

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEES ON GOVERNMENTAL OPERATIONS AND SMALL  
BUSINESS

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February 28, 2013

Start: 1:12 p.m.

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HELD AT: Council Chambers  
City Hall

B E F O R E:

GALE A. BREWER

DIANA REYNA

Chairpersons

COUNCIL MEMBERS:

Council Member Margaret S. Chin

Council Member Leroy G. Comrie, Jr.

Council Member Inez E. Dickens

Council Member Eric Martin Dilan

Council Member Mathieu Eugene

Council Member Letitia James

Council Member Andy King

Council Member Peter A. Koo

Council Member Peter F. Vallone, Jr.

Council Member Ruben Wills

## A P P E A R A N C E S (CONTINUED)

Liz Weinstein  
Director  
Mayor's Office of Operations

Tokumbo Shobowale  
Chief Business Operations Officer  
Mayor's Office of Operations

Robinson Hernandez  
Executive Director  
Restoration Business Acceleration Team

Jack Friedman  
Executive Director  
Queens Chamber of Commerce

Andrew Mosel  
Government Relations Council  
New York State Restaurant Association.

Robert Bookman  
Counsel  
New York City Hospitality Alliance

Maureen Torulli  
Small Business Owner  
Mo's Carting

Nick Petrie  
Small Business Organizer  
Make the Road New York

Juan DeJesus  
Owner  
Cellular Store

CHAIRPERSON BREWER: Okay, good afternoon, I'm Gale Brewer, I'm Chair of Governmental Operations. This is a wonderfully, a wonderful joint committee, I'm sure that my colleague will introduce herself in a minute, but it's an honor to be with Council Member Reyna. It is the Governmental Operations and Small Business joint hearing, and I'm here to talk about the portion of governmental operations easing overly burdensome regulation on small businesses is an important component of ensuring that our city's economy constitutes, continues to gather strength and that the recovery from Sandy takes over. I think I'm a little sick of talking about Sandy, but I know that we have to keep talking about it. In a survey that came out this month from the National Federation of Independent Businesses, no issue was listed by more small businesses as their most important problem than governmental requirements and red tape. That is for sure. When more businesses are citing government regulations as an impediment to their business, then listing things like sales or rent, as in my district, you know there's a problem. We will be

1  
2 discussing five bills today that we hope will help  
3 solve this problem or at least attack it. Four  
4 were inspired by the regulatory review panel, and  
5 that was a wonderful effort, created by Local Law  
6 45 of 2009. This panel was tasked with reviewing  
7 the City's regulatory environment for small  
8 businesses and recommending improvements that  
9 would make it easier to open and run a business in  
10 our City. Many of the recommendations of the  
11 regulatory review panel have already been  
12 implemented, some of these recommendations that  
13 have been fully implemented, that have not been  
14 fully implemented, are the topic of our hearing  
15 today. Number one, Intro No. 941 aims to  
16 standardize inspector training, easing oversight  
17 and transparency, and ensuring that inspectors are  
18 receiving proper instruction. And I want to say  
19 that Tim Matusov, who's policy analyst to this  
20 Committee, was one of the helpers and the  
21 inspirational staff member behind the hearing on  
22 what I call the ABC hearing. And I have to say,  
23 that had a big impact on me and I think on others.  
24 And certainly this discussion, this bill, in my  
25 opinion came out partly out of that hearing.

1  
2 Intro No. 942 will create agency liaisons within  
3 regulating agencies to ensure open lines of  
4 communication with chambers of commerce and other  
5 stakeholders. Intro No. 949 requires regulating  
6 agencies to review their regulations for those  
7 which offer no cure period, and to recommend to  
8 the Council and the Mayor whether such an  
9 opportunity should be added to the business,  
10 making a good faith attempt to comply with the  
11 law, are not hit with onerous fines on their first  
12 infraction. And number 959 will ensure that the  
13 Business Owners' Bill of Rights, created pursuant  
14 to Local Law 18 of 2010, is distributed to small  
15 businesses to educate them about their rights. I  
16 think that's like what they call a cleanup bill.  
17 The fifth bill under consideration today is not  
18 from the panel, but concerns a topic of vital  
19 importance, the City's recovery from Sandy. This  
20 bill would waive a number of fees for businesses  
21 affected by the storm. Waiving these fees will  
22 improve the ability of businesses to get back on  
23 their feet, as the City's coastal areas hopefully  
24 continue to recover. I want to thank you but I  
25 also want to thank Council Member Reyna, because

1  
2 on this issue of small business, she has been  
3 steadfast even as recently as this morning. I  
4 also want to thank the different staff members,  
5 and introduce, I think there are member of the  
6 Committee here, but we will do David Seitzer who  
7 is the Counsel to this Committee, as well as Tim  
8 Matusov, and I'm sure that the Council Member will  
9 introduce her staff. Thank you very much.

10 CHAIRPERSON REYNA: Thank you,  
11 Council Member Gale Brewer, Chair of Government  
12 Ops. I want to really thank you for having this  
13 joint hearing in cooperation with you. We are  
14 going to fulfill what has been a long outstanding  
15 list of legislation pieces that have been  
16 committed to the small business community. In  
17 addition to the four bills Council Member Brewer  
18 mentioned in her opening remarks, we will also  
19 review a Preconsidered bill relating to the waiver  
20 of certain fees for small businesses recovering  
21 from Hurricane Sandy. Like the four bills that  
22 came from our regulation review process, this bill  
23 intends to make doing business in New York easier,  
24 but with the focus on assisting those businesses  
25 located in areas hit hardest by last October's

1 storm. Areas like Red Hook, the Rockaways, Staten  
2 Island and the Waterfront, which are slipping from  
3 the headlines, but where rebuilding has only just  
4 started. And I understand that Council Member  
5 Brewer mentioned she's tired of hearing and  
6 talking about Hurricane Sandy, but there's also a  
7 community that continues to feel like they're not  
8 heard or helped. Earlier this week, the  
9 Committees on Small Business and Economic  
10 Development held a joint oversight hearing on the  
11 impact of Hurricane Sandy on small business and  
12 the City's response. I also just came from a  
13 hearing dedicated to the Department of Finance in  
14 relationship to property damage reporting  
15 application, and we have a long road ahead of us  
16 where the Department of Small Business Services  
17 and the Department of Finance need to continue to  
18 survey property owners and make sure that they are  
19 filling out this application in which there is no  
20 coordinated effort. So we hope to have some  
21 conversations beyond this particular hearing to  
22 discuss further how we can improve that process.  
23 The Commissioner of Small Business Services  
24 testified that there are over 13,000 small  
25

1  
2 businesses located in Hurricane Zones A and B,  
3 which were either damaged or destroyed by the  
4 storm. We heard testimony from small business  
5 groups about entrepreneurs who invested their  
6 entire lives in the businesses, in their  
7 businesses, who now have nothing. In case after  
8 case, insurance companies have refused to cover  
9 their losses, leaving them struggling to put  
10 together loans and grants to resume normal  
11 operations. These small businesses formed the  
12 fabric of the communities in which they existed.  
13 They provided goods and services, enhanced the  
14 quality of life, employed local workers and paid  
15 taxes. They are essential to the economic  
16 vitality of this City and we need them back. This  
17 is why where there are business owners who want to  
18 rebuild, we need to encourage them to do so  
19 whenever we are able. To that end, Council Member  
20 Chin and I, in conjunction with the Mayor's  
21 Office, have brought this bill before this joint  
22 hearing for preconsideration today. If passed, it  
23 would allow small business owners to apply for  
24 waivers for certain fees for permits, licenses and  
25 inspections they might incur in the course of



1 rebuilding. While these fees may be significantly  
2 less than the cost of the renovations themselves,  
3 they can add up to hundreds and even thousands of  
4 dollars. This will would not waive the regulatory  
5 requirements that exist to protect public safety  
6 and consumers, but it would reduce the financial  
7 burden we place on entrepreneurs who are putting  
8 everything they have into restoring this city to  
9 what it was before Hurricane Sandy hit. I would  
10 like to thank Tokumbo Shobowale, the  
11 Administration's Chief Business Operations  
12 Officer, for joining us today to discuss the bill.  
13 I would like to also acknowledge the members of  
14 the Committee on Small Business. We are joined by  
15 Council Member Eugene, Council Member Koo, Council  
16 Member Wills, and I'd like to thank my Committee  
17 staff, Jeffrey Campagna [phonetic], our counsel,  
18 and Faith Corbett our Policy Analyst. Thank you,  
19 once again.

21 CHAIRPERSON BREWER: Go right  
22 ahead, if you'd like to begin, whomever would like  
23 to start.

24 LIZ WEINSTEIN: Thank you. Good  
25 afternoon, Chairs Brewer and Reyna and Members of

1  
2 the Council. My name is Liz Weinstein, I'm the  
3 Director of the Mayor's Office of Operations.  
4 With me today is Tokumbo Shobowale, the  
5 Administration's Chief Business Operations  
6 Officer. Thank you for the opportunity to testify  
7 before the Committees on Governmental Operations  
8 and Small Business on these very important  
9 initiatives relating to business customer service.  
10 The Administration is very supportive of the  
11 legislation being presented today. Many of the  
12 ideas proposed by the Council are projects that we  
13 have been working on together for many months. In  
14 this testimony, I will update you on our progress  
15 on some of these initiatives, and our plans to  
16 begin additional work should the legislation move  
17 forward. Regarding Intro 941, after the  
18 recommendations of the first regulatory review  
19 panel were published, my office began working with  
20 agencies and counsel staff on plans for a new  
21 standardized customer service training curriculum  
22 for inspectors. Our process for creating this  
23 curriculum included working sessions with the  
24 relevant inspectoral agencies. We met with  
25 customer service and inspector management staff

1  
2 from DCA, DEP, DOB, DOHMH, DOT, DSNY, FDNY and  
3 TLC, as well as focus groups comprised of  
4 inspectors and inspector supervisors. Members of  
5 my staff also met with the Union Square  
6 Hospitality Group's consulting unit to receive  
7 feedback on our content and approach. From those  
8 meetings we created a curriculum for agency  
9 training staff to use. In 2008, the Office of  
10 Operations had put together a customer service  
11 curriculum for agency frontline staff called  
12 "Great Service, Great City." That training was  
13 developed to partnership with NYC311, HRA and DCAS  
14 training specialists to address some of the unique  
15 issues that arise in providing good customer  
16 service in New York. For example, Great Service,  
17 Great city includes modules covering the City's  
18 cultural diversity and language access policy.  
19 Building off of that experience, the new  
20 standardized training curriculum for inspectors is  
21 comprised of three components: the Great Service,  
22 Great city work, traditional customer service  
23 topics, and new material designed specifically for  
24 this effort. The traditional customer service  
25 curriculum includes basic customer service

1 training modules that apply to any customer facing  
2 environment, like the importance of first  
3 impressions, using effective communications and  
4 awareness of body language. The third and most  
5 important component of the new training curriculum  
6 is a new set of modules that addresses specific  
7 issues and concerns of business owners and takes  
8 into account the unique circumstances of the  
9 inspection environment. Topics included in this  
10 module are lessons on inspector authority,  
11 inspector consistency and the role of inspectors  
12 in providing good customer service. After  
13 drafting the curriculum last fall, the facilitator  
14 and participant training manuals were finalized in  
15 December 2012. My office provided guidance to the  
16 agencies on incorporating the new training into  
17 their existing training regimen, and also informed  
18 the agencies of submission deadlines and reporting  
19 requirements. As of today, seven agencies--DCA,  
20 DEP, DOB, DOHMH, DOT, FDNY and TLC--have submitted  
21 their curriculums, all of which have been approved  
22 by my office. Five of these agencies will be  
23 implementing the curriculum without any  
24 modifications and two with some very slight  
25

1  
2 modifications. We're currently working with the  
3 Department of Sanitation to determine how the  
4 content of the new curriculum can best be  
5 introduced into their existing training practices.  
6 Agencies began using the new curriculum two weeks  
7 ago when DOB held its first training session with  
8 37 inspectors and supervisors. DEP held its first  
9 training session just this morning. My staff will  
10 conduct ongoing monitoring of the implementation  
11 of the curriculum by attending selected agency  
12 training sessions over the next 12 months and will  
13 in fact observe a portion of DOB's third training  
14 session later this afternoon. Agencies will begin  
15 formally reporting to my office on their training  
16 progress beginning tomorrow and every three months  
17 thereafter. Regarding Intro 956, Local Law 18 was  
18 enacted on June 1, 2010, and requires the Mayor's  
19 Office of Operations to develop and disseminate a  
20 Business Owner's Bill of Rights. Last summer, we  
21 worked with agency partners to develop and  
22 disseminate that Bill of Rights. In August,  
23 agencies were provided with training and a  
24 guidance document to aid in marketing and  
25 distributing the Bill of Rights to business

1  
2 owners. In September 2012, DOB, DCA, DEP, DOHMH,  
3 DOT, the Fire Department and NBAT [phonetic]  
4 submitted their marketing and distribution plans  
5 to my office. Operations printed 10,000 copies of  
6 the palm card, and the agencies began distributing  
7 the Bill of Rights during inspections this past  
8 fall. In addition to creating and distributing  
9 the cards, we created a Spanish translation of the  
10 palm card. Included on the card is a link to a  
11 customer service survey on our office's website.  
12 Customers and go to this link and evaluate the  
13 service they received from an agency inspector.  
14 This survey allows for ratings on staff  
15 professionalism and courtesy, how clearly  
16 inspectors communicated rules and other important  
17 information and overall customer service.  
18 Customers can also give detailed comments about  
19 their experience. Submissions sent on the website  
20 are forwarded to the appropriate agency for  
21 handling as necessary. In addition to handing out  
22 the Bill of Rights in connection with inspections,  
23 agencies are asked to post them on their websites,  
24 distribute them at community events, place them  
25 prominently at walk-in service centers, and

1 include links to it on appropriate documents.

