesses add to a community? What are the challenges of owning a store? Who decides where small businesses go?

THERE'S NO BUSINESS... LIKE SMALL BUSINESS!

What's a small business?

"The definition of small business in this country is 500 employees or less. This is kind of a crazy number... trying to help [businesses] in that whole spectrum is very difficult."
—NYC Council Member Robert Cornegy Jr., Chair, Committee on Small Business

Why are small businesses important to New York?

"Studies have shown... that neighborhood Mom & Pops will invest back into the community at a 75-80% rate higher than a big chain store... The investment and the connection with the community is totally different, and that also impacts how you feel and the sense of the community."



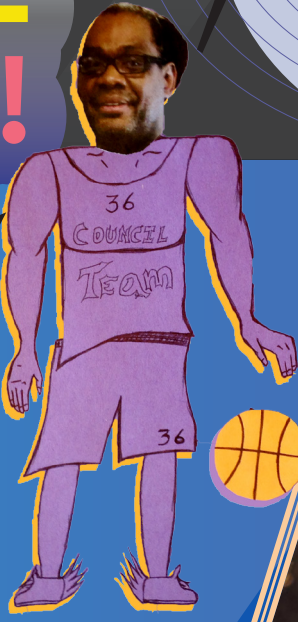
"The character and flavor of every neighborhood is at stake! The uniqueness of New York is quickly disappearing."
—Steve Barrison, Vice President, Small Business Congress

Who decides where small businesses go?



customers
...they bring the business!

"Customers decide where small businesses operate. Foot traffic... where the area is, and how close it is to transportation, factor into the decisions that business owners have to make when they open up."
—Robert Cornegy Jr.



What challenges do small businesses face?

"As neighborhoods are changing, as property values are increasing... a lot of people have had to leave this neighborhood because they can't afford the rents, both in residential housing and the commercial businesses..."
—Artineh Havan, Executive Director, Grand St. Business Improvement District



rent increases

property owners
...they decide what businesses to rent to!

"An owner of [a] property has a right to determine what's in [their] best interest. It might mean that [their] store front is vacant for some period of time, but that's for [them] to decide, right? Not for the world to decide."

"The price of the space is reflective of what the market wants, what the market will bear. [It can] induce people to come in because it's seen as valuable and people want to be where there's some growth. And for those neighborhoods that haven't reached that stage, [a lower price] is a way for them... to attract business to their neighborhood."
—John Banks, President, Real Estate Board of New York

"You have to put in love and dedication, for a good while [and maybe then] you make money... you deprive yourself of so many things—trips and sightseeing... we never had time."
—Lilia Montesdeoca, grocery owner

less family time

"The real genuine downside is where the landlord pushes to get a very high rent, that is way above what the market can bear... so it stays vacant for years or they get a business to sign on for more than what they can afford and then that business closes in three months and that entrepreneur loses a considerable amount of savings."
—Michael Blaise Backer, Deputy Commissioner, New York City Department of Small Business Services



What is the City doing to protect small businesses?

There are a few proposed policies to help protect small businesses in NYC, but not everybody agrees about them.

City Council Bill No. 851

This bill aims to protect small business tenants from being harassed by landlords who want them out of their space.

"The bill is designed to bring accountability of landlords who would do unscrupulous things to small business owners to get them out and have them break their lease." —Robert Cornegy Jr.

"[This bill is to] help the landlords, so the landlord isn't stuck with an empty space for a year or two, and is guaranteed a 15% increase, and then the tenant still has to go out. It doesn't help the tenant—it's ridiculous..." —Steve Barrison



The Small Business Jobs Survival Act (SBBSA)

This bill is designed to protect small business tenants by calling for longer leases and making it difficult for landlords to raise the rent by a large amount. If the landlord and the tenant can't agree, this bill calls for another person to help resolve their conflict.

"[The SBBSA] seeks... to make it very difficult for landlords to be able to increase the rent exponentially." —Robert Cornegy Jr.

"It provides for... mediation... then binding arbitration, and you get a 10-year [lease] renewal, and you get a fair renewal and it costs the city zero!" —Steve Barrison

"It's unfair to the property owner to say that regardless of what is available to you in the marketplace, you have to give this person a lease at a price that may not be reflective of the actual price on the market." —John Banks

Tips for small business owners

Owning a small business is hard. Here are some ways to avoid typical problems that many business owners face:

- ✓ Make sure your sales ads aren't false or misleading
- ✓ Know the rules for tobacco sales and signage
- ✓ Resolve customer complaints
- ✓ Handle violations and pay fines
- ✓ Post your refund policy
- ✓ Make sure receipts are complete and correct
- ✓ Know the items you cannot sell
- ✓ Make sure scales are accurate
- ✓ Post prices and payment methods
- ✓ Check if you need a business license at: nyc.gov/business

"Talking to people in government was a real experience for me. I was surprised that there's a person in power who is actually pretty easy to talk to, and can inspire people to get involved in this issue."
—Edison Espinal, student, School for Legal Studies

"We go by on Grand [Street] every day. I'm friendly with the store owners and we play around but I didn't know their stories."
—Michael Lazano, student, School for Legal Studies



The Center for Urban Pedagogy (CUP) is a nonprofit organization that uses the power of design and art to increase meaningful civic engagement. welcometoCUP.org

This project is one of CUP's Urban Investigations—project-based afterschool programs in which public high school students explore fundamental questions about how the city works. Students collaborate with CUP and teaching artists to create multimedia teaching tools that reach audiences in the fields of arts and social justice.

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