September 9, 2020

Honorable Andrew M. Cuomo
Honorable Andrea Stewart-Cousins
Honorable Carl M. Heastie
Honorable Bill de Blasio
Honorable Corey Johnson

Dear New York State and New York City Government Leaders,

We the undersigned small business owners in New York City write to you regarding an urgent matter threatening our small businesses, our livelihoods, and our communities.

One of the things that makes New York City so unique and special is the thriving and vibrant small business community that is the backbone of our neighborhoods. Small businesses also employ over half of all New York City residents.

As small business owners, some of us are carrying on generations of family history and know-how in our day-to-day operations, bringing a deep sense of pride and identity to our work every day. Others of us risked our entire savings to open our small businesses in the greatest city in the world in order to make our life's dreams a reality.

Now, as we look to the future, we have all come to the same inescapable conclusion: the pandemic and related economic fallout, rent, regulations, and depleted operational capacity have made running a small business in New York City entirely unsustainable. As small businesses close around us by the thousands, many of us wonder if we will be next to announce that we too have been forced to close.

As a result, we're writing to let you know the issues most pressing to us, and we ask that you take immediate action to address them. Failure to address these problems will not only lead to thousands of more small businesses closing their doors, it will lead to tens of thousands of more jobs lost, economic instability, food insecurity, homelessness and ultimately the collapse of the city that has long been looked to as a beacon of hope and opportunity.

1. Rent Relief: Rent is the one issue that is hurting all small businesses, with commercial tenants being severely impacted. Many of us were forced to close our doors for over 3 months to help flatten the curve during the height of the pandemic, while others of us still remained closed 6 months later. We complied to keep our workers and the public safe. We believed you when you told us "we're in this together," and now while we continue to do our part to keep the city as safe as possible, we need the city and state to live up to your promise to us. Many of us owe tens of thousands of dollars months of back rent that we will never be able to pay.

Some of us had zero revenue for an entire fiscal quarter, some are still without any revenue and other essential businesses operated at extremely low capacities in order to keep providing services to their neighbors and to New York. Asking us to bear the cost of the shutdown alone is not only unfair and immoral, it is simply impossible.

A recent survey showed that nearly 83% of New York City restaurants could not pay rent in July. With each passing month we go without rent relief, that number will likely get worse as bills continue to pile up and we operate at limited capacity. In addition to rent, we bear the cost of implementing new operational regulations that continue to eat into our already thin margins or increases our debt. For us to survive, the state *must* enact some form of commercial rent relief that will allow forgiveness for some or all of the costs that we accrued while we were (and some still are) legally prohibited from operating.

2. Create a Plan for Continuing Operations: We are asking Governor Cuomo and Mayor de Blasio for clear and consistent guidelines supported by city and state agencies and regulators for publicly accessible small businesses like restaurants, performing arts spaces, retail, and religious spaces, etc. Currently religious gatherings are allowed for up to 50 people, however, restaurants (in NYC only) and theaters are not able to operate in doors, at all. While the rest of the state has been allowed to resume indoor dining, New York City has been singled out to remain shut down despite hitting all the metrics that Governor Cuomo established to re-open indoor dining at a limited capacity. Another simple change given current operational constraints on restaurants would be to have an option for an expansion of outdoor dining past 11 p.m.

We still have not seen any plans as to how we can prepare for operations during the winter as we head into the fall. The longer we go without clear guidance on indoor operations the less likely we will survive. Uncertainty and a lack of clarity is saddling us with costs as we try to guess how, or if, we should prepare for future operations. Some businesses in recent news articles have cited this uncertainty as the reason for their permanent closure. Sustained closures threaten to create a robust black market and speakeasy culture, and is turning once vibrant streets into dead zones.

3. Pass a Vacancy Tax: Vacant storefronts in New York City are at near record highs. The COVID-19 crisis is making that even worse. Unfortunately, consolidation in the real estate industry has made it possible for large holding companies to sit for years on empty space while they wait for giant corporate chains to eventually sign a lease. A vacancy tax would not only produce much needed tax income, it would go a long way towards creating a market in which small business owners could negotiate with large landlords on a more even playing field. If a property owner cannot prove that they are unable to rent a commercial space within a prescribed time period based on the current market conditions this tax should be levied. This would help regulate inflated rents created by landlords waiting years to land large corporate tenants and help create new small businesses, spurring economic growth.