2  
3 Last summer our scout inspector spot checked  
4 agency walk-in centers to monitor compliance with  
5 the suggestions to display prominently the Bill of  
6 Rights. Two of 21 sites were not in compliance  
7 and those sites were provided with new signs.

8 Regarding Intro 949-A, the Administration is  
9 supportive of this legislation which would allow  
10 us to study the possibility that there are  
11 additional opportunities for business owners to  
12 correct violations before they are fined,  
13 otherwise known as a cure period. Although we are  
14 supportive of the proposed bill, we do ask that  
15 the Council keep in mind the challenging nature of  
16 the task being proposed, and that it will not be  
17 possible to establish cure periods where  
18 violations are issued to protect the health,  
19 safety or welfare of the public. When the action  
20 violated cannot be undone, or when a cure period  
21 would remove any element of deterrents. For  
22 example, there are numerous violations where  
23 providing a cure period would potentially place  
24 the public at risk. Also, a cure period would not  
25 apply for a refused ride for a taxi cab, by a taxi

1  
2 cab, for example, where the violation cannot be  
3 undone. Creating a cure period for some of these  
4 violations may render a rule meaningless. The  
5 determination of whether a cure period may apply  
6 as implied by the proposed legislation will be  
7 studied by my office on a violation category or  
8 case-by-case basis. Furthermore, the proposed  
9 legislation required that the report be submitted  
10 to the Mayor and Speaker within 90 days of  
11 enactment. Beginning next week, my office will  
12 begin engaging with agencies to analyze existing  
13 rules and regulations to look for opportunities to  
14 establish cure periods where they do not currently  
15 exist. While we are being aggressive in our  
16 examination, we must also be prudent. A  
17 comprehensive analysis of thousands of violations  
18 across multiple agencies required by the bill  
19 cannot be accomplished within 90 days of  
20 enactment. The original version of the bill  
21 provided 180 days following enactment to submit  
22 the report, which is a timetable we can  
23 accommodate and so we request the bill be amended  
24 to reflect the initial timetable. And I'm going  
25 to allow Tokumbo to speak to the agency liaisons



1 and the other bill.

2  
3 TOKUMBO SHOLOWALE: Good afternoon,  
4 Chairs. Thank you. Good afternoon, Chairs Reyna  
5 and Brewer. One thing I'll just add to my  
6 colleague Liz's accommodations, on the Bill of  
7 Rights, one of the other things that we've been  
8 working to do is in addition to handing it out in  
9 visits and having it in centers, we're also  
10 working with partners such as the hospitality  
11 association, chambers of commerce, etc., because  
12 obviously they have many interactions with these  
13 affected populations and we would also encourage  
14 to the extent that it makes sense for you all and  
15 your staff to distribute, I think we're looking  
16 for as many ways as possible to get the word out.  
17 So, we're doing everything we can on our side, but  
18 I think we acknowledge that there are many other  
19 routes that are as, if not more effective in  
20 getting the word out. So, that's I think a  
21 continued opportunity for collaboration with you  
22 all. So, my name is Tokumbo Shobowale, I'm the  
23 City's Chief Business Operations Officer. And I  
24 appreciate this opportunity to testify. We've had  
25 obviously ongoing conversations about many, many

1  
2 of these issues and I think your guidance in these  
3 areas is really helpful and we look forward to an  
4 ongoing relationship. Really this is about making  
5 the city a better place for business. So, I'm  
6 going to focus my testimony on the legislation  
7 requiring agencies to assign liaisons to the  
8 communities they regulate and waiving certain fees  
9 for businesses recovering from Hurricane Sandy, as  
10 Council Member Reyna discussed at the beginning.  
11 So with regard to Intro 942-A, agency liaisons, as  
12 already stated by my colleague, Liz Weinstein, the  
13 Administration supports Intro 942-A. This  
14 legislation will require agencies to designate  
15 liaisons to the communities that they regulate.  
16 The assigned agency staff will be responsible for  
17 developing, strengthening and maintaining each  
18 agencies relationships with relevant individuals,  
19 groups and industries. The administration places  
20 a high value on receiving input and feedback from  
21 those who will be impacted by regulations. This  
22 communication already occurs in numerous ways  
23 across the city agencies, and is a fundamental  
24 component of Mayor Bloomberg's Business Customer  
25 Service Initiative. This is really how we get a

1  
2 lot of our best ideas. We rely on large and small  
3 business owners, industry representatives and  
4 advocates to provide us with information about  
5 their experiences, good and bad, in interacting  
6 with the City. This feedback helps us understand  
7 the impact of government processes and decisions  
8 and helps guide our ongoing efforts to make it  
9 easier for businesses to open, succeed and expand  
10 in New York City. As the members of the Council  
11 know, it is just this type of input that has  
12 provided the foundation for all the regulatory  
13 reform projects that we have completed or are  
14 still underway. These efforts can help to foster  
15 a greater sense of collaboration with the business  
16 community, and a better business environment in  
17 the City helps not only businesses, it helps the  
18 people they currently employ and helps them employ  
19 more people, which is particularly important given  
20 that we're still recovering from the recession.  
21 And finally, a better environment for businesses  
22 helps the customers these businesses serve and the  
23 neighbors who enjoy the communities they create.  
24 Thus we wholeheartedly support the legislation's  
25 goal of making our effort to work with regulated

1  
2 communities more transparent and focused. I look  
3 forward to working with each of the designated  
4 liaisons in the future and of course with you all  
5 as you bring issues to our attention. So, with  
6 regard to Preconsidered Introduction Hurricane  
7 Sandy Fee Waiver, we are acutely aware of the  
8 extensive damage left after Hurricane Sandy hit  
9 New York City in late October 2012. The storm  
10 caused heavy flooding, power outages and  
11 widespread damage to vast areas of the city.  
12 Thousands of businesses were impacted, causing  
13 significant disruption to individuals, families,  
14 neighborhoods and the city's economy. Restoring  
15 these businesses and the jobs they create is a  
16 critical part of the city's overall recovery from  
17 Sandy. With that in mind, following the hurricane  
18 the city has developed various ways to assist  
19 impacted businesses to recover and rebuild. The  
20 City and its partners have developed financial  
21 programs including the Small Business Assistance  
22 Grant Program, the Emergency Loan Fund, and the  
23 New York City Matching Grant. In addition, the  
24 City created the Restoration Business Acceleration  
25 Team, or RBAT, and Rob, the director of that

1  
2 effort, is right here and will be available for  
3 your questions. This team helps recovering  
4 businesses reopen as soon as possible by  
5 coordinating with services, permitting and  
6 inspections they need. We hope to take a further  
7 step today with this new legislation that would  
8 waive fees for the various permits, licenses and  
9 inspections businesses will need as they rebuild.  
10 Under the Preconsidered intro, a business that was  
11 operating on or prior to Hurricane Sandy in any of  
12 the severely impacted areas could qualify to have  
13 certain fees waived. Eligible fees are those  
14 included to repair and reconstruct and include  
15 items from several agencies. Examples include  
16 Department of Buildings fees for plumbing, Fire  
17 Department fees for testing fire protection  
18 systems, and fees for Department of Transportation  
19 suite opening permits. A business must have their  
20 eligibility for a waiver certified by applying to  
21 the Restoration Business Acceleration Team. Any  
22 business that has already paid fees may be  
23 eligible for refunds. This is yet another vital  
24 element supporting the economic recovery of  
25 individual businesses in the city as a whole.

1  
2 Thank you for your time and consideration for  
3 these important initiatives. My colleagues and I  
4 would be happy to answer any questions you might  
5 have. And before I surrender the mark, I do  
6 really want to commend the large city team. You'd  
7 think it'd be easy to say, "Hey, we're just going  
8 to stop charging for this," but this is really,  
9 really a complex effort. And there have been  
10 dozens and dozens of hours across many agencies to  
11 figure this out. And the Law Department has been  
12 a critical part of that 'cause obviously there's a  
13 lot of moving pieces and I want to personally  
14 thank Robinson who has been tireless in all of the  
15 coordination that's been required to make this  
16 happen. And so hopefully we look forward to you  
17 to making it a reality.

18 CHAIRPERSON BREWER: I have a  
19 couple of questions and I know others will. First  
20 of all, when you mentioned the cure, this is for  
21 Liz, when you mentioned that cure issue, I must  
22 admit, and I think I've told you this, but when  
23 I've gone out with the Department of Consumer  
24 Affairs, it has been a wonderful experience  
25 educating the stores before they get a ticket.

1  
2 You know, there's lots of issues that people may  
3 not know: signage and pricing, location, etc. So  
4 I keep asking this at every hearing. When I ask  
5 DOH about it, they say, "No, no, no, because the  
6 life of the human being would be at risk if we  
7 don't give them a ticket when we're there." I  
8 just don't believe it. So, I'm just wondering,  
9 how are you going to make the decisions about this  
10 cure period? In other words, I guess what I'm  
11 saying is, couldn't we have more of an education  
12 partnership? That's what--I loved that hearing,  
13 what do you call that, I call that the ABC  
14 hearing, but you know, that big hearing when we  
15 talked about the grading system. I thought it was  
16 really interesting and was long, but there was a  
17 lot of input. And one of the issues came up was  
18 why can't we have more of a partnership with the  
19 city. So, I'm wondering if this bill will help us  
20 or help them and the city have more of a  
21 partnership? Or could we work the bill to do  
22 that? Maybe I'm asking too much, but that's what  
23 I'm asking.

24 LIZ WEINSTEIN: Well, I think I  
25 understand what you're asking. I think the answer

1  
2 is yes, that that's the intention. I think of, I  
3 know that's the intention of the bill, and I think  
4 that's the intention of the Administration when we  
5 planned to take this on, which is to say that when  
6 we go to each of the agencies, we're not going to  
7 take, we're going to have a discussion, it's not  
8 going to be, "Why don't you do this?" and then us  
9 taking that answer at face value. We're going to  
10 have to get into a discussion about what exactly  
11 does it mean to protect the customer? What  
12 exactly does it mean that DCA has these  
13 opportunities or another agency offers these  
14 opportunities, and agency A or B does not. And so  
15 I think it begins, we begin to engage the agencies  
16 in discussion in a very formal way, as a result of  
17 the legislation. If there are other components of  
18 it that you think would be helpful or you think  
19 can, as we start to think about it, we can  
20 certainly come back to you and ask for guidance or  
21 for other language. But I think this gives us  
22 what you need, and I think it gives us the, what  
23 we need in terms of going to the agencies and  
24 asking for those opportunities and those  
25 opportunities to educate, specifically before



1  
2 issuing violations.

3 CHAIRPERSON BREWER: Okay, all  
4 right, and I'll have maybe after all colleagues  
5 have asked questions, I might, I come back to it.  
6 Regarding 949-A, should the bill include an  
7 examination of the Administrative Code, as well as  
8 the agency rules? That's obviously something  
9 that's also, we're wondering why that's not  
10 included in the discussion.

11 LIZ WEINSTEIN: So, I'm not sure,  
12 does the legislation specifically says "rules"--

13 CHAIRPERSON BREWER: Yes.

14 LIZ WEINSTEIN: --now?

15 CHAIRPERSON BREWER: Yes.

16 LIZ WEINSTEIN: It could be. I  
17 think when we go to the agencies, obviously it's  
18 the legislation comes from the Council. But when  
19 we go to the legislation, the agencies, we'll be  
20 looking at all violations.

21 CHAIRPERSON BREWER: I think we  
22 just maybe need to tweak it a little bit, then.

23 LIZ WEINSTEIN: Right, I do, would  
24 just want to emphasize the point that I made in  
25 the testimony, which is we're going to start this

1  
2 next week, I have a staff member who will be doing  
3 this almost fulltime, but it is going to take a  
4 long time. And so especially if we open it up to  
5 everything and that's part of the legislation, I  
6 would just want to be as thorough as I can be and  
7 make sure that you're getting sort of a study  
8 that's meaningful at the end of the day. And so,  
9 the most time you can afford is what we would ask  
10 for.

