

Inwood Small Business Coalition (ISBC)/
Coalición de Pequeñas Empresas de Inwood (CPEI)

Position Paper on the Inwood Rezoning Proposal

February 6, 2018

We are the Inwood Small Business Coalition (ISBC)/Coalición de Pequeñas Empresas de Inwood (CPEI): Inwood small businesses and our allies working for the survival and prosperity of Inwood small businesses. Our mission is to fight for the survival of our businesses and our community.

The De Blasio Administration and the New York City Council have officially recognized the crucial role small businesses play in our City's economy. While the following statements seem to outline the City's commitment to small businesses, the Inwood Planning Initiative and the proposed rezoning threatens to actively destroy the vibrant community of Inwood's small businesses, the majority of which are immigrant-owned.

There are many excellent recommendations and strategies to protect New York City's small businesses in the New York City Council's recently released report. So many that we suggest that New York City use this opportunity to make Inwood a Model Small Business District.

"Small businesses are the backbone of New York City's economy and account for approximately two-thirds of the City's private sector jobs. Of the approximately 215,000 businesses in New York City, nearly 90 percent have 20 or fewer employees and over 60 percent have five or fewer employees."

- *"Oversight: Zoning and Incentives for Promoting Retail Diversity and Preserving Neighborhood Character", Briefing Paper of the Human Services and Land Use Divisions, New York City Council, Sept. 30, 2016*

"Small businesses are a crucial vehicle for entrepreneurship, especially among recent immigrants." "Locally-owned businesses are an economic multiplier and recirculate a higher percentage of their revenues within the local economy."

- *"Planning for Retail Diversity", New York City Council, December 2017.*
<https://council.nyc.gov/land-use/wp-content/uploads/sites/53/2017/12/NYC-Council-Planning-For-Retail-Diversity.pdf>

Inwood absolutely exemplifies these beneficial impacts of small businesses. Inwood's independently-owned wholesale and retail businesses represent a vital, integrated and interdependent business ecosystem, all putting money directly back into the community, through local purchasing and local jobs. Inwood's small businesses provide opportunity and jobs in a largely immigrant community, and are essential to the stable economic health and growth of Northern Manhattan. The proposed upzoning of the Inwood "Commercial U" and 9th/10th Avenue corridor represents a serious threat to this local economy. Additionally, displacement of the wholesale businesses in the rezoning area east of 10th Avenue, will not only destroy wholesale business that provision businesses in the Inwood but the Bronx and Washington

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Heights as well.

According to the City’s own data 94% of Inwood’s small businesses lease their space, and 53% of Inwood’s small business owners say their rent is “barely affordable” right now.

- data from Neighborhood 360: Inwood Manhattan Commercial District Needs Assessment Report, NYC Small Business Services, Fall 2017

Based on the City’s 360 data and our own canvassing, the majority are minority and / or women-owned businesses. While this is not perfect data, it indicates that the displacement of Inwood businesses through the rezoning is likely to have a racially adverse impact. This has not been taken into consideration or studied in City’s environmental impact study. We urge the City to study this with care.

	Other	Arabic	Asian	Indian	Other	Latino	Total Surveyed
207th St	3	2	2	3	1	25	36
Broadway Ave	2	3	4	1	0	18	28
Dyckman St	0	0	4	1	0	15	20
Totals	5	5	10	5	1	58	84
%	6%	6%	12%	6%	1%	69%	100%

In September 2017, we canvassed the Commercial U to update the City’s 360 data. Again, this is imperfect data given our volunteer efforts. But, the overwhelming majority of the small business in the 316 active storefronts we found on the Commercial U are independently-owned businesses. Yet, the city has refused to study in the environmental impact analysis the positive economic, cultural and social impact independently-owned businesses have because they circulate dollars through the local economy.

BUSINESS TYPE	207TH ST	BROADWAY	DYCKMAN ST	Totals
Independent	91 (84%)	76 (76%)	85 (77%)	252 (80%)
Chain	10	14	20	44
Franchise	5	1	4	10
Institutional	2	7	1	10
TOTAL	108	98	110	316

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The current proposed Inwood Rezoning Plan is a threat to the existence of all of Inwood's independently-owned small family businesses. If it is enacted as now proposed, with no changes, it would immediately put new burdens and pressures on Inwood's small family businesses. These pressures would put some small family businesses quickly out of business, and others out of business within a matter of years. In fact, the planning around this rezoning has already put pressure on small businesses.

