



The New York City Council
Speaker Christine C. Quinn's Address
for Crain's Small Business Symposium
June 30, 2010

First I want to thank Xana (SHAANA), and everyone at Crain's for inviting me to be here today.

As some of you might have read, I was recently involved in a push to get the Empire State Building to light up blue and white on what would have been Mother Theresa's 100th birthday in August. Tony Malkin, the owner, refused.

Then, on Monday, I noticed that the Empire State Building was lit up to celebrate the 25th anniversary of Crain's. And I just want to thank you guys for choosing blue and white as your colors, which I can only assume was intended as a tribute to Mother Theresa. I'm considering it a personal victory.

But I really do want to thank Crain's for hosting this great event. And I want to thank all of you for coming out this morning to hear about some of the work the City Council has been doing to support our small business community.

There was a time not so long ago, when getting a room full of business owners to come see the City Council Speaker talk about her small business agenda would have been about as likely as getting a room full of Greenpeace members to come see Tony Hayward talk about his environmental agenda.

So I'm incredibly proud that in the last few years the City Council has started to build a reputation as a champion of small business.

I'm also proud that just last night the Council passed an on time, balanced, and fiscally responsible budget. We did it without laying off teachers and police officers, or closing firehouses. And perhaps most importantly, we did it without a single tax increase.

In government – just as in business or at home – your budget is the truest reflection of your priorities.

And I'm proud to say that even in these tough fiscal times, we were able to fund programs for workforce training and small business development.

We funded programs that help minority and women business owners. And we funded programs that will help new entrepreneurs get started.

We want to make sure that our commitment to small business isn't just rhetoric. It's something that we back up with actions, and incorporate into all the work we do.

And that work begins with changing old perceptions. Because unless small business owners like you believe that we're here to help, you're not going to come to us with your problems and your ideas.

And so many of our most successful initiatives grow out of conversations with all of you.

For example, we heard from store owners that graffiti was hurting their businesses. So we passed legislation making it faster and easier for the City to come and remove it from storefronts.

When we discovered that many small business owners were paying both income and business taxes on the same earnings, we created a tax credit to provide relief to small unincorporated businesses.

Now we're working with the Council's leadership team, including Joel Rivera, Lew Fidler, and Inez Dickens, to expand that kind of credit to mom and pop retailers.

We heard that one of the biggest obstacles for new businesses was permits. Since each city agency visits separately, you could spend weeks – or even months – just waiting for that one final permit.

So we began a pilot program that coordinates the inspections of different city agencies, to make sure they all get completed within a reasonable amount of time.

Each of these examples illustrates one of the three key ways we're working to help small business. I think of them as three golden rules for government.

One, we can make it easier for new businesses to open their doors. Two, we can help existing businesses to get more business. And three, we can get out of your way.

That three pronged approach underlies all of our small business initiatives, including a number of new projects we're working on right now.

Here's an example. For decades now, conventional wisdom has said that manufacturing is a dying industry in the five boroughs. But that's not exactly true.

What's actually happening is that the face of manufacturing is changing. The massive factories that once covered our waterfront are being replaced by smaller niche manufacturers, with totally different space needs.

But we discovered that many of these potential small business owners simply can't access the kind of industrial workspace they need.

So working with our Small Business Committee Chair Diana Reyna, we've partnered with two non-profits that renovate empty factories, and then lease space to dozens of small manufacturers.

So far this program has been able to create and preserve 125 jobs. And this year we're going to take it citywide.

We're going to create a 10 million dollar Small Manufacturing Investment Fund, which will be overseen by EDC.

We believe this investment will support about 40 small manufacturing firms, who in turn will create as many as 200 construction and 230 permanent jobs.

As we work to help new businesses get started, we're also looking for ways to help existing businesses expand.

So working with Council Member Robert Jackson, the chair of our Black, Latino and Asian Caucus, SBS Commissioner Rob Walsh, and NYU, we've created an executive management program for minority and women owned businesses owners.

They'll learn how to grow their businesses through marketing, contracts, and hiring.

A similar program has already shown great results in Massachusetts, where 3 out of 4 participants increased their sales and were able to hire new employees.

Now some problems affect both new businesses looking to get started and existing businesses looking to expand.

Take credit. According to recent surveys, the number of New Yorkers able to secure federal small business loans has fallen by 72 percent, and less than a third of our small businesses say their credit needs are being met.

So in April, we partnered with the Brooklyn Chamber of Commerce to convene a summit, to find creative solutions to the credit crunch. We brought together representatives of our small business community, banking industry experts, alternative lenders, and government leaders.

Next month we'll be announcing our recommendations. But we've already developed one initiative that we think will help. It's a program called "Second Look".