11 CHAIRPERSON BREWER: Okay. We can  
12 work on it.

13 CHAIRPERSON REYNA: So, I want to  
14 take this opportunity to thank both of you for  
15 coming and really being a partner in government,  
16 to be able to address these issues. I know that  
17 there, this is a very comprehensive package, and  
18 together we hope that there's a layered effect of  
19 trying to create a good business climate. I  
20 wanted to just go into the fact that the PMMR came  
21 out today, and I know that you were excited about  
22 Gale Brewer's e-news, because I received it as  
23 well. And it helps to understand what the  
24 priorities of the administration is regarding  
25 this, regarding PMMR. And I wanted to talk about

1  
2 the curing period in relationship to fines and  
3 whether or not, and let's take just DOHMH, whether  
4 or not we're seeing compliance as the driving  
5 force for understanding that these fines are  
6 becoming onerous and punitive as opposed to com--  
7 encouraging compliance. And so, what is the  
8 compliance effort reached because of these fines,  
9 if they're being reached at all. Or monitored at  
10 all. And clearly PMMR should be indicating that.  
11 I know that in the hearing concerning DOHMH, their  
12 concern is making sure that the public safety is  
13 priority number one. I agree. So what is the  
14 compliance?

15 LIZ WEINSTEIN: So I'll address the  
16 PMMR piece first and Tokumbo or I could probably  
17 both speak to the fines piece. But the, for the  
18 PMMR, actually we agree with you and one of the  
19 things, and Council Member Brewer has been very  
20 involved in this, but is that we've been looking  
21 at how we can make the PMMR a more useful document  
22 for you and for the communities that use it. And  
23 so, one of the things that we're going to be doing  
24 starting now for the MMR, which will be issued in  
25 the fall, which will be Mayor Bloomberg's final

1  
2 MMR, is to look at specifically on violations, how  
3 we can standardize the way agencies report on  
4 violations within their PMMR and MMR chapters.  
5 So, right now, some of our agencies, and I don't  
6 have the list in front of me, but I'm happy to  
7 give it to you, do report the number of violations  
8 that they issue. And also what happens to those  
9 violations, this is something I'm interested and  
10 you may be less so, when they get to ECB. So, are  
11 they being upheld by ECB? Does every violation  
12 that a certain agency writes get thrown away  
13 because it's not legitimate? And in that case  
14 it's just undue burden on the agency and on ECB  
15 and on city resources, 'cause we're not actually  
16 enforcing. So we're really interested in those  
17 indicators, they are not standardized throughout  
18 the agencies right now. And so we're looking to  
19 standardize that type of indicator across the  
20 violating, I don't know what we call them,  
21 inspectoral agencies. And so that's something  
22 we're going to take on now that the PMMR's over,  
23 it's one of the things that we care a lot about.  
24 And so, to the extent that you or other Council  
25 Members have ideas about what those indicators

1  
2 should look like and what you'd like to see, now  
3 is a great opportunity for us to talk further  
4 because we're, that's one of two areas that we're  
5 really focused on trying to get finished and  
6 consistent before the Mayor leaves office. So  
7 we'd be happy to meet with you and talk about  
8 ideas--

9 CHAIRPERSON REYNA: Absolutely.

10 LIZ WEINSTEIN: --with you or your  
11 team, or whatever makes sense. Regarding fines, I  
12 think we, both Tokumbo and my office, have spent a  
13 lot of time looking at fines and violations, and I  
14 think probably, I don't have the compliance  
15 numbers--

16 TOKUMBO SHOBOWALE: Nor do I.

17 LIZ WEINSTEIN: --today, and  
18 probably DOH would be a better audience or  
19 respondent to that. But it's something that we've  
20 both been working on and so, again, I would offer  
21 another discussion where we could come with DOH  
22 and take through that with you. But we are very  
23 aware of this balancing act that needs to happen  
24 between protecting the public and actually getting  
25 to the point of compliance, which is what we all

1  
2 want and trying to figure out the best balance  
3 there, but I don't have those numbers with me. I  
4 don't know if you've got anything.

5 TOKUMBO SHOBOWALE: Nor do I, but  
6 to echo Liz's comments, we completely agree with  
7 you that the goal of this is to make the City a  
8 safer place, not to be punitive to businesses.  
9 And so, you're--we agree 100 percent that having  
10 the appropriate metric to track how we're doing is  
11 appropriate. Because in a certain sense, the idea  
12 is that once we have, there's a learning curve,  
13 and once the system is in place and businesses  
14 become familiar with it, that then they can learn  
15 and compliance should increase. But we need to  
16 obviously watch that and see what happens. And  
17 the other piece of that is when there is not  
18 compliance, why is there not compliance? And so  
19 one of the things that we've done in conjunction  
20 with the Department of Health and also with other,  
21 DEP and other agencies, is identify some of the  
22 areas of highest lack of compliance, and  
23 understand where is the information gap there.  
24 And what can we do to better communicate? So for  
25 example, one of the largest sources of complaints

1  
2 and data we have, we do have better data that  
3 Liz's office collects, is from 311. So we have a  
4 lot of noise complaints, for example, about  
5 establishments.

6 CHAIRPERSON BREWER: Up on the West  
7 Side.

8 CHAIRPERSON REYNA: No, actually we  
9 took the hit, Williamsburg/Green Point, yeah. We  
10 were top three.

11 TOKUMBO SHOBOWALE: Yeah, so you've  
12 been dethroned.

13 CHAIRPERSON REYNA: Can you  
14 imagine?

15 CHAIRPERSON BREWER: Yes, we'll  
16 move from my neighborhood to yours.

17 TOKUMBO SHOBOWALE: But one of the  
18 things that it's not necessarily well--businesses  
19 may not understand well what it is they need to do  
20 to comply. What actually is the requirement. So  
21 we have worked with DEP to publish a video, and  
22 especially since you have this night club and  
23 restaurants and so on who are not necessarily--  
24 they're busy, etc., but you can have something in  
25 a short, sort of YouTube kind of video to explain

1  
2 what the process is, how it's measured, so we can  
3 better educate people. And that's something  
4 that's, the new acceleration team and other arms  
5 of the city are working to get that information  
6 out there, so when we identify what the problems  
7 are, and how do we educate people to solve those  
8 problems? And a video's one way, we can have  
9 guides, outreach. But you're exactly right that  
10 the first step is understanding what the  
11 compliance is, and then we have to figure out how  
12 we tackle that.

13 CHAIRPERSON REYNA: Abs--I think  
14 we're on the right track, speaking the same  
15 language, and how to make sure that we codify a  
16 lot of this into the PMMR so that way that's the  
17 tracking mechanism that provides transparency  
18 behind a lot of the fines that are being issued.  
19 And before we continue to press upon finding,  
20 let's understand what we're trying to achieve  
21 here. I wanted to just ask further questions, but  
22 I do want to get to colleagues, and I will try to  
23 hold off so that we can take down names of  
24 colleagues who want to ask questions. The first  
25 person is--



2 CHAIRPERSON BREWER: Council Member  
3 Koo. But we've also been joined by Council Member  
4 King, Council Member Dilan, Council Member Vallone  
5 was here earlier, but he's back, and Council  
6 Member Chin. Council Member Koo.

7 COUNCIL MEMBER KOO: Thank you.  
8 Thank you for coming to testify, Ms. Weinstein and  
9 Mr. Shobowale. Thank you very much. My question  
10 to you is on your standardized customer service  
11 training for agency inspectors, how long is this  
12 program? Is it a five hour program? Or--and then  
13 who designs them, and have you designed, asked the  
14 different industry groups to participate? The  
15 restaurant owners or bodega owners or pharmacy  
16 retail owners, or--?

17 LIZ WEINSTEIN: So, it's, I was  
18 looking over at Francisco Navarro who helped  
19 design the training. It can take up to six hours,  
20 so it's basically a one-day training, but agencies  
21 can do it however makes sense. So, operationally  
22 if it's easier to bring folks in over two  
23 mornings, and do it over two days, they can do  
24 that. If they're incorporating it with another  
25 training, it may be longer. We did work with the

1  
2 hospitality group at Union Square and they're  
3 consulting arm to do that. As far as small  
4 business owners, what we did was take the feedback  
5 from the regulatory review commission which had a  
6 lot of sort of verbatim suggestions from business  
7 owners. And we used that to inform the training.  
8 So that is now two or three years old, but we  
9 think the issues that they brought up in that  
10 forum were consistent with what we tried to  
11 address in the training. So we didn't go back to  
12 the group specifically for the training, but we  
13 took the input that we had from that very formal  
14 process and ongoing conversations that Tokumbo and  
15 other colleagues had been having with those folks,  
16 to make sure that we were addressing the issues  
17 that they cared about.

18 COUNCIL MEMBER KOO: And after the  
19 training, do they have to take a test, to make  
20 sure they pass?

21 LIZ WEINSTEIN: They do not have to  
22 take a test.

23 COUNCIL MEMBER KOO: Otherwise,  
24 they can sleep through the session, no?

25 LIZ WEINSTEIN: In theory, they

1  
2 could sleep through the session, but these are  
3 trainings that are taken I think relatively  
4 seriously, they're given once a year and most  
5 inspectors are used to getting a huge amount of  
6 training from their agencies, and then also being  
7 called to task to actually be responsive to what  
8 they were taught. So, there is not a formal test,  
9 but supervisors and senior staff at the agencies  
10 have also been briefed on the materials and say  
11 that there is an expectation that said, "Well, it  
12 may not be formal, we think it's creating a  
13 culture where there is an expectation of high  
14 customer service."

15 COUNCIL MEMBER KOO: May I tell you  
16 what's the problem most of the small business  
17 owners and the majority of them are like  
18 restaurant owners. They always tell me when the  
19 inspector come in, they're really rude, they think  
20 they're FBI agents, no, or they're doing some  
21 police enforcements. That we have to remind these  
22 agents, they are public servants. They don't go  
23 in restaurants tell everybody to stop working and  
24 then--and they yell at people and then they are--  
25 they are egomaniacs, most of them. They think

1  
2 they are acting on a huge mission, you know. So,  
3 we have to remind them that they are there to help  
4 people, to help customers. They are our servants,  
5 to enforce the public safety laws. That's it.  
6 But a lot of times, they don't remember. Because  
7 they always go to small restaurants, they tell  
8 them to "Stop working. Nobody move."

9 LIZ WEINSTEIN: Yeah. Certainly  
10 if--

11 COUNCIL MEMBER KOO: And then we  
12 have to tell them, we have to inform them about  
13 cultural sensitivities, - - .

14 LIZ WEINSTEIN: Yes. And that's a  
15 big piece of the curriculum that is certainly new  
16 to a lot of the agencies that we've, we had worked  
17 on as part of our language access program a couple  
18 years ago, and we've incorporated it in this as  
19 well. And I would just encourage folks, and  
20 certainly to Tokumbo's point, if you could pass it  
21 along, if people can respond to the survey with an  
22 incident that that, like what you're describing--

23 COUNCIL MEMBER KOO: Yeah.

24 LIZ WEINSTEIN: --having that  
25 feedback directly into the Mayor's Office, it does

1  
2 not go directly to Health, in your example, it  
3 comes to me, and for us to get that feedback, is  
4 very, very useful. We hope it doesn't happen, but  
5 to the extent it does, we want to know about it.

6 COUNCIL MEMBER KOO: So, they can  
7 do a survey immediately after the inspection?

8 LIZ WEINSTEIN: Right, there's a  
9 link, I can actually pass these around.

10 COUNCIL MEMBER KOO: But the  
11 problem is most of these are owners, they don't,  
12 they hardly speak English, let alone going on the  
13 internet, to do the survey.

14 LIZ WEINSTEIN: Is the survey  
15 translated? [background comment] We do have a  
16 version in Chinese? [background comment] The  
17 survey itself. [background comment]

18 CHAIRPERSON BREWER: You got to  
19 talk, you got to do it online. I mean, on the  
20 microphone.

21 LIZ WEINSTEIN: Sorry, Francisco,  
22 our report--[background comment] We have Chinese,  
23 Korean, Russian and Spanish, the survey is in  
24 those languages online. And the card, and I'll  
25 just pass these out, this is a Spanish/English

1  
2 card, but we do have it translated into those, at  
3 least Chinese. The agency, though, has to be  
4 astute enough to remember to bring the right  
5 language to the right business owner. But we have  
6 tried to make it as accessible as possible.

7 Please take a look and if you have suggestions on  
8 how to make it more so, the card or the website,  
9 let's talk about it and we'll try to do that.

10 'Cause we do not want the barrier here to be  
11 language or culture, we want it to be no barrier,  
12 as far as feedback.

