

New York Retail.... Serving the Public!

A legislative report on supporting and facilitating the preservation and revitalization of retail in urban neighborhoods.

**New York State Senate
Committee on Cities**

March 2010

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Senator Shirley L. Huntley, Chairwoman 2010

Senator Daniel Squadron, Chairman 2009

**Senator Suzi Oppenheimer
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THE SENATE
STATE OF NEW YORK

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This report is the result of a hearing the Committee conducted on September 18, 2009 on retail diversity and neighborhood health. It analyzes several of the major problems local retail merchants face, such as adverse tax policy and high commercial rent. Furthermore, it explores the problems and benefits associated with “big box” retailers in New York communities and the effects they have on local retailers.

The Committee seeks to better coordinate several of the State’s existing programs that have helped local businesses. We are also considering other cities’ successful economic policies, seeking to implement some of these successful programs in the 2010 Legislative session. This report offers several recommendations for reform, including better coordination of the state’s existing programs to help local businesses, and the implementation of other cities’ successful economic policies.

We look forward to working with our partners in local government and our colleagues in the Legislature during the next year to pass many of the report’s recommendations into law. We will continue to strive to strengthen our urban neighborhoods by building and revitalizing retail diversity in our state.

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I. Introduction and Overview

Legend has it that Napoleon disparagingly referred to England as “A Nation of Shopkeepers” (L’Angleterre est une nation de boutiquiers), with the goal of depicting his adversaries as unfit for war. Napoleon clearly underestimated the importance of retail to the economic strength of a nation. Those “shopkeepers” would eventually sow the seeds of his defeat in 1815 at the Battle of Waterloo. Interestingly, Napoleon’s statement may not have in fact been his own; its roots appear in Adam Smith’s 1776 *“The Wealth of Nations”*:

To found a great empire for the sole purpose of raising up a people of customers may at first sight appear a project fit only for a nation of shopkeepers. It is, however, a project altogether unfit for a nation of shopkeepers; but extremely fit for a nation whose government is influenced by shopkeepers.¹

While the root of the problems associated with operating retail businesses in the cities of New York does not quite stretch back to Napoleonic times, the stress in this sector has a long history and predates the economic downturn of 2008-2009.

The Senate Committee on Cities, through ongoing research and testimony collected at a hearing conducted on September 18, 2009, is working to coordinate and facilitate the ability of New York businesses to better focus resources and take advantage of programs and policies designed to support a diverse retail base in urban areas throughout the state.

The Committee finds that the biggest challenges facing businesses in New York’s urban communities are high commercial rents, lack of coordination/information between state and local government and retailers, and adverse tax policy. The Committee recommends the following changes to address these issues: (1) expansion of the commercial rent abatement program in lower Manhattan and incorporation of small local retailers into major development

¹ The Wealth of Nations, Glasgow Edition, 1976, Book IV section vii.c.

projects; (2) establishment of a single entity to develop a comprehensive urban renewal policy; (3) support for localities' efforts to include "formula restrictions" or other retail-type zoning; (4) establishment of state-based task forces to implement the best practices from around the nation; and (5) comprehensive review of the state's tax policy as it affects small businesses.

A comprehensive urban renewal policy for the 21st century will strengthen our downtowns and streetscapes, create jobs, and help protect our architectural heritage by preserving historic buildings through adaptive reuse. Retail is an essential generator of economic activity for New York State, employing nearly one million workers with an annual payroll of \$26 billion. Additionally, retail generates sales taxes of twenty billion dollars per year for state and local governments.² Maintaining and growing this type of economic activity will not only help retailers' bottom lines in these difficult financial times, but will also positively impact state and local budgets.

II. Current Successful Programs

Both New York State and New York City have used a variety of tools to spur economic activity and retail. To understand the government's successes and failures in assisting the retail community a review of some of these programs is helpful:

1. Industrial Commercial Assistance Program (ICAP)

One of New York City's major economic development tools is the Industrial Commercial Assistance Program. It provides abatements of real property taxes for varying periods up to 25 years for eligible industrial and commercial buildings that are built, modernized, rehabilitated, expanded, or otherwise physically improved.

