



NEW YORK STATE SENATOR

Brian Kavanagh

## Small Business Recovery Lease Press Rally

BRIAN KAVANAGH September 16, 2020

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### Small Business Owners Join New York State and City Lawmakers at Rally in Support of COVID-19 “Recovery Leases” for Small Businesses

Senator Kavanagh, Assemblymember Niou, Councilmembers Lander and Powers attend Chinatown Rally with Small Business Owners and Community Leaders to discuss the urgency of getting legislation passed.

New York, NY – A group of small business owners from throughout New York City joined four New York lawmakers at a rally in Chinatown to support the Small Business Recovery

Lease Act (S8904/A10936 [here](#)). The bill seeks to help relieve small businesses from crushing rent bills by providing a property tax incentive to landlords who enter into “recovery leases” that address past-due rent and cap future rent increases. Senator Brian Kavanagh, Assemblymember Yuh-Line Niou, and Councilmembers Brad Lander and Keith Powers were joined by more than a dozen small business owners to urge swift passage of the legislation. Among those speaking at the rally, in addition to the legislators, were:

- Wellington Chen, Executive Director of the Chinatown Partnership
- Andrew Rigie, Executive Director, NYC Hospitality Alliance
- Lori Raphael, Senior Vice President of the Brooklyn Chamber of Commerce
- Jenny Low, District Leader 65th Assembly District
- Christine Colligan, President of the Korean American Parents Association of Greater of New York

Rent is among the top issues for small businesses struggling during the COVID-19 crisis. The New York Hospitality Alliance found in a survey that **83% of restaurants** were unable to pay full rent in July. The Brooklyn Chamber of Commerce reported that more than half of businesses **surveyed** are worried about staying open, and just 20% have been able to negotiate some form of rent relief with their landlord. Now, after months of closures and reduced revenues, mounting rent bills are one of the major hurdles to keeping small businesses afloat.

“The public health crisis has become a full blown economic crisis as well,” said State Senator Brian Kavanagh. “Individual businesses and whole neighborhoods are in jeopardy. This legislation is not a panacea and we know that much more needs to be done to assist small

business owners and property owners. But I believe that recovery leases will provide our local businesses with one significant path to relief and offer them some much needed long-term security.”

“It is essential that during this crisis, we work to protect our community members and provide much needed relief as small businesses are at risk of closing,” said Assemblymember Niou. “In my district, we saw and felt the economic devastation due to the COVID-19 pandemic beginning in January. Now, 8 months later, it is necessary that we ensure that our small businesses and our small business owners who have been financially impacted by the COVID-19 are able to maintain their commercial space through negotiated leases and long term affordable rents. If we do not put this legislation in place, our small businesses, which are mostly immigrant owned, run the risk of closing and leaving our neighborhoods without the resources and vibrancy we need. This legislation is an important first step in supporting our businesses before it is too late for any recovery.”

“So many of our businesses were facing challenges of rent affordability before, now they’re facing giant arrears and overwhelming anxiety about the future,” said Councilmember Brad Lander, who represents Park Slope, Kensington and other Brooklyn neighborhoods. “With federal relief uncertain, we cannot wait to take action to help small businesses and others get through this crisis. Recovery leases should be one tool in our toolbox to help small businesses lock in rents at stable, lower rates for long-term affordability that will be essential for the rebuilding and recovery yet to come.”

Council Member Powers has been a champion for small business recovery, and recently released a report encompassing action to take at the federal, state, and city levels to preserve these establishments.

“Over the past several months, I have focused on actionable solutions to save our small businesses. A central theme of my office’s recent report was addressing insurmountable rents these establishments face at a moment when their future is uncertain. With the crushing impact of COVID-19, we must act urgently to ensure their survival,” said Council Member Keith Powers, who represents the East Side of Manhattan. “Rather than waiting on the chance of Federal aid, we are taking action with legislation that provides a roadmap for rental assistance and true hope for small businesses – the heart of our city.”

"I believe this program will benefit many small businesses in the Chinatown community," said Wellington Chen, Executive Director of the Chinatown Partnership. "I especially like that it helps both landlords and tenants. One of the lessons we have learned from this crisis is that we must do as much as we can for as long as we can to keep small business owners from shutting their doors because once they vacate or leave, it is likely that it will take a long, long time before we can find another to take their place!"

“The Brooklyn Chamber of Commerce has spent countless hours over the last several months working with small businesses on the myriad of challenges they have faced during COVID and the economic shutdown. One consistent message has come through -- real rent relief is needed if we are going to save our small business ecosystem. Recovery leases represent a creative solution to address the issue, and we applaud Senator Kavanagh and Assemblymember Niou for helping to advance this idea at the State level,” said Randy Peers, Executive Director of the Brooklyn Chamber of Commerce.