13 TOKUMBO SHOBOWALE: The other thing  
14 I would interject is that there's always a  
15 concern, I think, with surveys, that it will  
16 somehow get back to them. And it's to reemphasize  
17 what Liz said, this does not go back to the agency  
18 at all. It goes to the Mayor's Office.

19 COUNCIL MEMBER KOO: Okay.

20 TOKUMBO SHOBOWALE: So there's no--  
21 I mean, I think it's helpful if you guys, if you  
22 can convey to your constituents, to your  
23 restaurant owners and other business owners that  
24 this is confidential, and as Liz said, we want to  
25 hear this, so I think maybe if they hear from you,

1  
2 that the survey has no bearing whatsoever on the  
3 regulation, but it helps us understand the issues.

4 COUNCIL MEMBER KOO: So this is  
5 almost like civilian complaint review for the  
6 police? And nobody know--

7 LIZ WEINSTEIN: In the sense that  
8 it's an opportunity to complain, although we hope  
9 sometimes it will be used for compliments, but it  
10 is not that formal. So, in other words, I'm not  
11 going to give it a complain number, and you're not  
12 going to be able to call me for a specific status,  
13 or--but it is a feedback forum that we think is  
14 another opportunity for folks and to Tokumbo's  
15 point, doesn't go directly back to DOH. If I get  
16 15 complaints about DOH in a day, I'm going to  
17 call them and say, "What's going on?" But it's  
18 not going to go, there shouldn't be a fear of  
19 retribution.

20 COUNCIL MEMBER KOO: And then on  
21 also, for the restaurant industry--

22 CHAIRPERSON BREWER: Council  
23 Member, - - , could he go on a tour? Could you  
24 set up a tour so that when there is a restaurant  
25 inspection, that he could go with them? Would

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that be possible?

COUNCIL MEMBER KOO: Oh, that would be nice, yeah.

CHAIRPERSON BREWER: I've done it informally, several times. But it would be good to do it formally.

TOKUMBO SHOBOWALE: We, so there, certainly, there are two things. Certainly it would be useful to go on a preoperational inspection in which Robinson could arrange. Though, I mean, the issue with the ones that are operational inspections, obviously, is that it's a, it's, they're, meant to be unanticipated, but we'll talk--

CHAIRPERSON BREWER: I watch them come in and then I follow them through the kitchen.

TOKUMBO SHOBOWALE: Right.

CHAIRPERSON BREWER: I mean, he could--

TOKUMBO SHOBOWALE: We'll talk to the Department of Health and see if we can arrange that.

COUNCIL MEMBER KOO: Sure, I don't



1  
2 mind to participate.

3 TOKUMBO SHOLOWALE: Yeah.

4 COUNCIL MEMBER KOO: Yeah, and I do  
5 my critique afterwards. And I have one more  
6 question on this. When the Mayor changed the  
7 system of inspections from points to grades, I  
8 remember really clearly there, he said that when  
9 you receive a Grade A, you won't get inspection  
10 again for, for a certain period of time. Is it  
11 six months or do you know? [background comment]

12 LIZ WEINSTEIN: Yeah, neither of us  
13 are the expert on that, but we believe it's one  
14 year.

15 COUNCIL MEMBER KOO: But there's at  
16 least a few months, right?

17 LIZ WEINSTEIN: Yeah.

18 COUNCIL MEMBER KOO: So how come, I  
19 know restaurants, they receive a Grade A, and then  
20 the next week they go inspect again, they get a C.

21 LIZ WEINSTEIN: If there's specific  
22 examples, we can help you look in--

23 COUNCIL MEMBER KOO: And then the  
24 next week again they got a B again. They are  
25 trying to play games with the owners, no?

2 LIZ WEINSTEIN: I understand your  
3 frustration. If you have specific - - we're happy  
4 to take them to Department of Health and look into  
5 it.

6 COUNCIL MEMBER KOO: Yeah, I have  
7 one restaurant, they always get inspected, it's a  
8 bakery, it's not a fancy restaurant.

9 LIZ WEINSTEIN: So we should talk  
10 about that.

11 COUNCIL MEMBER KOO: And - - for  
12 straight As, I don't even care when they come in  
13 now, they don't re--but they come too often.

14 LIZ WEINSTEIN: Yeah.

15 COUNCIL MEMBER KOO: For once, a  
16 little bakery. So, I will stop asking questions,  
17 I still have a lot, but I yield to other Council  
18 Members.

19 CHAIRPERSON BREWER: Right, we'll  
20 set up a tour. Council Member Vallone.

21 COUNCIL MEMBER VALLONE: Thank you.  
22 Thank you for this hearing, the Chairs, and I want  
23 to thank all the sponsors, Comrie, Reyna, Brewer,  
24 for these bills, I've signed on to all of them.  
25 They're all excellent. And I share Council Member

1  
2 Koo's sentiments regarding what's happening. I  
3 represent Astoria, Queens, all you have to do is  
4 walk up and down 30th Avenue and you see all the  
5 cafés and I go there all the time, and every time  
6 I sit down, an owner sits down next to me, to tell  
7 me about their travails and woes about dealing  
8 with the City, especially the Department of  
9 Health. And they say in no uncertain terms that  
10 the only stores that will be left are chains,  
11 because they have the attorneys to go through all  
12 the different regulations and all the different  
13 fines, and they cannot spend money on attorneys to  
14 stay up with where the sign needs to be. And all  
15 these different regulations and all these  
16 different rules. And we cannot let that happen.  
17 We cannot let our neighborhoods be taken over by  
18 chains and lose all the small businesses because  
19 of fines. So I'm not going to talk about that too  
20 much anymore, because we talked about it yesterday  
21 at our City Council hearing, we had a whole  
22 hearing on this before. I think you know where we  
23 are on this. So, and none of us disagree that an  
24 intentional violation of a clear city law should  
25 be fined. I mean, I would double the fines on

1  
2 litterers, if I could double them again, I would.  
3 Because they should be paying more of the city  
4 budget, if you're littering out on our streets.  
5 But these fines are very obtuse and they're very  
6 unfair. So, regarding 949, which you support, and  
7 we thank you for that, what laws right now, before  
8 you start looking at this, do you think we can  
9 start issuing warnings in time to cure before we  
10 fine owners?

11 LIZ WEINSTEIN: I don't know. I  
12 don't have any preconceived notions and as you can  
13 imagine, when we started talking to the agencies  
14 about this, there wasn't a lot of raising hands to  
15 say, "Please take away my fines." So, we're going  
16 to have to find that. If you have specific areas  
17 that you would like to see us focus on, we're  
18 certainly happy to take that into consideration.  
19 But we're going to start with an even playing  
20 field.

21 COUNCIL MEMBER VALLONE: Are you  
22 going to work with us at all? Who will you be  
23 working with to come up with these suggestions?

24 LIZ WEINSTEIN: So we'll primarily  
25 be working with the agencies and so it will be a,

1  
2 basically an opening of the books to say, "Let's  
3 look at all the violation types, start  
4 categorizing them, and start talking about what  
5 exists today in terms or cure period, what doesn't  
6 exist," and going from there. We are happy for it  
7 to be a dialogue, at the end of the day it will  
8 be, I think the wording in the legislation is a  
9 study, so a report from my office that represents  
10 the Administration's perspective, but we're more  
11 than happy to have input and if there's specific  
12 areas of concern because the world is, the  
13 universe is so large, we're happy to be pointed in  
14 certain direction.

15 COUNCIL MEMBER VALLONE: Good to  
16 hear. I like the fact that you're so willing to  
17 look into this and work with us. I wish it  
18 would've happened a little sooner, without the  
19 necessity for hearings and laws. But any law that  
20 isn't, any violation that does not concern public  
21 safety or health, should take, you should take a  
22 serious look at issuing warnings and cure periods  
23 when it comes to signs in the wrong place and a  
24 towel in the wrong location and things like that.  
25 There's no reason to be putting our small

1  
2 businesses out of business. They need help, our  
3 businesses right now, to keep their doors open,  
4 they don't need fines to keep them shut. So, I  
5 look forward to working with you on this. I know  
6 it's not your fault, and again I want to thank the  
7 chairs and the sponsors of the these bills for  
8 moving this forward. Thank you all.

9 CHAIRPERSON BREWER: Thank you.

10 Council Member Wills.

11 COUNCIL MEMBER WILLS: Good

12 afternoon. I have a couple of questions, but I  
13 also have some questions for the Preconsidered.  
14 So, is it all right if I jump in and out? All  
15 right, this will only be about five minutes at the  
16 most. When Council Member Koo spoke, you said  
17 that there was a survey that after the inspection  
18 the business owners can fill out and send back.  
19 But then you said that the surveys or the  
20 complaints that come back don't get a complaint  
21 number or anything like that. How do you monitor  
22 or how do you quantify how many complaints are  
23 coming back in a certain area so that you can make  
24 an inquiry in to the proper agency?

25 LIZ WEINSTEIN: So, I don't mean to

1  
2 say that they won't be organized and tracked, so  
3 in my office we have, I don't know if it's an  
4 Excel sheet or an Access database, but we have the  
5 infrastructure set up so that when those surveys  
6 come back, we can track them, we can loosely  
7 categorize what agency they're for, what the issue  
8 was, the date, very simple elements like that. I  
9 have to say that we've only received a dozen  
10 responses since these have started going out and  
11 the cards started going out in the fall. So--

12 COUNCIL MEMBER WILLS: I think that  
13 the reason you have only received a few is maybe  
14 because of the retaliation factor.

15 LIZ WEINSTEIN: Mm-hmm, it could  
16 be, absolutely.

17 COUNCIL MEMBER WILLS: Is there  
18 another--I don't mean to cut you off, you actually  
19 answered what I wanted--Is there another mechanism  
20 that's promoted when you go for licensing at DCA  
21 or something like that, that tells you or ensures  
22 people that there's no retaliation or there's  
23 nothing that the inspectors will get back to the  
24 businesses? Because if like when you go to DCA  
25 for your home improvement license, or your

1  
2 salesman's license, or anything like that, do you  
3 put that into the literature, so people can see  
4 that up front? Like you don't have to worry about  
5 this restaurateur, or anything like that?

6 LIZ WEINSTEIN: The only pla--and  
7 I'll get Francisco again, but the only place, and  
8 Tokumbo may know of other efforts, but the only  
9 place where our survey is listed is on the Bill of  
10 Rights card, and I think it's on the signs, as  
11 well. I don't think we say specifically--I mean,  
12 I have, some of you have the cards in front of  
13 you, you know, that it will be, you can choose to  
14 be anonymous, or anything like that. I think it's  
15 a great idea, we can certainly add that language  
16 and make it more prominent.

17 COUNCIL MEMBER WILLS: Yeah,  
18 because that would be something closer to like the  
19 whistleblowers protection that we have, so that  
20 they won't have--Okay. In the Preconsidered that  
21 we're going over, some of the things, I just  
22 needed some clarification on. It says that  
23 businesses that don't reside in the DRA would be  
24 eligible for the fee waivers, or yeah, the waiver  
25 of fees for businesses recovering. What happens



1  
2 if a business is not in one of these areas? Like  
3 let's say you have an architect or an expediter or  
4 a contractor that is not necessarily in that area,  
5 but they've already laid out extensive fees to get  
6 a project done?

7 TOKUMBO SHOBOWALE: Just to make  
8 sure I understand the question, you're saying if  
9 the business--it's meant to affect the business  
10 which was damaged, so it's not to help the  
11 architect, per se, it's managed--so, if I own a  
12 store and it was flooded, I'm contract--and you're  
13 an architect, I'm contracting you to provide  
14 architectural services, it's not about helping you  
15 it's about helping my business?

16 COUNCIL MEMBER WILLS: Right, but  
17 see the businesses are interconnected. Because  
18 the bill says that a business that is actually up  
19 and running by a certain amount of time, but if I  
20 own, let's say I own a restaurant or if I own a  
21 car dealership or something like that, all of the  
22 investment is already in the business, before we  
23 started running, before we get the final approval  
24 or the final license or something like that. So,  
25 what happens to all of the original upfront

1  
2 investment that went into it before the hurricane?  
3 What if their business was sitting there waiting  
4 for the last write off or the last inspection  
5 certification? And they've already put \$200,000  
6 into it?

7 TOKUMBO SHOBOWALE: So, that's  
8 fine, but I thought your question was actually  
9 about someone who was not located in the zone.

10 COUNCIL MEMBER WILLS: No, no,  
11 because that's, I was going into that, because it  
12 is interconnected, so if I'm the architect, and  
13 I'm waiting for a CFO for the business, and I've  
14 already outlaid funds to pay expeditors at the DOB  
15 and different things like that--

16 TOKUMBO SHOBOWALE: Right.

17 COUNCIL MEMBER WILLS: --those fees  
18 would not, I would not be able to get those fees  
19 refunded or get 'em waived going forward to redo  
20 what we had to do, because--

21 TOKUMBO SHOBOWALE: No, no, so if--

22 COUNCIL MEMBER WILLS: --you're not  
23 in that area.

24 TOKUMBO SHOBOWALE: Fees that were  
25 incurred before the event obviously are not

1  
2 covered. But if there needs to be a redo to do  
3 something that's reinspected, or a new repermited  
4 after the event for businesses located in the  
5 zone, that is included.