² Ted Potrikus, Executive Vice President, Retail Council of New York State, Testimony before the New York State Senate Committee on Cities, September 18, 2009.

As Ted Potrikus, Executive Vice President of the Retail Council of New York State, noted at the September hearing, the retail community is grateful for the renewal and retention of retail through the former ICIP (now ICAP):

City leaders facing budgetary pressures looked to trim this investment incentive by all but barring retail projects from eligibility. We are grateful that Mayor Bloomberg and the state legislature's New York City delegation kept their doors open for many months, giving us the opportunity to state the case for retail retaining its ICIP benefits. ...[T]he state legislature approved an ICIP renewal that included consideration for retail projects under limited circumstances and in certain portions of New York City most in need of retail development.³

2. New York State Historic Preservation Tax Credits

The state's historic preservation tax credit program can go a long way in helping historic downtowns revitalize storefronts. It also has the potential to create meaningful housing opportunities when developers restore historic commercial properties that can be mixed use. The program was expanded in 2009 (Chapter 239) in order to focus on the availability of commercial credit for distressed areas, increase the percentage of qualified rehabilitation costs that can be claimed, and increase the cap on credit value. As Corning's City Manager Mark Ryckman noted, this program should especially benefit downtown areas in the State, which-though in many cases distressed- continue to be the most likely location for small businesses and diverse retail.

3. New York State's Empire Zone Program

New York State's Empire Zone program was created to stimulate economic growth through a variety of tax incentives designed to attract new businesses to New York State. It is also meant to enable existing businesses to expand and create more jobs. To participate in the Empire Zone Program, a business must first be located in an Empire Zone, or qualify as a

³ *Id.*

“regionally significant project,” and become “zone certified.” To qualify for certification, a business must be able to demonstrate that it will create new jobs and/or make investments in the Empire Zone and be consistent with the local zone’s development plan, including a cost-benefit analysis. However, many questions have been raised about the program’s success at reaching these goals.

4. New York Main Street Program

The New York Main Street Program (NYMS) provides financial resources to assist New York’s communities with their Main Street and downtown revitalization efforts. NYMS makes funds available to stimulate reinvestment in properties located within mixed-use commercial districts. Eligible applicants include organizations incorporated under the state not-for profit corporation law, which includes community based organizations, Business Improvement Districts, Neighborhood and Rural Preservation Companies and other similar entities that have been providing relevant service to the community for at least one year prior to application.

5. Restore New York Communities Initiative

The Restore New York Communities Initiative was enacted as part of the 2006-07 state budget. It made the Empire State Development Corporation responsible for implementing this \$300 million program whose sole purpose is to revitalize urban areas and stabilize neighborhoods. Municipalities can submit requests for funding to demolish, deconstruct, rehabilitate and/or reconstruct vacant, abandoned, condemned or surplus properties. Additionally, funds can be used for site development needs related to a project including, but not limited to water, sewage, and parking.

The City of Corning has successfully made use of this program to help restore and improve its downtown business district, though city leaders have suggested that accessing these

funds through a single source, rather than multiple state bureaucracies, would be even more helpful.

6. Business Improvement Districts (BID)

The Business Improvement Districts program allows local businesses to join together to develop and fund their own plans in a variety of areas. From increased sanitation to sophisticated neighborhood marketing plans, the BIDs tackle a wide spectrum of issues. The City of New York is home to some of the most innovative BIDs in the nation. For example, the Downtown Alliance has adapted its priorities to address Lower Manhattan's current economic challenges and the specific circumstances that its local entrepreneurs face. While focusing on traditional efforts and practices, such as making capital and storefront improvements, recruiting specific retailers, and attracting customers to district stores, the Alliance also confronts the unique problems associated with having sixty construction sites in the district. To meet these challenges, the Alliance strengthened its traditional consumer marketing efforts and added an investor component. By distributing data extolling the thriving market in Lower Manhattan for retail investors and emphasizing a business-to-business follow-up component, the Alliance has made significant efforts reinforcing the district's status as a desirable location for investment.