The proposed Inwood Rezoning Plan would change the zoning on commercial streets to **new zoning designations, including R7D, R8A, and C4-5D**, dramatically increasing the density and building heights in Inwood. Even higher densities are proposed for east of 10th Avenue.

This rezoning would suddenly increase commercial property values and create numerous soft sites that are highly vulnerable to demolition and redevelopment. The projected redevelopment supported by these proposed zoning designations would devastate our small business community, a fact not addressed in the rezoning proposal. In addition, demolition clauses, moreover, will reduce the value for many current businesses, stripping these largely minority-owned business owners of potential wealth. Suddenly increased commercial property values would result in:

- Increased property taxes, which are passed on to small business owners. This would start happening very soon after rezoning and could quickly result in people losing their businesses.
- Increased incentives for landlords to harass small business owners, to not renew leases, to only offer short leases or month-to-month arrangements, and to exercise demolition clauses in small business leases, reducing the value of and evicting healthy small business.
- Increased pressure on local property owners/landlords to sell out to real estate conglomerates and off-shore investors, catalyzing the potential assemblage of multiple smaller lots into large redevelopment sites.

For Inwood's independent small businesses to survive rezoning, the Inwood Rezoning must be specifically designed to include zoning and other measures that safeguard Inwood's small businesses.

A rezoning plan that will protect and foster small businesses in Inwood will include:

- Zoning all commercial areas on the **Commercial U to R-7A** with a commercial overlay
- A special **wholesale district for Inwood's wholesale businesses**, which serve Northern Manhattan and the Bronx **on a designated block in the rezoning area east of 10th Avenue.**
- Special district zoning that prevents consolidation of commercial space
- Retail size caps & restrictions on store frontage size
- Regulations to supplement zoning

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Some Specific Recommendations and Strategies

Retail Size Caps & Store-Frontage Restrictions

To safeguard “Neighborhood Character,” the City should restrict the size of commercial floor plates and storefrontages by:

- Limiting storefrontages to 25 feet
- Limiting sizes of grocery stores to 15,000 square feet

NYC should draw on precedents in New York City’s own Upper West Side’s “Special Enhanced Commercial Districts” (2012):

- Banks and residential lobbies limited to 25 feet of ground floor frontage.
- Lots over 50 feet wide must have two establishments for every 50 feet of frontage.
- Special rules for grocery stores.

Set-Asides on Redevelopment Sites

The 2010 report from the New York State Senate Committee on Cities supported the idea that “developers should be required to include small businesses in their development plans if they are to be afforded state abatements and incentives. Rents should be below market rate for at least 5 years.”

The Inwood Rezoning Proposal should:

- require set-asides for small businesses in developments over 50-60,000 square feet
- require affordable small business space within new developments on city-owned land or in city-owned buildings

(New York City has studied this: HPD and the Design Trust - “Laying the Groundwork” and EDC recent RFP East 125th Street mixed use development in East Harlem called for a set-aside.)

Supplemental Regulations to Restrict the Location of Chains in Inwood

Municipalities across the country are using zoning to regulate the ability of new ‘formula businesses’ to open. San Francisco has been the model for this – first policy in 2004 in the Mission District.

Definition: “a formula retail use is usually based on the number of stores the business operates and whether the business has some combination of criteria such as: a standardized array of merchandise, a standardized facade, a standardized decor and color scheme, uniform apparel,

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standardized signage, and/or a trademark or a service mark.”

Justification: “the preservation of unique neighborhood character or the promotion of a diverse business community.”

- Establish an application, approval, and permitting process before a chain or formula outlet can locate in Inwood.
- Specifically limit the number of chain pharmacies in the proposed rezoning area, especially in the Commercial U, to the currently existing number.
- Limit the number of bank branches in the rezoning area, especially in the Commercial U, to the currently existing number of banks.

Additional Measures to Protect Small Businesses from Displacement

- Enact meaningful legislation (A Small Business Survival Act that includes at minimum the following: Give the commercial tenant the right to renewal leases; Right to longer term leases and minimum 10 year lease renewals to businesses in good standing; Apply these to all commercial tenants) <http://takebacknyc.nyc/sbjsa/>.
 - Include protections for small business owners like residential anti-harassment penalties, such as penalizing landlords for harassment of small business owners. and denial of demolition or construction permits when harassment is found
 - Guarantee relocation assistance within the neighborhood and a right to return to their previous address if they choose to exercise this right with a minimum 5-year lease at the their lease rates before construction
 - Create a mechanism for the legalization of long standing street vendors and protections during transition.
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