6 COUNCIL MEMBER WILLS: But it says  
7 only businesses that were up and running by that  
8 date.

9 TOKUMBO SHOBOWALE: Ah. So if  
10 you're saying it was on the verge.

11 COUNCIL MEMBER WILLS: Right.

12 TOKUMBO SHOBOWALE: So, that's  
13 something we should explore. I don't know if you  
14 have an answer to that, but I think that's  
15 something certainly that we would be amenable to.  
16 I mean, the one thing is that all of this  
17 application is done through Robinson and his team.  
18 So, we should check if there's a way to allow some  
19 discretion. But I mean, obviously the point is we  
20 don't want to have people who really had no,  
21 nothing to do with the storm who are just taking  
22 advantage of this to kind of get a free lunch.

23 COUNCIL MEMBER WILLS: Oh, no, I  
24 understand, but--

25 TOKUMBO SHOBOWALE: But in the

1  
2 circumstances you're saying that, yes, you could  
3 be on the verge of opening, you were in the zone--

4 COUNCIL MEMBER WILLS: Right,  
5 right.

6 TOKUMBO SHOLOWALE: --and kind of  
7 the day before you opened you get wiped out and  
8 you have to start over again.

9 COUNCIL MEMBER WILLS: Right.

10 TOKUMBO SHOLOWALE: I think we  
11 would hope then that those businesses would have a  
12 chance to not repay a second time. So, we'll  
13 explore how we might do that.

14 COUNCIL MEMBER WILLS: Okay. And  
15 then my next and last question would be, it says  
16 that the owner must also confirm that businesses  
17 currently occupies or intends to occupy the space  
18 in the same building it occupied before Sandy or  
19 in a new building on the same site. Is there a  
20 mechanism in place to--because it seems like we're  
21 locking the business in. We know we want the  
22 business to reinvest in that area. But the  
23 additional cost now after Sandy, that businesses  
24 are going to have to put up front to secure their  
25 investment, generator placement, different things

1  
2 like that. So, have we taken that into account  
3 with this bill?

4 TOKUMBO SHOBOWALE: Could you  
5 elaborate a bit, please?

6 COUNCIL MEMBER WILLIS: Okay, so if  
7 I'm a business owner, this bill says that I have  
8 to confirm that I'm going to be in the building  
9 that I was originally in or in a new building on  
10 the same exact site. What if the flood zone or  
11 whatever, I find something that's five blocks  
12 away, 'cause lines are literally that, can be  
13 shaped by a block.

14 TOKUMBO SHOBOWALE: Right.

15 COUNCIL MEMBER WILLIS: So if I find  
16 something five blocks away and I want to invest  
17 there, I'm in the same community, but I'm five  
18 blocks away, this may, this locks me in to that  
19 area, or that site, which was already hit.

20 TOKUMBO SHOBOWALE: Right. And I  
21 think the idea, again, is to have some limits,  
22 because obviously we're not--it's to have a  
23 limited scope so we're sure we're talking about  
24 the same business. And again, we want to make, as  
25 you said, keep investment, reinvestment in these

1  
2 areas, as opposed to people moving around. So  
3 it's just hard to, it's a fuzzy line once you  
4 start to say, "Well, you don't have to be in the  
5 same place, you can be a block away, can you be  
6 two blocks away, can you be six blocks away, can  
7 you be a half mile away?"

8 COUNCIL MEMBER WILLIS: But I mean,  
9 if it's relative to the same zip code or same  
10 neighborhood. If you move from Liberty Avenue--we  
11 weren't affected like that, but if you move across  
12 the - - something.

13 TOKUMBO SHOBOWALE: [interposing]  
14 Yeah, I think it's, again, I think it's, all these  
15 things, there's, I think it's the intention you  
16 cite is an admirable one. I think in  
17 implementation it gets very difficult to handle.  
18 And so I think it's better to have some  
19 boundaries. Again, I think folks can apply to the  
20 process, talk to RBAT, we may find ways to make it  
21 work. But I think it's important not to be too  
22 loose because we know with incentives and you  
23 actually sometimes call us to task that we're  
24 giving away taxpayer dollars. And so people,  
25 there is always opportunities for abuse. So, if

1  
2 you know it's the same business in the same  
3 location, that's not going to be an issue. Beyond  
4 that it's hard to verify.

5 COUNCIL MEMBER WILLS: Thank you.  
6 Thank you, Madam Chairs.

7 TOKUMBO SHOLOWALE: Thank you.

8 CHAIRPERSON BREWER: Council Member  
9 Chin.

10 COUNCIL MEMBER CHIN: Thank you.

11 It's good to hear that the Mayor's Office, I'm  
12 just going to be kind of compiling the statistics  
13 in terms of what kind of violations and how, and  
14 really help us address those issues. I wanted to  
15 focus on, in terms of the bill about doing the  
16 training. And earlier we heard that, the  
17 training, and yes they get agency training, but I  
18 think knowing New York City right now, with so  
19 many new immigrant business, immigrant business,  
20 the diversity of different cultures, I think the  
21 training needs to really take into that aspect,  
22 and also in terms of the language need also. I  
23 mean, there were cases that came through our  
24 office where business was fine for not putting up  
25 signs, and said, "Well, you have to have bilingual

1  
2 sign," but the agency don't provide it. And if  
3 you're asking the business to put up their own  
4 sign, are you going to come in and then say,  
5 "Well, is this translation correct?" So, a lot of  
6 the responsibility has to go back to the agency in  
7 terms of what are you enforcing? And one other  
8 thing that I do want to suggest that somehow  
9 working together with the Department of Small  
10 Businesses Services, so when a business open up,  
11 when they apply for a license to do a certain type  
12 of business, that information is given to them in  
13 terms of what are the requirements? Like if you  
14 open a hair salon, you have to post all these  
15 signs up. Or if you have like a employment  
16 referral business, you have to have these kind of  
17 information, and these kind of forms and signs are  
18 available in a whole package to people. Because  
19 the kind of fine that people are getting is  
20 really, I mean, hurting them. We had a case where  
21 these were employment agency in Chinatown. One  
22 business owner was fined \$7,000, and another one  
23 was fined like \$3,750, saying that, "Well, you  
24 don't have all the information collected in your  
25 app--in the application form from the employee."



1  
2 And the business owner were complaining and said  
3 that they have receipts in Chinese and English,  
4 and sometimes they don't have the complete  
5 information because the customer don't want to  
6 give all the information. And they only charge  
7 \$25 for a successful referral. And here you're  
8 hitting them with a \$7,000 fine, like how many  
9 people do they have to help find a job before they  
10 can pay that fine? So, some of this is like  
11 getting the information to people, that they need  
12 to know when they start out the business, and then  
13 periodically go back. I mean, I know that DCA  
14 once in a while they didn't contact our office or  
15 any--I don't know. But I read it in the  
16 newspaper, they went around and they did a check.  
17 They went in and they let people know that "We're  
18 going to come down and do an inspection, but this  
19 is what you need." So, that's good. I mean,  
20 periodically, maybe every year, every six months,  
21 to sort of do another educational run through, to  
22 remind people what the rules are. So that the  
23 people who are not following the rules, get  
24 another opportunity to change. And if they don't,  
25 then they should be fined. But especially with I

1 think a lot of immigrant businesses, the language  
2 is a big problem. But people are opening  
3 business. And they're creating jobs, and they're  
4 making a living. So, and it's going to take a  
5 long time for them to really, you know, learn  
6 enough English to sort of navigate just in  
7 English. So, while they're asking for help, and  
8 they, so if we could provide the information, and  
9 to the business owner and also to accountants,  
10 CPA, people that they work with, that they rely  
11 on, to get the information, too. So that they  
12 have the resources, and that's, I think that's  
13 important. It's the same thing with the  
14 restaurant. It's like, if we could, if the owner,  
15 I mean, that's why we have one bill here about,  
16 businesses owner bill of rights. They really need  
17 to know what their rights are, right, in terms of  
18 filing a complaint or they could alert the Mayor's  
19 Office anonymously, 'cause people are telling me,  
20 they're afraid of retaliation. If they complain  
21 about an inspector, or an inspection, next time  
22 it's going to be harsher. So, and I don't want  
23 people to think that, well, the fine is just a  
24 cost of doing business. And they sort of give up,

1  
2 and say, "We're not going to fight." 'Cause we  
3 have restaurants in our community that's the  
4 cleanest one, but then they come back and they  
5 say, "Oh, you have to shut down or you have to  
6 close down," and they don't know why. So, if  
7 there is sort of like a manual to explain to  
8 people what are you inspecting? And what are the  
9 points that you're charging? All the rules lay  
10 out clearly, translated officially, so people  
11 understand what they're going against. So that  
12 they know what the rules are. And I think that  
13 would really help, because the, with the  
14 restaurant, the grading system, I think is very  
15 good. People love that. 'Cause you want to go to  
16 a restaurant that you know is going to be safe.  
17 Right? So a A rating means a lot. And the  
18 business owners themselves said that. I remember  
19 during the beginning, they were so proud that they  
20 met that inspection and got that A. But then, all  
21 of the sudden now, the rules seem to change, as  
22 like Councilman Koo was saying. You got the A and  
23 you thought you were doing well, and then all of a  
24 sudden they come back and then you didn't get the  
25 A. And they came back very soon. So, they don't

1  
2 really know what, what's the regulation? So, lay  
3 it out clearly, and if the business owner know  
4 what their rights are, then I think it'll make it  
5 much more easy to do business in the city.

6 TOKUMBO SHOBOWALE: The point you  
7 make about making sure businesses know what to  
8 expect is quite important. I think it goes back  
9 to Council Member Reyna's point. So we want to be  
10 transparent and the signage is a great example.  
11 And so we're starting now to have on the website,  
12 both on business express and then also DCA has a  
13 business toolkit, where we list--DCA lists all the  
14 signs they require, and trying to go beyond that  
15 in business express, and we'll list all the signs  
16 from any agency that are required. If you're a  
17 restaurant, or if you're--you obviously ;now what  
18 agencies need to--

19 CHAIRPERSON BREWER: Tokumbo, when  
20 will that be up, this website?

21 TOKUMBO SHOBOWALE: We're doing it  
22 successively, so some of this for restaurants,  
23 which is one of the bigger issues, we'll have up  
24 soon, I would say this month, or the month of  
25 March.

2 CHAIRPERSON BREWER: By the end of  
3 March.

4 TOKUMBO SHOBOWALE: Yes. And we  
5 want to have more for additional types of  
6 restaurant types, just a list of all the signs up,  
7 and I think we'll roll that out with some changes  
8 to our broader [phonetic] and NYC.gov, business  
9 site. Well, there's different parts of NYC.gov,  
10 which will be later in the year. But to go to  
11 exactly the point that the Council Member Chin is  
12 making about having comprehensive lists of what is  
13 required of you. And that's for signage in  
14 particular, where it's easier, and then you could  
15 potentially have links to where you can download  
16 signs, etc., so you can get everything you need in  
17 one spot. And then also, the thing that helps on  
18 the website is you can address some of the  
19 language concerns. The second point you make,  
20 which is a good one, is really knowing what to  
21 expect when you're inspected. And there is some  
22 of that now that's on the DCA website, and we want  
23 to do more of that. And this is what Liz was  
24 saying earlier, it's part of the training for  
25 inspectors, consistency is a big part of that

1  
2 training. And then we also need to be transparent  
3 about, so not only are we consistent, but it's  
4 transparent what that process is. So we're going  
5 to work to have more of that where we have sort of  
6 lists of what to expect when you're inspected,  
7 that are available online.

8 COUNCIL MEMBER CHIN: Just to go  
9 back to that point, I mean, I think that's what a  
10 lot of the restaurant owner that I've spoken to,  
11 my office, has been complaining about is the lack  
12 of consistency. They don't know what to expect.  
13 And they experience the inspection themselves, you  
14 know, this time it came in and this was okay; the  
15 next time it was not okay. So, it's sort of like  
16 you have an inspector who comes in, everybody have  
17 the same book or the same, you know, checklist.  
18 So they know exactly what you're checking on, and  
19 what are you, what's the requirement. So that  
20 people, so there's inconsistency because this  
21 really depends on, "Oh, somebody, you know, this  
22 inspector is nice and the other inspector is not  
23 nice," and that shouldn't be. It should be just  
24 one set of procedure, one set of rules. And it's  
25 good that if the Mayor's Office, somebody could

1  
2 really centralize all these information, because  
3 we even talk with, you know, DBS, right, Council  
4 Member Reyna? If all this business express  
5 helping your business get started, great; but what  
6 about the business who are already there? I mean,  
7 they feel like, okay, once you get started, they  
8 don't pay any more attention to you, or help you  
9 along, to see that you are doing well and not, you  
10 know, and not paying all these fine unnecessarily.  
11 So, somehow if there is a way to centralize--the  
12 DCA is only one agency. There are other agencies  
13 involved, so if the Mayor's Office take up that  
14 responsibility to have like one location where  
15 people can go to, to get information, or to file  
16 complaint, I think that would be very, very  
17 helpful, and we will definitely let the owners  
18 know that they can, you know, submit a anonymous  
19 questionnaire, or submit a complaint to someplace  
20 where they know that it'll be heard. Thank you.