7. Avenue New York City Program

The Avenue New York City program is another source of funding for city revitalization projects. It is designed to help non-profit economic development organizations carry out commercial revitalization initiatives. The Federal Department of Housing and Urban Development has spent billions of dollars on community development block grants (CDBG) which fund the Avenue NYC program. The program targets city neighborhoods with low-income residents. In 2007, Avenue New York City invested \$2.5 million in support of commercial

revitalization activities of 45 organizations throughout the city.⁴ Activities such as BID formation/expansion, façade improvement, merchant organizing and neighborhood economic development planning have historically been funded through this program.

8. Lower Manhattan Development Corporation

The Lower Manhattan Development Corporation was created to assist New York City in recovering from the 2001 terrorist attacks on the World Trade Center. LMDC is charged with, among other things, studying and developing initiatives for the redevelopment of Lower Manhattan. Its ultimate goal is to ensure Lower Manhattan's strength as a community over the long-term.

LMDC also administers the Small Firm Assistance Program, which has the potential to be immensely helpful to small businesses throughout the state. The program makes grants available to small businesses adversely affected by the large number of publicly funded construction projects in Lower Manhattan. Ro Sheffe, Chairman of Community Board One's Financial District Committee, in Manhattan, highlighted strengths and areas for improvement in the Small Firm Assistance Program.

9. Small Business Services Portal

In a welcome development, the New York City Department of Small Businesses Services (SBS) has recently opened a new web portal "NYC Business Express" (<http://www.nyc.gov/portal/site/businessexpress>). It is an online, one-stop resource where entrepreneurs and business owners can quickly and easily learn about licenses, permits and other government requirements for doing business in New York City. It allows customers to receive customized information about city, state and federal incentives, and apply and pay for more than

⁴ Jeremy Waldrup, Assistant Commissioner, New York City Department of Small Business Services, Testimony before the New York State Senate Committee on Cities, September 18, 2009.

thirty-five licenses, permits and certifications from multiple city agencies. As this portal continues to evolve, it would be most useful if it could be fully integrated with state and federal business assistance to allow businesses to apply for both state and federal, as well as city, licenses or permits that may be necessary for a particular venture.

10. Small Business Revolving Loan Fund

Governor Paterson's recently announced \$25 million Small Business Revolving Loan Fund is a tonic for worthy businesses that have difficulty attracting needed capital. Its goal is to provide capital to a variety of small businesses such as "mom and pop," retail, and service businesses. Startup business may also be eligible.

III. Scope of the Problem: Urban Retailers' Biggest Challenges

1. Escalation of Rent

One of the resounding themes of the September hearing was that the escalation of commercial rents has had a devastating effect on the diversity of local retailing, especially in New York City. Elena Conte of the Pratt Center for Community Development raised this salient point when she began her testimony:

[T]he number one thing that small businesses cite as their issue is the escalation of rent, and that it particularly affects small retailers. And chain stores, you know, play a big factor in raising the level of all that up.⁵

Barbara Clurman, from the Atlantic Avenue Betterment Association echoed these thoughts, "When rents are excessive, you have a retail district of cell phone stores, banks, drugstores and chain stores."⁶

2. Competition from National Formula Retailers

⁵ Elena Conte, Pratt Center for Community Development, Testimony before the New York State Senate Committee on Cities, September 18, 2009.

⁶ Barbara Clurman, Board Member, Atlantic Avenue Betterment Association, Testimony before the New York State Senate Committee on Cities, September 18, 2009.

Chain stores or “formula retailers” tend to proliferate in certain cities and neighborhoods because they can pay higher commercial rents than a new or smaller entrepreneur and offer more security. Thus, chain stores tend to be more attractive to landlords. This need not be the case.

