



Media Advisory

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An Advocate for Small Businesses within a Department that is supposed to be an advocate for Small Business? Is that really a Solution?

The announcement of a new law to create small business advocates within the Department of Small Business Services will not stop the closing of a single small business nor will it save a single New Yorker's job. This law is a continuation of a string of initiatives and programs offered by SBS, all claiming to provide assistance to NYC small businesses. But in reality, none of them address the real crisis small businesses face which is exorbitant rent hikes and oppressive lease terms.

In 2009 at a Small Business Committee hearing on the Small Business Survival Act, former Councilmember John Liu, gave the best description of what SBS' programs really contribute: ***“Every time we have a hearing with EDC or with SBS, there is always talk about all these great programs that are out there to help small businesses. I’ve had many conversations with the folks at SBS and at EDC, and I’ve always said not to tell me to go back to my constituents with these programs because they don’t really think very much of these programs. They don’t. So as much as your two departments and agencies can say that you have all these great programs to assist small businesses, the small businesses aren’t buying it. They’re not buying it because they’re not being asked what they need help with.”***

Even today SBS, which does not include a single small business owner within its agency, still won't address the crisis small businesses face. Today's small business owners are facing a crisis to survive caused by over speculation in the commercial real estate market. Capital from around the world is pouring into the city and forcing long established businesses to close in record numbers, yet SBS will not even acknowledge this crisis nor will it take any real action to help keep Mom and Pops in business. At the same 2009 hearing:

Former Councilmember Tony Avella: ***“Do you believe that escalating rents are the major problem facing mom and pop small businesses? A simple yes or a no, is that the number one issue facing small businesses today in the City of New York?”***

Andrew Schwatz from SBS: ***“I can’t say if it’s a yes or a no. There are certainly a lot of concerns expressed, decreased commercial customers, during the economy downturn”.***

CM Avella: ***“All you have to do is go out and talk to any one of the small business owners. Your deli on your corner or the dry cleaner on your corner what is the number one issue. For you to not even to***

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acknowledge that is amazing to me. It is absolutely amazing. Instead of addressing the number one issue, of escalating rents, you come up with a loan program. What good is a loan if they don't have a business?"

What good is a small business advocate if the city's small businesses are disappearing? Court eviction of commercial tenants is averaging 488 per month, an estimated 1,000 to 1,200 are closing each month in NYC, and SBS' solution is to create numerous programs, workshops and phone numbers for businesses to call and help grow their business, and this new Advocates bill is just another example. They are investing in these worthless programs to distract from the real crisis which is exorbitant rents and oppressive lease terms.

The SBS needs to stop partnering with the real estate lobby to create phony lifelines to small businesses and block the passage of the Small Business Jobs Survival Act (SBJSA). Their loyalty is to the wrong people. Instead, they should be working on behalf of small business owners to give them rights to negotiate fair lease terms that will result in equality and job growth. Perhaps if an agency that was supposed to be an advocate for small businesses was really doing its job, it would not necessitate an Advocate for Small Businesses within that agency.