21 CHAIRPERSON REYNA: Thank you,  
22 Council Member Chin. I wanted to just share with  
23 the panel from the Administration that prior to  
24 Hurricane Sandy, in the late summer, we, I  
25 convened a meeting between the state and the city

1  
2 on consumer affairs and it was a very positive  
3 meeting where the Department of Small Business  
4 Services, along with DCA at both levels, state and  
5 city, were able to walk through what would be a  
6 better way. I was asking for a checklist. No  
7 matter what industry you're in, there should be a  
8 checklist so that you can avoid doing the wrong  
9 thing. Because nobody wants to go against code,  
10 but if you don't know what the code is, we're  
11 never going to be compliant. And I have a  
12 testimony that we have to read in the record, the  
13 business owner is not here today, could not leave  
14 his business, but Mr. Edgard Andrade [phonetic]  
15 from Wyckoff, a 99 Cent store, I want to  
16 consolidate this testimony, but I wanted to share  
17 with you, so bear with me. This business is in  
18 Bushwick, in Brooklyn, and they opened their doors  
19 in December of 2010. "Had worked hard to follow  
20 code, make sure my address, phone number were on  
21 my receipts; however, the week that the inspector  
22 came, my cash register had broken down and needed  
23 to buy a new one. We immediately, we were  
24 immediately fined for not having the appropriate  
25 information on our receipt, even though we had



1

2       been given that information since we had opened."

3       I understand why it was important to protect

4       consumers, but if there were a cure period for

5       this violation, we could protect consumers and

6       help businesses follow code. So the opportunity

7       to be able to take what was a fine with a grace

8       period to cure. And I mention that because early

9       in my tenure, we had the same issue with for hire

10       vehicles that were being fined \$100 for their

11       emergency yellow light, if it was not working.

12       And these were random checks. And the light bulb

13       cost \$10. So the fine was a thousand percent, a

14       proceed, to the City of New York, and we could--we

15       just had to easily ask for a grace period of

16       correction. And we had to pass a law in order to

17       get that accomplished. So I was able to author

18       that bill, and for hire vehicles now have the

19       opportunity, if they're fined, because it's a

20       public safety issue, a driver issue. Now they're

21       able to have that 24 hour period to buy a \$10

22       bulb, go to the precinct, verify that it works,

23       and \$100 in their pocket as opposed to \$100--plus

24       the date to fight it, in court, which they would

25       lose anyway. I want to continue in reading this,

1  
2 that the small business owner understands the  
3 protection. They were given two more fines for  
4 not having individual prices on each item on the  
5 shelf labeled 99 cents. Together, these cost,  
6 these fines cost \$300. "Four months later,  
7 another inspector came, he was very rude and would  
8 not speak to us. He walked in and grabbed items  
9 in the store and came to pay. We gave him the  
10 total, and gave him a receipt, everything was up  
11 to code. Then he showed us his badge and said  
12 that he would be searching the store for  
13 violations. I felt confident that we were okay  
14 because after the first inspection, I  
15 painstakingly went through our store to make sure  
16 we were up to code. I made sure every item had  
17 prices and receipts were correct. After searching  
18 for almost an hour, he decided to fine us because  
19 he could read prices on individual items that were  
20 hung high on the wall. We had just received a  
21 delivery and he gave us a violation because there  
22 were not recei--there were no prices on the items  
23 in the cardboard box. Then he gave me a ticket  
24 because there were air sprays that were not  
25 individually marked, even though I had put a sign

1  
2 on the whole shelf that said all items were 99  
3 cents. I took pictures of all the items in  
4 question, brought the evidence to DCA office, to  
5 contest my fine." Cynthia Cortez from the  
6 advocates of Make the Road New York, came with  
7 them to help them with the process and  
8 translation. "We arrived there and found a long  
9 time of business owners waiting to be fined.  
10 There were many small family businesses being  
11 fined for minor violations that did not endanger  
12 their customers. We waited patiently for our  
13 number. We then presented our evidence that the  
14 fines were unnecessary and he said--we went to  
15 speak with the official from DCA. He explained  
16 because it was the second violation within six  
17 months, the fine is doubled. We then presented  
18 our evidence that the fines were unnecessary. He  
19 said, 'I can't do anything about it. If you want  
20 to start a case, we will set up a hearing date and  
21 we will send inspectors to recheck the store. If  
22 you are found guilty, you must pay for all the  
23 court expenses and for the additional inspection.'  
24 Further, he said that if I simply plead guilty, I  
25 would only need to pay \$400." He's going to have

1  
2 to pay, at the end no matter what. Whether he was  
3 right or wrong, whether he was in--unjustly given  
4 a fine, it does not matter, you pay anyway, you're  
5 there to plead guilty whether you're innocent or  
6 not. "I asked him how is it possible for small  
7 businesses to fight? 'I don't have the power to  
8 take away the violation, you can bring all the  
9 evidence in the world, but at the end you have to  
10 pay it.' When the third inspection happened last  
11 year, the inspector was more reasonable. I was  
12 trying to very hard follow code and he was  
13 approachable, so I asked for help. I asked him,  
14 'So how do I know about the law so I can follow  
15 code?' He said, 'There is a library New York  
16 City, you ask for the book of DCA codes, you will  
17 find it in the book.' He said, 'I can't spend my  
18 time explaining to you all the laws, there are  
19 over'" get this, "'1,000 laws.' I said, 'So, it  
20 seems like it does not really matter. I can try  
21 to fix things, but you will always find another  
22 violation.' He said, 'Yes.'" 1,000 laws for a 99  
23 cent store. I can't imagine that the exercise of  
24 asking one agency based on 1,000 laws, and  
25 multiply that by five agencies that were listed,

1  
2 each totaling 1,000 laws, that's 5,000 laws that  
3 you guys are going to clean up? That you're going  
4 to get a checklist for? I find that the exercise  
5 begins with knowing that we have, acknowledging  
6 that we have too many unreasonable and unjust  
7 laws, and that if we just start to eliminate  
8 because there's perhaps no one cleaning all of  
9 this up, that we would start fresh with a more  
10 reasonable start point, as opposed to an  
11 unreasonable start point. So this exercise of  
12 passing an additional package of laws today, is  
13 not to add 1,004, it's to be able to reduce the  
14 number starting at 1,000. So I thank members of  
15 the public and the Committee for allowing me to  
16 read this, but it speaks loudly to understand how  
17 much work there is to do for the small business  
18 community. And what climate we have in the City  
19 of New York, that doesn't lend itself to having a  
20 successful business. I know that there's a  
21 person, a member who wants to ask a question next.

22 CHAIRPERSON BREWER: Thank you,  
23 that was very enlightening and certainly we're all  
24 familiar with that kind of very poignant question.  
25 But picking up on it, in October of last year, I

1  
2 think the Mayor's Office pledged to look at agency  
3 laws and rules just for those that are obsolete,  
4 I'm just wondering what kind of initiative you've  
5 made, what kind of progress you've made, on this  
6 initiative?

7 LIZ WEINSTEIN: To be perfectly  
8 honest, Council Member, not much. So, my office  
9 has, like almost every city office, been stripped  
10 of many of my team members who are now working on  
11 the recovery effort, two of whom were the folks  
12 who were studying the violation, the obsolete  
13 violation work. So, with some new staff members  
14 that are joining next week, that will be working  
15 on the cure period, we will pick up again, that  
16 work. So, I wish we had been able to get to it  
17 sooner.

18 CHAIRPERSON BREWER: Do you have  
19 any timeframe then that this October deadline  
20 might be met by?

21 LIZ WEINSTEIN: Yeah, I think we're  
22 still trying to get you something by April.

23 CHAIRPERSON BREWER: April 1st?

24 LIZ WEINSTEIN: Can we say, what  
25 day is today? No, I think I need a little more

1  
2 time than that. Can we say end of April?

3 CHAIRPERSON BREWER: End of April.

4 LIZ WEINSTEIN: Yes.

5 CHAIRPERSON BREWER: All right. I  
6 just want to say, there is this distinction  
7 between the cure, which was given as an example.  
8 In other words, what did the light in the livery  
9 cabs issue, time to cure. But I have to say, and  
10 I'm going to say it again, in my experience  
11 walking with the Department of Consumer Affairs,  
12 was so positive, but their answer of course is, "I  
13 don't have enough staff to educate all of the  
14 stores." So, I just think as you're reviewing and  
15 doing this legislation and implementing it,  
16 perhaps you really could re-look at some of the  
17 ways that these inspections are done. Because  
18 everybody wants to be educated, that's what we  
19 find out. They just don't know the rules.  
20 Obviously, there are bad actors and they should,  
21 they should be fined in the appropriate fashion.  
22 But the fact that people want to know and be your  
23 partner is more intense than you could ever  
24 imagine. And they are just feeling the opposite.  
25 So you have to think, just it needs a really

1  
2 rehashing, retagging, rethought. Is that  
3 something that, as a result of all these hearings-  
4 -Now, when I talk about Sandy, I guess what I'm  
5 saying is, you've been very supportive, thank god.  
6 The City has and the members have. The question  
7 is, is there something that comes out of it that  
8 could perhaps lend itself to trying to rethink  
9 some of these rules and regulations?

10 TOKUMBO SHOBOWALE: Well, I might  
11 speak, rethinking rules and regulations, what Liz  
12 just referred to, and so that's something we'll  
13 come in April. But what you're pointing out, and  
14 this has been a recurring theme, is the  
15 communication.

16 CHAIRPERSON BREWER: Correct,  
17 there's two, yeah, two - - here.

18 TOKUMBO SHOBOWALE: And so that's  
19 where, again, I do want to, you mention, reference  
20 agencies being busy, and that, that is the case.  
21 And I think in some ways it's hard, even just on a  
22 one-to-one basis, you just think about efficiency,  
23 it's a hard way to, you know, and there's also  
24 language barriers, and there's plenty of reasons  
25 why that's not a very effective way. Which is why



1  
2 we're looking at broader based mechanisms where  
3 you can efficiently reach many people.

4 CHAIRPERSON BREWER: Well, the web  
5 is fine, but does everybody have a computer on the  
6 premise?

7 TOKUMBO SHOLOWALE: No, everyone  
8 does not, but we're trying to make more things,  
9 for example, smartphone enabled. And so this is  
10 one of the things where the penetration of  
11 smartphones is incredibly, incredibly able. And  
12 so with the redesign we'll see NYC.gov, we want to  
13 make sure that it's accessible on various  
14 platforms. So it can be on your tablet, it can be  
15 on your smartphone, etc. And then also, I think,  
16 you know, we do want to make sure that we have  
17 other opp--you know, whether it's community  
18 organizations, or libraries that people can  
19 access. But I think the web may not be perfect,  
20 but it reaches a lot more people, success with a  
21 lot more people. So our real effort is to make  
22 more and more information, to your point, so  
23 people can understand what compliance entails.

24 CHAIRPERSON BREWER: I mean, I  
25 agree, I just think that even in that case, then

1  
2 you have to do some training of how to use some of  
3 these apparatuses. I mean, I understand that, you  
4 know, people are busy, I know even in my district,  
5 a lot of the merchants do not have, even on the  
6 premises, either a smartphone that is fast enough  
7 and quick enough to be able to get this  
8 information. So, I just think, we need maybe a  
9 transition period to say, "These are educat--"  
10 instead of giving fines the first time, as was  
11 described in that letter, why can't that same  
12 inspector do a heavy education forum, going up and  
13 down the streets, first, before they start with  
14 the fines. It would be a retooling. But it is  
15 something to think about, 'cause that's the buzz  
16 that you want, that the City is working with you,  
17 we're going to find you if you're greatly breaking  
18 the law, but we're going to try to make sure that  
19 you are informed first. For god's sake, the dry  
20 goods store, for lack of a better word, they are  
21 not producing health concerns for the public. So,  
22 really, it's so pervasive. I was in a hardware  
23 store yesterday with the same issues, exactly the  
24 same issues. So. We could talk about this  
25 forever. Do you want more questions? Go ahead.

2 CHAIRPERSON REYNA: I wanted to  
3 just mention the fact that the small business  
4 community is not invited to subscribe to the City  
5 of New York, for any of this information. And so,  
6 I don't understand how the small business owner  
7 could receive that information through the  
8 smartphone. Is there something that you're going  
9 to be considering, to make that happen?