The phenomenon of excessive rent is not just exclusive to New York City and downstate urban areas. Upstate cities and rural retailers also suffer this difficulty. However, with collaborative, innovative and creative use of the menu of state programs and resources that are available, it is possible for municipalities to redevelop existing commercial real estate into mixed-use retail. Municipalities can make the properties affordable for both new entrepreneurs and those seeking affordable housing.

As discussed during the hearing, the City of Corning has been able to maintain and revitalize its commercial district using a mix of state programs and innovative commercial renovations. As Corning City Manager Mark Ryckman explained, by using the Empire Zone Program, the Main Street grants and the Restore New York program, Corning has been able to renovate its historic downtown business district and maintain it as a vibrant center of commerce, while keeping rents affordable for independent retailers.⁷ As the City of Corning has proved, local retail can be supported and retained with creative financing and forms of state support.

3. Property Taxes

One of the costs that business owners have little control over is their tax burden. Landlords pass this cost along in the form of higher rents. Business owners must consider whether passing along higher property taxes to their customers in the products and services they provide is worth the potential loss of clientele. At the same time, battles with municipalities over their property tax assessments are a perpetual issue. It is especially galling to business property

⁷ Mark Ryckman, City Manager, Corning, New York, Testimony before the New York State Senate Committee on Cities, September 18, 2009.

owners when a neighboring mega project receives a 20-year tax abatement. These tax abatements attract competitors who are given lower fixed costs. These competitors can undercut the small business owner's prices, thus making it very difficult for the small business owner to compete.

Barbara Clurman, of the Atlantic Avenue Betterment Association, raised concerns in her testimony that property tax relief for major developments put smaller retailers at risk:

The state, city, and Empire Development Corporation talk about supporting small businesses. However, they encourage practices, which drive small businesses out. Generous subsidies are provided to large developers. These developers use their commercial space for large big box stores, suburban mall type businesses, banks and a host of other large businesses.

These developments are the recipients of government subsidies and may have their taxes abated for decades. This tax relief for developers has fueled rising taxes on small commercial residential properties. In our district, a 20-foot wide storefront may face a \$25,000 annual tax bill. These taxes are passed along to the commercial tenants in the form of higher rents, which frequently force small businesses to close.⁸

4. Deficient State and City Services and Coordination

The lack of coordination among various state and city agencies is a cause for concern. Many economic development programs that New York currently has in place are less effective, because they are spread across various agencies. Currently, programs with similar aims are distributed among various agencies. For example, the ESDC handles the Restore New York Initiative, a program focused on the rehabilitation of commercial and residential properties. Separately, the Office of Community Renewal spearheads the Community Development Block Grant Program, another program that addresses rehabilitation of commercial and residential properties.

⁸ Clurman, *supra* note 8.

Tony Bates, a small business owner on Montague Street in Brooklyn, expressed his concern that many small businesses don't know what assistance is available to them from the government:

Promote all of these packages, get them out to the small retailers because I, for one, am not aware of a lot of the incentives or what have you that might have been spoken to, or what have you, so that the small retailers can be educated as well.

We get bombarded by fees or for a cup of coffee that's been sitting on the sidewalk with a \$75 ticket which we have no idea why and we keep the sidewalks clear or what have you, but, yet, all this other information and this bureaucracy that we have to go through to adhere our taxes that we pay is almost impossible to get.

And what is happening is it makes it very difficult for a small retailer to be successful because everything is already against that small retailer because of lack of information, lack of tax burden that we carry only as a merchant, but as a landlord as well.

If I had not been a landlord, I could not be in my place of business for as long as I have. But the taxes, as we are asking all of you guys to just refocus the tax programs that you have to make it viable...⁹

New York State and City programs that support small businesses will never be utilized to the extent necessary to nurture new businesses and save old businesses if entrepreneurs do not know they exist.

Daniel Zarin, President of Zarin Fabrics, echoed the daily frustrations that small businesses suffer at the hands of competing regulatory agencies:

The cost of doing business in New York City is extraordinarily high. Retailers are not only pressured by relatively high rental rates, but also by a seemingly endless array of government agency fees and fines.