The New York Business Development Corporation has worked with more than a dozen banks to create a pool of money for small businesses that have been denied traditional credit. Loans can range anywhere from 25 to 150,000 dollars.

The program has already been successfully implemented in other parts of the State, and now we're going to use it to help businesses here in New York City.

Now with all this talk about ways we're helping small business, I haven't yet gotten to the most important part.

Because often, it isn't just a matter of government not doing enough to help. We actually find ways to make your lives more difficult.

For example, New York City has thousands of rules and regulations for small businesses – rules that protect public safety and the rights of consumers.

But maybe the single biggest complaint we hear from you is that these rules are enforced in a way that's unfair and inconsistent.

Here's a story we heard from a business owner in Brooklyn.

One inspector told him his license was posted in the wrong place and made him move it. The next inspector gave him a ticket and told him to move it back to the original spot.

No wonder business owners feel like they're caught in an endless game of "gotcha". We decided there has to be a better way to create and enforce our rules.

So last year the Council passed legislation to create a Regulatory Review Panel, which included our Deputy Majority Leader Leroy Comrie and our Minority Leader Jimmy Oddo, along with representatives from many City agencies.

After months of work, and meeting with business owners from across the city, they produced a list of fourteen initiatives that the Mayor and I are putting into action.

Don't worry – I'm not going to talk about all fourteen of them, or this breakfast would turn into a lunch.

But taken together, these initiatives will make it easier for small businesses to both influence and comply with City rules.

The first thing we did was pass legislation to create a Business Owner's Bill of Rights, to be distributed during inspections.

We can't make sure your rights are respected unless you know exactly what your rights are – the right to a knowledgeable inspector and consistent enforcement, the right to dispute a ticket you think is undeserved.

And we want you to know where to go if you feel that you've been treated unfairly.

Our second initiative was developed after we heard from many small business owners who had missed payment on some fines, and soon found themselves drowning in late fees and interest.

Last fall we worked with the Department of Finance to create a penalty relief program, which helped businesses save 36 million dollars in default penalties and interest.

This year we're looking to take it a step further, by expanding a program that allows businesses to resolve low-risk violations, and avoid paying fines or penalties in the first place.

Writing tickets is meant to be an enforcement tool – not an excuse for the City to make a quick buck.

For first time offenses that don't threaten public health or safety, businesses should have a chance to fix problems before they pay a fine.

But it isn't just the fines themselves that cost businesses money. Right now for a lot of violations, you have to come in person to argue against a ticket, or even just to pay that ticket off.

For some business owners, that means closing up shop for hours at a time. In this economy, that simply isn't an option.

So we're creating more opportunities to settle violations online, by mail, or over the telephone, to save small businesses time and money.

At the same time, we've created an interactive website called NYCRules. All City agencies are now required to post both proposed and final rules at nyc.gov/nycrules.

Business owners can submit comments electronically, and sign up to get newsletters about new and proposed regulations.

We're also developing guides to take the confusion and guesswork out of more complex regulations. And we'll expand on the Department of Consumer Affairs "Education Days" initiative – to teach businesses about their responsibilities, before they find themselves in violation.

Now it's easy to promise we're going to make the process better. But we want to be sure that we're held accountable.

That's why Council Member Oddo has introduced legislation to require a formal review by the Law Department and the Mayor's Office of Operations for all proposed regulations.

They'll have to examine new rules to make sure they're written in plain language, and provide all possible opportunity for people to correct problems before paying a fine. They'll also work to ensure that rules aren't overly burdensome or create unnecessary costs.

It's all about looking at how regulations affect businesses in the real world – not just in the abstract. Because we know that these rules aren't just pieces of paper. They have a major impact on the lives of real New Yorkers.

For many of you, they can mean the difference between a profit and a loss. Between hiring new employees, or having to reduce benefits for the ones you have.

Between going big and going under.

And although it may not always seem like it, we in city government have a real stake in your success. New Yorkers are looking to us to fight unemployment, create jobs, and pull us out of this recession.

But we're not going to wave a magic wand and fix the economy. The way we're going to create jobs is by empowering all of you, and helping you expand.

By helping you start new ventures that will bring money into the five boroughs.

By making it easier for you to grow, and put more of your neighbors back to work.

And most of all, by working every day to make sure we aren't holding you back.

By being a better partner for all of you, learning from past mistakes and finding ways to prevent them in the future.

The way we're going to get out of this recession is by giving New Yorkers like you the tools, so you can be the architects of your own recovery.

So thank you again for coming this morning. Thank you for continuing to share your ideas, and challenge us to do more.

And thank you for all you do to drive our economy, get New Yorkers working, and keep New York City moving forward.

And with that, I'll take some questions.