“The COVID-19 crisis has financially devastated local restaurants and bars, and there’s no way these small business owners will be able to pay back multiple months of missed rent and start paying pre-pandemic rents any time soon. That’s why we commend Senator Kavanagh, Assemblymember Niou, and Councilmembers Lander and Powers for this important legislation that incentivizes landlords to work with their small business tenants to

forgive rent and restructure their leases so they can survive,” said Andrew Rigie, Director of the NYC Hospitality Alliance.

"Chinatown is full of mom-and-pop stores that give our community a vibrancy that is disappearing in too many parts of our City. They comprise more than 98% of local businesses, and they are fueled by hard-working, entrepreneurial leaders who give back to our neighborhood. We have seen them face the dual threats of the COVID pandemic and the racist, xenophobic rhetoric spewed by Trump and his followers. We need to continue fighting for these small businesses and find innovative solutions to help them and their employees survive, and Senator Kavanagh's legislation is a good start in helping support them." - Jenny Low, District Leader, 65AD, Part D

"Governor Cuomo sent an Executive Order to shut down the businesses. Now, it is time for him to send an Executive Order to save small business,," said Christine Colligan, President of the Korean American Parents Association of Greater New York. "Let the landlords work with the tenants and the mortgage banks work with the state. 3,000 stores have closed already. We must share the burden. If you are not quick to take action to save us, we will be at your door sooner than you think."

"Without rent relief, Jeeves New York, which has been at the same location on East 65th Street in Manhattan for over 30 years, will have to close our doors or move to an affordable space. With revenue down 60% since March and no end in sight, rent is our second largest expense behind payroll. If I went back in time to when our company had 60% less revenue the rent we were paying was 60% less." said Jerry Pozniak, Managing Director, Jeeves New York.

"We opened Someday Bar in July of 2019. We had ironed out all the issues and really began to pick up steam. Then Covid-19 hit and we were forced to close. I furloughed all my staff and

did to-go food and drinks alone because I knew if we didn't try we would for sure close. As a new business I didn't have years of income behind me to support my small bar/restaurant during a full closure. My landlord is a decent man and has tried to help us where he can. He knows that if we leave there won't be someone coming in behind to rent the space. But he isn't receiving a mortgage or tax break. So how is he going to give me a rent break if he isn't receiving help? The announcement for 25% dining is a step in the right direction. But I am still required to pay my pre-covid rent from my current covid income and capacity. We need rent relief to survive. How much longer can I pay this and stay open? Small businesses are begging for help. Please help us," said Megan Rickerson, owner of Someday Bar in Brooklyn.

"On March 16, we closed the doors to our Gowanus studios and do not know when we will reopen. Normally, about 570 kids would have joined us for summer camp, and we would have employed 30 teachers and staff. This year camp was cancelled and revenue for the third quarter was down 68%. (We ran a much smaller summer program that was fully online.) With that amount of lost revenue—and no idea when we will be able to reopen and rebuild—we simply don't have the money for rent," said Nate Shaw, owner and founder of the Brooklyn Music Factory.

"When the city of New York shut down in March to control the pandemic, my business, like many others, came to a halt. I was due to sign a new lease in April on the space I've occupied for 4 years. I asked my landlord for some COVID relief, and they offered me a month-to-month lease. While I appreciated the option to stay without having to commit to a lengthy lease term, I received no reduction or pause in rent and, on top of that, now had no long term security in my space. Like many businesses, mine is very costly to move (utilities, piping, gas lines, 1000s of pounds of equipment). Not only can I not afford the expense of moving at this time, I cannot leave behind the investment I made in the space itself. Right now, my landlords are taking money straight from my pocket, and there is not enough left to pay

much longer. At some point, I won't even have enough money left to move,” said Ronna Welsh, owner of Purple Kale Kitchenworks in Sunset Park.

Others in attendance included Amanda Cohen, owner of Dirt Candy Restaurant and member, NY Hospitality Coalition; Chris Trimbell, owner, Cafe Grumpy; ; Ronna Welsh, Chef/owner, Purple Kale Kitchenworks(Brooklyn); Gary Oshust, Spark Workshop (Brooklyn); Megan Rickerson, Someday Bar (Brooklyn); and Jonathan Fogash, Queens Together; Edward Cuccia, Esq and his wife Ammy Lin; Liz Ho, healthcare representative, Affinity.

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#### RELATED LEGISLATION

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### **2019-S8904**

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- Introduced
  - - In Committee Assembly
    - In Committee Senate
  - - On Floor Calendar Assembly
    - On Floor Calendar Senate

- - Passed Assembly
  - Passed Senate
- Delivered to Governor
- Signed By Governor
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Establishes the COVID-19 small business recovery lease act of 2020

August 12, 2020

In Senate Committee [Rules](#)

Sponsored by [Brian Kavanagh](#)

Do you support this bill?