As a retailer, I feel like I'm being nicked and dined to death. From the fee for my air-conditioning units approximately \$400 per unit, to the unwarranted

⁹ Tony Bates, Owner, Bates Shoes, Brooklyn, New York, Testimony before the New York State Senate Committee on Cities, September 18, 2009.

writing of trash violations, it is impossible to control what happens to the trash after it's put outside at the end of the day properly, and until the time it's picked up by the contractor.

...As president of Zarin Fabrics, a small family business that's been operated in New York City for over 70 years, I can tell you that it has never been more difficult to run a business in New York than it is today. Small business owners support the city by employing millions of people. Yet, it is commonplace to hear or read about major incentives given to large corporations.

If the same amount of incentive money is split among small businesses throughout the city, not only will this create greater employment, but it will also support more commerce in a larger number of neighborhoods.¹⁰

As mentioned, however, the advent of the Small Business Services' online portal has the potential to alleviate many of these retailers' frustrations.

IV. Looking to Other States

The Cities Committee is fortunate to have been able to collaborate with the Pratt Center for Community Development, which has been studying the issue of retail diversity for some time, and has prepared an excellent policy brief on the issue. Their findings on what can be done are excerpted below.

New York City should start by looking to models from more than twenty states and fifty plus cities that have new or proposed laws aimed at fostering a stable, thriving and successful local business sector, turning to tolls that can be combined with smart incentives and a community planning process to encourage the kinds of businesses that neighborhood residents want and need.¹¹

The policy tools now employed or under consideration across the nation fall into three general categories: (1) land use regulations, especially zoning provisions to prevent or inhibit the

¹⁰ David Zarin, President, Zarin Fabrics, New York, New York, Testimony before the New York State Senate Committee on Cities, September 18, 2009.

¹¹ Pratt Center for Community Development, Issue Brief, "Saving Independent Retail,": August 2009.

proliferation of chains; (2) financial incentive/benefit programs and market control mechanisms to reward landlords for accommodating local retail; and (3) support programs – everything from niche marketing to grants and loans for business owners – to bolster local retailers’ ability to compete.

1. Formula Business (i.e. “Chain”) Restrictions

San Francisco, Seattle, and fifteen other cities around the country have established restrictions on chains. A formula retail establishment is commonly defined as having eleven or more other retail sales outlets in the United States, having a trademark or service-mark, and maintaining two or more standardized features, such as merchandise, facade, decor, uniform for workers, signage, etc. San Francisco has the strongest restrictions on chain retailers in the nation, using a combination of land use regulations within specifically created districts where special review is required before a chain store may open.

2. Size Caps on Commercial Property

Madison, Wisconsin and twenty-nine other cities have set size caps on commercial property. Instead of banning formula businesses outright, size caps serve as another means to prevent large chains from moving into urban neighborhoods. A store size cap amends a zoning ordinance, either for an entire city or for designated areas within a city, to limit the physical size of retail stores. Some municipalities put an outright ban on stores above a certain size, while others limit large stores to specific areas. Small towns and large cities across the nation are using store size caps to protect small and local businesses, decrease traffic congestion, lessen the burdens on infrastructure, regulate building design, and maintain pedestrian-friendly districts, among many other planning goals.

3. Neighborhood-Serving Zones

Palm Beach, Florida has established “neighborhood-serving zones,” which are designed to meet the everyday consumer needs of local residents, as opposed to attracting tourists. Such regulations limit the size and use type of retail stores in certain districts in order to maintain an area’s character and ensure pedestrian-friendly streets. Palm Beach is the only city in the nation to have this type of zoning. This type of zoning could also be used to curtail the oversaturation of any one type of business in a given area.

4. Big Box Tax

“Big box taxes” have been proposed in Maine and Minnesota, though no state has yet passed such an initiative into law. This type of tax would obviously create a disincentive for chains to locate in certain districts within a state or city. In cases where the retailer was willing to pay the tax and open a store, the tax revenue could be used to support local businesses and/or retail chain workers earning less than a living wage.