10 TOKUMBO SHOBOWALE: So, I mean, the  
11 internet is not a email subscription service.

12 CHAIRPERSON REYNA: No, but you  
13 mentioned the smartphone, and so--

14 TOKUMBO SHOBOWALE: Well, the idea  
15 is that it will have, make the format we have on  
16 the web, more easily digestible. So it doesn't  
17 require a big PC screen to read things. And the  
18 other thing we're doing to your point, that not  
19 everyone has access, to the extent that we've  
20 done, for example, with our opening guys, we have  
21 several quick start guys, which are basically on  
22 two pages, or both sides of one sheet of paper you  
23 can see across agencies what are all the things I  
24 need to do, soup to nuts, to open my business?  
25 So, and that's available PDF. So, if you don't

1  
2 have a computer, you can print it out, it can be,  
3 it's actually available at our small business  
4 service solution centers, etc. Do more things  
5 like that, so there's a transitional mechanism for  
6 folks who don't have internet access, to get  
7 similar information just in a handout. So, and  
8 this is something we're going to continue to  
9 expand, because it's, as you point out, there are  
10 thousands of laws, many different kinds of  
11 business types, so organizing information in a way  
12 which is easily accessible is not a small  
13 challenge. But I think we're trying to work our  
14 way through that. And I think as we have more and  
15 more information, we're going to start pushing it  
16 out more, and again, as we talked about earlier  
17 with the business customer bill of rights, looking  
18 to partnerships with you all, with the chambers of  
19 commerce, from the boroughs, industry  
20 associations, bids, there's other ways, 'cause  
21 they have much more frequent interaction. And to  
22 your point, are trusted by businesses. To be  
23 honest, sometimes, businesses don't really trust  
24 us, they don't come to use for information. And I  
25 think it was Council Member Chin's point about

1  
2 accountants and other sort of advisors to  
3 businesses, and using as many of these channels as  
4 possible to get the word out, because again, there  
5 are literally tens of thousands of businesses.  
6 So, it's a large group to educate.

7 CHAIRPERSON REYNA: Sure, and I  
8 know that you acknowledge that and, you know,  
9 working with you, I know the organization EVICO  
10 [phonetic] had reviewed Intro 949 and perhaps an  
11 oversight on our part, DOT is not included. And  
12 the industrial sector depends a lot on what fines  
13 are being issued through the Department of--or  
14 what codes are, have to be followed through the  
15 Department of Transportation. So we would be  
16 looking to add that as an agency to Intro 949.  
17 I'm sorry, I wanted to just share that with you,  
18 working with the small business solution provider,  
19 for the IBZ, and hearing from a lot of those  
20 providers, that this particular agency affects  
21 them dearly. I also want to just, for the sake of  
22 under--of understanding whether or not I'm being  
23 very clear in asking, for there to be a cure  
24 period that is reflecting what would be no fine,  
25 and a curing period of fixing what the violation

1  
2 was. Is that something that the Administration is  
3 supportive of?

4 LIZ WEINSTEIN: I think what we're  
5 saying today is that we're supportive of the idea  
6 of looking and considering where that might be  
7 appropriate.

8 CHAIRPERSON REYNA: Okay. And that  
9 would take how long? Was that the April 1st?

10 LIZ WEINSTEIN: No, I think there's  
11 three dates on the table. So, April 1st, now  
12 we're saying end of April, 30 days--

13 CHAIRPERSON BREWER: You could say  
14 April 1st.

15 LIZ WEINSTEIN: [laughs] At the end  
16 of April, we're going to come back to you with a  
17 list of potentially obsolete violations, this was  
18 a, I don't remember what we called it, but an  
19 agreement we came to with the Council, it hasn't  
20 been legislated, that my office would look through  
21 those thousands of violations, and just see if  
22 there's things that haven't been used in a while,  
23 that we can just clean up, you know, as a, from  
24 the Council and Administration side.

25 CHAIRPERSON BREWER: There's a

1 spittoon thing, I think.

2 LIZ WEINSTEIN: Yeah. [laughs]

3 Right, maybe we can get rid of that. So that's  
4 one piece. Then, we are also talking about the, I  
5 would like to have a 180 days to do the study that  
6 is being legislated in Intro 949, right now the  
7 legislation says 90 days. And so if we can come  
8 to some sort of--

9 CHAIRPERSON REYNA: In between--

10 LIZ WEINSTEIN: Something.

11 Especially if DOT's included, especially because I  
12 know this is an area that everyone really wants to  
13 see a thorough study on.

14 CHAIRPERSON REYNA: Sure.

15 LIZ WEINSTEIN: Then the more time  
16 we have, the better obviously, I know folks, you  
17 know, want to see results. So, we would be  
18 looking to you for what that could possibly be.  
19 And then I had some other date in mind, but now I  
20 can't remember what it would've been.

21 CHAIRPERSON REYNA: As you are  
22 thinking of that third date, I want to take an  
23 opportunity to ask, do the waivers have to be  
24 applied for by September 30th? Or is the deadline  
25

1  
2 only for registration with RBAT? Robinson, if you  
3 could just introduce yourself.

4 ROBINSON HERNANDEZ: Sure, Robinson  
5 Hernandez, Executive Director for RBAT. Right  
6 now, the way that we've outlined the bill is there  
7 is a deadline for submissions of applications at  
8 the end of September 30th. We're in discussions  
9 with Council staff on looking to see if that can  
10 be extended.

11 CHAIRPERSON REYNA: Okay. And if  
12 the extension should happen, what are you looking  
13 to extend it towards?

14 ROBINSON HERNANDEZ: Well, we're  
15 looking right now to, we're looking at extending  
16 it through the end of October, so October 31st.  
17 Which would allow us to show that the program was  
18 in effect for one year past the, past Hurricane  
19 Sandy.

20 CHAIRPERSON REYNA: Is it the  
21 waiver that has to be--is it the registration for  
22 the waiver that has to be--

23 ROBINSON HERNANDEZ: Right.

24 CHAIRPERSON REYNA: --submitted by  
25 that date? Or is it the waiver--



2 ROBINSON HERNANDEZ: Right, so this  
3 is what we're still in discussions about.

4 CHAIRPERSON REYNA: Okay.

5 ROBINSON HERNANDEZ: So what we  
6 were looking at originally was having all of the  
7 applications and the submissions for, or the  
8 requests for refunds, for the fees to be waived,  
9 by the end of the time period. But what we're now  
10 looking at is, having the regis--having the  
11 applications be submitted through the end of  
12 October 31st, and possibly looking at the end of  
13 the calendar year, for the fees being reimbursed  
14 to the businesses. But in, as part of that  
15 discussion, there's an analysis that we need to  
16 look at.

17 CHAIRPERSON REYNA: So. We're just  
18 trying to have a conversation around the date, as  
19 far as registration is concerned, and recognizing  
20 that tax season is April 15, you are going to have  
21 a soon after May 31st deadline for this  
22 registration--

23 ROBINSON HERNANDEZ: Sorry, the May  
24 31st date is for refunds for businesses that have  
25 already applied and that have already paid fees to

1  
2 the city. And so there are two deadlines that  
3 we're looking at. The first one for refunds is  
4 May 31st. So those apply to businesses that were,  
5 that had already submitted some sort of fee to the  
6 city. The second deadline is for new applications  
7 that are being submitted to the city that would  
8 expire on the 31st of October. And in theory what  
9 we would then allow is through the end of the  
10 calendar year, two months for businesses to submit  
11 their receipts or to submit jobs to the separate  
12 agencies.

13 CHAIRPERSON REYNA: Robinson, can  
14 you just walk me through with a scenario, so if  
15 I'm a business, got hit, I was open by October  
16 29th, the day of the hurricane.

17 ROBINSON HERNANDEZ: Right.

18 CHAIRPERSON REYNA: Now I'm hurt,  
19 what deadline applies to me?

20 ROBINSON HERNANDEZ: Okay. So,  
21 you're a business and you're a business that was,  
22 let's use two scenarios. The first business was,  
23 both businesses were closed. The first one  
24 immediately thereafter filed with a number of  
25 different agencies in order to get the necessary

1  
2 permits in order to start work to repair. They've  
3 already paid those fees to the city. And so, the  
4 first deadline of May 31st would apply to that  
5 business. Because since they've already reopened,  
6 we would then allow them to receive a refund for  
7 any of those fees that were paid from the end of  
8 Hurricane--from when Hurricane Sandy occurred to  
9 the time that they actually submitted their fees.  
10 All right, so those, they would be able to apply  
11 for that refund.

12 CHAIRPERSON REYNA: And how are  
13 you, how are you reaching out to those particular  
14 businesses?

15 ROBINSON HERNANDEZ: So we have, so  
16 there's an outreach campaign that will have to  
17 launch. And so we've started to reach out. There  
18 are business recovery zones that have been  
19 identified throughout the city, five different  
20 zones.

21 CHAIRPERSON REYNA: Correct, five  
22 of them, yes.

23 ROBINSON HERNANDEZ: Exactly. And  
24 so there are captains that have been assigned to  
25 each of these different zones.

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CHAIRPERSON REYNA: Right.

ROBINSON HERNANDEZ: Zones. The captains have already reached out to a number of bids , local development corporations, as well as major clients that have reached out to them, to let them know.

CHAIRPERSON REYNA: Which are the same zones that have identified the 13,290 businesses.

ROBINSON HERNANDEZ: Right, well SBS did a study using the number of different zones, so they looked at business recovery zones as well as the evacuation zones, and said they've come up with that number of over 13,000.

CHAIRPERSON REYNA: And is that the number that you're going to use to capture what would be either--

ROBINSON HERNANDEZ: Yes, in fact, yes.

CHAIRPERSON REYNA: --both deadlines.

ROBINSON HERNANDEZ: So, the eligibility or the requirements for location are either one of three. So, they can be located in

1  
2 one of the five different business recovery zones,  
3 they can be located in either evac--hurricane  
4 evacuation zones, A or B, or they can be a  
5 property that was inspected by the Department of  
6 Buildings, and that received a red, green or  
7 yellow placard. So any of those businesses that  
8 are located in any of those three geographic  
9 areas, are eligible for the fee, for the waiver.

10 CHAIRPERSON REYNA: And businesses  
11 along the Newtown Creek where there was a Zone C,  
12 they would not qualify?

13 ROBINSON HERNANDEZ: They may  
14 qualify because they will probably fall under the  
15 business recovery zone, or they were probably  
16 inspected by the Department of Buildings.

17 CHAIRPERSON REYNA: So it's or not-

18 -

19 ROBINSON HERNANDEZ: Right, or, and  
20 so--

21 CHAIRPERSON REYNA: --just.

22 ROBINSON HERNANDEZ: --what we did  
23 was we tried to cast a wide, the net as wide as  
24 possible, in order to include as many businesses  
25 that were impacted.

1  
2 CHAIRPERSON REYNA: And the  
3 outreach will be completed in less than two  
4 months?

5 ROBINSON HERNANDEZ: The outreach  
6 has already started, and so--

7 CHAIRPERSON REYNA: How long ago  
8 did it start?

9 ROBINSON HERNANDEZ: It started on  
10 Friday, we started sending emails out to the  
11 different organizations in order to advise them  
12 that the fee waiver was available. In addition,  
13 all of the different agencies are putting links on  
14 their websites and are trying--the Department of  
15 Small Business Services, as well RBAT are making,  
16 are reaching out to businesses that we've worked  
17 with, in order to let them know that these, that  
18 this program is in place. Because the executive  
19 order was signed last week.

20 CHAIRPERSON REYNA: So why this  
21 particular date, 5/31, as opposed to just having  
22 one standard date?

23 ROBINSON HERNANDEZ: Right, well,  
24 because we're, there are a couple of reasons why  
25 we're trying to promote that date. The first one

1  
2 is, the fiscal year ends June 30th. And so this  
3 gives us ample time to be able to reconcile the  
4 submissions that have come into the different  
5 agencies, so that OMB can do a calculation of what  
6 was exactly expended on this. The second is it  
7 also provides encouragement to businesses to be  
8 able to accept--well, it's a refund, so it just it  
9 basically comes down to, it allow--from  
10 reconciliation purposes, for reconciliation  
11 purposes with the budget, it allows us to keep  
12 this clean as--also allows to make this as orderly  
13 as possible with the agencies.

14 TOKUMBO SHOBOWALE: And to that  
15 point, since they've already incurred the expense,  
16 as Robinson said, so they already have, they've  
17 already done the work, they just want their money  
18 back sooner than later, and rather than draw it  
19 out. I mean, 'cause these people who would have  
20 spent the money as of today or whenever the bill  
21 passes. 'Cause after the bill passes, they can  
22 not pay the expenses in the first place.