4. Pass Legislations Requiring Insurance Companies to Pay: It's time to pass legislation to force the insurance industry to pay small businesses what they are owed for business interruptions, loss of business income, and/or performance disruptions. Many of us have paid into insurance plans that include business interruption insurance or other loss of business income insurance designed exactly for occasions like this. Now insurance companies are refusing to reimburse small businesses for their losses. In some instances, companies snuck "pandemic" language into plan renewals (which New York State approved after the 2003 SARS pandemic) without offering options to those same businesses for additional coverage. Insurance companies warn of the collapse of their industry if they are forced to pay but they are also sitting on billions of dollars in assets while we accumulate debt or shut down. They are in the risk mitigation business, we are not.

5. Remedial, not Threatening and Punitive, Checks from the State Liquor Authority ("SLA"): Those of us who own restaurants and bars licensed to sell alcoholic beverages would like a meeting with among us, government officials, and the SLA to address the pressing issue of negative and threatening interactions with the SLA. We're running family businesses, often on vague rules that are being arbitrarily enforced against some.

Public servants should act with dignity and respect when visiting our establishments. Patrons are often present when the SLA shows up with the sheriff's department, guns and handcuffs on their sides, and it creates an unwelcoming and nerve wracking environment. That is bad for business and that is bad for the state's economy. This is especially threatening to immigrant owned establishments. We are not criminals and should not be treated as such. Some establishments have shut down, not as a result of violations, but as a result of intimidation and stress caused by the SLA. .

Like you, we have a deep love of New York City. We know that you do not want your name to be forever synonymous with the collapse of this awe-inspiring city we call home, so we write in the spirit of working together to help be part of the solution by letting you know the challenges we face, and the resolutions we propose. At this point, however, the issues we face are so pressing and urgent that waiting even one more day to act will ultimately lead to another business closed, another dream lost, and more people unemployed. Inaction on your part is also a conscious action.

We hope that you will receive this letter in the spirit it was intended and immediately work to enact the proposals we've put forth as a small business community.

In Solidarity,

Roseann McSorley, Co-Owner	Katch Astoria
Shawn Dixon, Owner	Otis & Finn Barbershop
Jamie Faye Bean, Executive Director	Sunnyside Shines

Kambri Crews, Owner	QED Astoria
Martha Ayon, President	Azul Public Solutions
Sheila Lewandowskil, Co-Founder and Executive Director	The Chocolate Factory Theater
Colin Pearce, Founder and Consultant	Cantorum Professional LLC
Pat Irwin, Owner	PI Music
Nathan Finnegan, Owner	Albatross & ICON
Teresa Gloyd, Owner	LIC Corner Cafe
Rebecca A Trent, Owner	The Creek & The Cave
Donna Drimer, Owner	Matted LIC
Edward Farrell, Owner	Old Man Hustle
Daniel Carabano, Owner	VSPOT
Natalie Fuertes, Co-Owner	Industry Gymnastics
Kafia Saxe, Co-owner/Manager	Communitea
Maria Elizabet Flores, Owner	La Bomboniera Marylu
Kyle Hurst, President/Co-Founder	Big aLICe Brewing Company
Daniel Torres, Owner	Gotham Barbershop Inc
Jose Corona, Owner	Corona Barbershop Plus
Andrew Karistinos, Owner	Jackson’s Eatery/Bar
Zaynab Abdullah, Owner	Coffee Plus Cake
Fred Segarra, Owner	Smart Body Fitness LLC
Zoe Morsette, Owner	Zoe Morsette
Randy Carfagno, Owner	Randy Carfagno Productions LLC
Sonia Sundelson, Founder and Owner	Sonia Aviva Voice
Josh Accardo	Comedian
Alex Schindler, Owner	LIC Market
Randi Berry, Executive Director	IndieSpace
Moitri Savard, Medical Director	Queenswest Health and Wellness
Evelyn Gatzonis, Owner	Rejuvenate Face and Body
Jake Nicely, CEO Sean Penchoff, Co-Owner	Nicely Fit Co.
Guy Yedwab, President Board of Directors	League of Independent Theater
Frank Arcabascio, Owner	Redkensaloon
Mitchell Hauser, Owner	SquareWine & Spirits

Rhonda Binda, Partner	Binda & Binda LLP
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