5. Community Land Trusts

A community land trust (CLT) is an existing policy tool being used in a handful of locations around the country to address the need for affordable housing. In a CLT, a private, nonprofit corporation acquires land parcels in a targeted geographic area with the intention of retaining ownership of the land in the long term. The nonprofit CLT leases or sells structures on the land at below-market rates to eligible residents, who enjoy the benefits of low rent or mortgages, while agreeing to restrictions on subletting or reselling. This model could be applied to commercial or mixed-use land. Taking property off the commercial market and leasing it at below-market rates to residents and small business owners who demonstrate need could be a viable strategy for protecting small businesses from rising rents.

6. “Shop Local” Campaigns

New York City, Austin, Texas, and many other cities around the nation have had success with campaigns that encourage patrons to shop locally. The loss of mom-and-pop shops nationwide has inspired governmental and private sector entities to create marketing campaigns for local products and local retailers. These campaigns share resources such as websites and brochures to promote “shopping local” and are often a venue for merchants to meet and discuss best practices.¹²

V. Summary and Conclusions

As the New York economy continues to struggle in this recession, a change that has long been in process becomes even more obvious: upstate and downstate, in large cities and small cities, across wealthy and struggling neighborhoods, there is less and less retail diversity. At the outset of planning for this hearing, the goal of the Senate Committee on Cities was to explore how to better serve small business in order to retain retail diversity in communities across New York. We considered the policies and programs that should be adopted or modified to help retailers thrive and survive in this difficult economy. This needs to be a constantly evolving process; it can never be static and rely on any one particular program to support and enhance small business. As noted, developing partnerships is the key.

However, a point that became evident at the hearing is that there is an under-utilization of programs or types of assistance for retailers. A lack of awareness and coordination of the existing programs themselves is a major hindrance to getting local retailers needed assistance. As multiple witnesses noted, better coordination and enunciation of existing programs would go a long way toward helping retail businesses take advantage of the aid that is already available through city and state sources. Our goal should be to facilitate a greater level of awareness and coordination of programs that can assist retailers.

¹² *Id.*

Reducing the regulatory, bureaucratic, tax and fee burdens will also assist small businesses in our city and state. As Mark Ryckman of Corning noted, there are at least three ways the State could address these deficiencies: (1) New York could establish a single entity to handle a comprehensive urban renewal policy; (2) there should be greater coordination of programs at the state level, to encourage more rapid deployment at the local level; and (3) the State should formulate and institute a comprehensive policy governing urban development and revitalization.¹³

It is clear that the problems associated with the lack of retail diversity in our downtown business districts existed well before the current recession. As Potrikus noted, the economic downturn of 2008-09 has only intensified the difficulties faced by small independent entrepreneurs and increased competition for consumer dollars; it did not create them. For some time now, consumers have been opting for the ease of online shopping. The rise of e-commerce has helped sow the seeds of demise not just for the small mom and pops, but for many larger, traditional department stores as well. There is now a whole generation of New Yorkers who have never head of the Gimbel brothers, or what happened when Abraham partnered with Strauss in Brooklyn.

The solutions offered by the government need to be flexible, broad based and comprehensive enough for maximum statewide impact in order to survive in this downturn and beyond.

VI. Recommendations

Just as it is impossible to identify any single reason for the broad loss of local and diverse retail, there is no single, silver bullet solution that would be a panacea for local retail.

Recommendations on the State level include:

¹³ Ryckman, *supra* note 9.

1. Local Retail Task Force

The State should establish a local retail retention task force consisting of a broad range of stakeholders including government, policy experts, small business owners and community groups to analyze the problem of independent retail attrition and to develop potential solutions. The focus of the task force should be to: (1) create financial incentives and programs to support independent stores; (2) develop strategies to provide for the mutually beneficial coexistence of chains and local retailers, as exists in communities such as Saratoga Springs; (3) ensure that the enforcement of sanitation, health and other codes does not unreasonably burden small business; (4) ensure transparency and coordination to existing programs; and (5) consider the best practices from around the nation, including local and formula restriction zoning.

2. Limiting the Escalation of Commercial Rent

Limiting the escalation of commercial rent is key to retaining local retail. Tax abatement programs, like ICAP, have already been shown to help; and a targeted statewide expansion of the Commercial Revitalization Program (CRP) (Chapter 22 of the laws of 2010), where tax abatements are given to landlords who agree to a schedule of modest rent increases for local businesses, could be an essential element in retaining retail diversity in urban communities. The Pratt Center, several BIDs, and nearly all hearing witnesses support this recommendation. Furthermore, various retailers and retail consultants suggested requiring large commercial developments that enjoy tax abatements to provide space for small businesses and incubator space with below market rents.

3. The Historic Preservation Tax Credit Program

New York should continue to expand eligibility and build upon and promote the use of its Historic Preservation Tax Credit Program to assist in the rehabilitation of downtown business

districts across the state. The Preservation League of New York State and the NYS Conference of Mayors support this suggestion.

4. Incorporation into Large-Scale Development

Local retail should be incorporated into large-scale economic development projects. 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 five years for included businesses. The Pratt Center and various independent retail consultants support this suggestion.

5. Displacement and Relocation Funds

New York should establish a displacement and relocation fund for large developments that displace small businesses. When developers receive 20-year tax abatements and other incentives, they should be required to pool dollars to assist smaller retailers and entrepreneurs. The Pratt Center and various retail consultants support this suggestion.

6. Business Improvement Districts

Business Improvement Districts (BIDs) are significant and important tools for business retention; however, their resources vary widely between more affluent and less affluent communities. If BIDs in low-income business districts had greater resources, they could potentially do a better job of helping retain businesses and retail diversity in these areas. Various New York City BIDs support this suggestion.

7. Small Business Assistance Program

The Small Business Assistance Program grants that are administered by the Lower Manhattan Development Corporation (LMDC) could be expanded in a number of ways: eligibility rules could be relaxed, including, for example, to allow for upper-level retailers to

qualify, not just ground-level businesses; the program could be better publicized; and it could be extended with additional funds. Manhattan Community Board One supports this suggestion.

8. Empire Zone Program

Commercial projects seeking qualification under the Empire Zone Program should be afforded benefits only if they can prove that existing sites in downtown business districts cannot meet their needs. The City of Corning supports this suggestion.

9. Social and Economic Assessments

Municipalities should be required to assess the social and economic impact of a large development in addition to the environmental impact before these projects are given approval and permission to build. The Retail, Wholesale and Department Store Union supports this suggestion.

10. Single Entity

New York State should establish a single entity to coordinate a comprehensive urban renewal policy. Currently, programs with similar aims are distributed among various agencies. Greater coordination of programs at the state level could lead to more rapid deployment at the local level. It would be more efficient for communities to access a variety of programs through a single agency. The City of Corning and the New York State Conference of Mayors support this suggestion.

11. Increasing State Resources

As a general matter – and recognizing the difficult financial situation we currently face -- the State could increase resources and funding to support local planning efforts. Increasing funding to the State Department of Transportation, for example, would go a long way towards supporting communities local comprehensive development plan. With additional funding,

communities could plan around pedestrian and transit needs, goods delivery, and auto circulation in commercial corridors, and better implement new programs and plans. This type of investment would likely pay for itself due to increased economic activity, and is supported by the Pratt Center.

12. Energy Costs

The State needs to assist in reducing merchant energy costs and making local retail greener. Connecting local retailers with existing New York State Energy Research and Development Authority (NYSERDA) programs such as energy audits and Smart Loans will help entrepreneurs maintain and sustain their businesses. The Pratt Center supports this suggestion.

13. Business Express Online Portal

The Committee applauds the creation of the NYC Business Express online portal but urges the Department of Small Business Services and state and federal agencies to fully integrate the portal with programs and licenses to truly make it a one stop location for business needs. Various BIDs and retailers support this suggestion.