23 CHAIRPERSON REYNA: Mm-hmm. And I  
24 appreciate the logic behind that, but playing  
25 devil's advocate, what if the businesses don't

1  
2 know in two months and one week worth of outreach  
3 time, to honor the 5/31 date, and applications  
4 then come in? Are you going to make an assessment  
5 if out of 13,000 businesses, you had a universe of  
6 15,000, 1,500 that were able to get back online,  
7 and they want that waiver, but never got to it  
8 because you only have 100 registered businesses.  
9 What's going to happen to the majority of them?  
10 Are you going to make an--create an extension of  
11 that date?

12 ROBINSON HERNANDEZ: Right now,  
13 we're not looking at an extension. Our hope is  
14 that true extensive outreach, in conjunction with  
15 the City Council, with all of our partner  
16 organizations, that we're able to reach out to all  
17 businesses that were impacted. We're working with  
18 the agencies to be able to identify those  
19 businesses that have already paid fees, to advise  
20 them that this program is available for them. The  
21 Department of Buildings for example has buildings  
22 news, which reaches out to not only businesses but  
23 to contractors, as well as licensed professionals,  
24 and so if the business itself has not realized  
25 that the program is there, our hope is that the



1  
2 contractors or the licensed professional that they  
3 work with, will advise them that there is an  
4 opportunity for them to have some fee relief.

5 CHAIRPERSON REYNA: And when you  
6 say working with the agency, what do you mean by  
7 that?

8 ROBINSON HERNANDEZ: So the  
9 agencies, as, you know, pivotal partners of this  
10 effort, are doing outreach in addition to what  
11 we're doing, so we're working very closely with  
12 the Department of Small Business Services, and  
13 making sure that businesses throughout the city  
14 are aware of the program. The agencies themselves  
15 will also make an effort. In certain cases they  
16 may pre--as I mentioned with the Department of  
17 Buildings, they may post us in their buildings  
18 news newsletter that reaches a large number of  
19 folks in industry. And so, through similar  
20 efforts like those, the agencies will be reaching  
21 out to make it as known as possible, as wide known  
22 as possible.

23 CHAIRPERSON REYNA: Have you  
24 created a preliminary assessment as to how big the  
25 value dollar of refund will be?

1  
2 ROBINSON HERNANDEZ: We haven't--  
3 Oh, well, looking at refunds as well as going  
4 forward, we're still in the process of doing that  
5 analysis, but it's a little complex. And so, you  
6 had mentioned a number of 13,000.

7 CHAIRPERSON REYNA: Right.

8 ROBINSON HERNANDEZ: The 13,000 are  
9 businesses--

10 CHAIRPERSON REYNA: Well, I didn't  
11 mention it, the Administration did, okay.

12 ROBINSON HERNANDEZ: Right, sorry,  
13 my bad, sorry. So of the 13,000 businesses that  
14 were affected, not all of them will require, will  
15 have to get addit--new permits, or to repermit.  
16 And so, our assessment looked at a couple of  
17 different variables. What we looked at was the  
18 number of businesses that were canvassed by the  
19 Department of Small Businesses recently, we looked  
20 at FEMA information that showed us how much water  
21 damage each of these businesses suffered. We also  
22 looked at the probability that a certain fee would  
23 apply. And then we also looked at the average fee  
24 for these different, the average fee that each of  
25 these different fees that are available to

1  
2 businesses would have to pay. And so, based on  
3 that number, our estimate is that roughly 1,800  
4 businesses may qualify, may be eligible for a  
5 program. And so, our next assessment is in  
6 looking at the financial--not looking so much at  
7 the impact, looking at the savings that these  
8 businesses would incur, or would have.

9 CHAIRPERSON REYNA: And that number  
10 is not final.

11 ROBINSON HERNANDEZ: That number is  
12 not final. We're still working that number.

13 CHAIRPERSON REYNA: So it, how soon  
14 would we be able to, in the Council, receive an  
15 answer to that question?

16 ROBINSON HERNANDEZ: Relatively  
17 soon.

18 TOKUMBO SHOBOWALE: The day after  
19 the announcement, maybe?

20 CHAIRPERSON REYNA: [laughs] I want  
21 to ...

22 CHAIRPERSON BREWER: Council Member  
23 Dickens is here, too, thank you.

24 CHAIRPERSON REYNA: Thank you.  
25 What if, and I'm just trying to play devil's

1  
2 advocate as best as possible here, what if they  
3 register and they never rebuild? And this is  
4 relevant to the September 30th--[pause] Oh, the  
5 reverse, sorry. What if they start rebuilding  
6 September 29th, and the, they don't meet the  
7 deadline registration?

8 ROBINSON HERNANDEZ: Our hope is  
9 that they would have applied by then, as a result  
10 of the extensive outreach that we would have done.

11 TOKUMBO SHOLOWALE: I think I would  
12 add, I mean, we understand that we're not trying  
13 to exclude people, but I think administratively  
14 it's hard to have these things go on forever. And  
15 the agencies have been really, as Robinson said,  
16 exquisite partners in thinking through how to make  
17 this happen. But there is an administrative  
18 burden to doing this. And the second is just from  
19 an economic development point of view, and a job  
20 creation point of view, we want this to happen  
21 sooner rather than later.

22 CHAIRPERSON REYNA: I agree.

23 TOKUMBO SHOLOWALE: And so, I think  
24 at a certain point, it's sad to say it, but I  
25 think if businesses aren't sort of, you know, as

1  
2 you said, we haven't yet seen the kind of early  
3 days of many businesses rebuilding, it takes just  
4 there's--in speaking to our colleagues at FEMA,  
5 there's a natural cycle which the businesses  
6 almost inherently lack, lag behind the homeowners  
7 because they're kind of assessing what happened  
8 and still cleaning up and so on. And only then do  
9 they begin to rebuild. But I think for their own  
10 health, especially if they have leases, I mean,  
11 all these things they, and they're, we want the  
12 jobs to come back sooner rather than later, so I  
13 think we want to encourage them to move sooner  
14 rather than later. So I think having a deadline,  
15 just we're all human beings, so it's human nature  
16 of deadlines kind of helps encourage things, we  
17 want to have a deadline, not an unreasonable  
18 deadline, one that's unattainable, we want to have  
19 a deadline that we think people can actually hit.

20 CHAIRPERSON REYNA: Right.

21 TOKUMBO SHOBOWALE: But we don't  
22 want to have this go on forever, both because  
23 administratively it's burdensome, but also because  
24 we want the businesses to start rebuilding, which  
25 doesn't even mean they're open.

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CHAIRPERSON REYNA: Right.

TOKUMBO SHOLOWALE: Sooner rather than the later, and I think it's actually better for their own financial advisability, because they need the revenues coming in.

CHAIRPERSON REYNA: Right.

TOKUMBO SHOLOWALE: So, I understand what you're saying, and it not, you know, I think to have one which, to say that there would be nothing, no business which might be cut out, is, would be unrealistic, but I think we want to encourage, and as Robinson said, there's going to be a heavy push. And always having deadlines and kind of momentum will get actually more attention than if we spread this out over an exceedingly long period of time.

CHAIRPERSON REYNA: I appreciate, I'm not trying to say that this is by no means an easy task. But what I do know is that our hearing dedicated to Hurricane Sandy and small businesses that came, their point of, "I can't take out another loan, I don't know if I'm going to be rebuilding, I need money," and grants are not being issued sufficient amount to be able to

1  
2 rebuild. And so, it's almost like everyone's  
3 waiting to hear what the Administration's going to  
4 roll out, as far as grants are concerned. So, I  
5 just wanted to understand how does that play into  
6 these deadlines and is there going to be an  
7 opportunity to extend these deadlines due to a lot  
8 of the funding that people are waiting to assign  
9 for further grants, that the small business  
10 community is trying to push for? So, you know,  
11 that's logical, right? So what do we do with  
12 that? And how do you respond to the small  
13 business community, if they're just waiting to see  
14 what, how everything else is going to roll out?

15 TOKUMBO SHOBOWALE: Right. I think  
16 in terms of the grant program, and we now have our  
17 first CDD allocation--

18 CHAIRPERSON REYNA: Which is in the  
19 amount of--?

20 TOKUMBO SHOBOWALE: The whole  
21 allocation is roughly \$1.8 billion. This is  
22 presequester, so that may--

23 CHAIRPERSON REYNA: Right.

24 TOKUMBO SHOBOWALE: --drop. But  
25 not, but you know, it would drop by a moderate

1 amount not a massive amount.

2  
3 CHAIRPERSON REYNA: Right.

4 TOKUMBO SHOBOWALE: And we have, we  
5 submitted to Secretary Donovan and his taskforce,  
6 our ideas for what, how we would like to spend the  
7 money. We now are drafting specific programs  
8 which--and they gave us the initial nod, those  
9 programs made sense then, but then the devil's in  
10 the details. So we are now drafting, on a very  
11 expedited basis, and - - are actually doing this  
12 as we speak, to define the specific parameters  
13 which will then be submitted to HUD, to diff--and  
14 then they check or say "No, you have to tweak X, Y  
15 or Z." But our commitment and their commitment to  
16 us has been that this is going to happen on a very  
17 expedited basis.

18 CHAIRPERSON REYNA: And so, how  
19 soon is expedited? Right, like, so, if we're  
20 talking about a May 31st deadline, or a September-  
21 -

22 TOKUMBO SHOBOWALE: Well, so, as  
23 Robinson--the May 31st deadline is for people  
24 who've already spent money.

25 CHAIRPERSON REYNA: Already spent



1  
2 money. Right.

3 TOKUMBO SHOBOWALE: So we agree  
4 with you completely that we want to push out the  
5 deadline to later in the year for folks who have  
6 not yet spent the money. So just to kind of  
7 disaggregate those issues. So, for the folks who  
8 have not yet spent the money and are waiting to  
9 see what kind of assistance they can have, those  
10 programs should be finalized in April, if not  
11 earlier.

12 CHAIRPERSON REYNA: Right.

13 TOKUMBO SHOBOWALE: Which doesn't  
14 mean that money is like paid instantaneously, but  
15 it should happen relatively quickly, but people  
16 know what the programs are and be able to plan  
17 accordingly.

18 CHAIRPERSON REYNA: Right.

19 TOKUMBO SHOBOWALE: So, again, I  
20 think our real intense desire is to move this as  
21 quickly as possible, because people need the  
22 money, they need to begin to rebuilding. Our  
23 communities need these businesses and we need the  
24 jobs they create.

25 CHAIRPERSON REYNA: I don't

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disagree--

TOKUMBO SHOLOWALE: --sooner rather than later.

CHAIRPERSON REYNA: I think what I'm just concerned about is--

TOKUMBO SHOLOWALE: So to your other point, though--

CHAIRPERSON REYNA: --the two different dates, it could just be one date, later as opposed to earlier, or perhaps both, right, for those that have already spent it and need the money right away, that's great; if they're very well informed and are very quick on their feet, they're going to get it. If they're not quick on their feet, and they lag because they're just trying to operate after they've already spent the money, maybe they'll think about it later on. Perhaps we should have that date already in mind, to be concurrent with the one that's for those who didn't spend the money, and are looking to seek the waiver.

TOKUMBO SHOLOWALE: What I would suggest is that we want to encourage rapid behavior, we want to encourage people to get their

1  
2 money back sooner rather than later, we want to  
3 encourage that we balance our budget, we know what  
4 our real liability is. Doesn't mean we close the  
5 door to changing it later if there turns out to be  
6 a number of businesses which were left out.

7 CHAIRPERSON REYNA: Right. And I  
8 just wanted to, going back to the \$1.8 million  
9 that the CDBG money is going to be delineated for  
10 specific programs. What is the role of the small  
11 business and nonprofit ... in formulating the  
12 plans? For example, Zachson [phonetic] and  
13 Project Enterprise, as partners.

14 TOKUMBO SHOBOWALE: Right now,  
15 again, in the interest of moving as quickly as  
16 possible, we already submitted to--this happened,  
17 this is what was announced with the secretary and  
18 the Mayor, two weeks ago what the plans were. Now  
19 it's just the sort of detail of filling out the  
20 forms so we actually can get the approval. So, in  
21 the interest of having folks involved, but the  
22 more people we involve the longer it takes and the  
23 longer we have money. So right now we're  
24 basically just, we defined the programs, we're not  
25 just sort of doing the kind of specific

2 formulation. So at that point, it's already done  
3 because we went ahead, we want to have the money  
4 out as soon as possible.

5 CHAIRPERSON REYNA: Sure. I will  
6 continue to reach out and I'll try to find out  
7 exactly what those programs are, and what the  
8 dollar value is behind each program, and what  
9 portion of that is really going to be assisting  
10 the small business community. But I understand  
11 that--I don't know, Inez, did you have any  
12 questions? I don't, I wanted to just thank the  
13 panel for coming in and we have, it's a very heavy  
14 hearing with a lot of laws that we're trying to  
15 hear from the public on, and I don't want to delay  
16 you any further. But thank you for your  
17 cooperation.

18 CHAIRPERSON BREWER: Thank you.

19 TOKUMBO SHOBOWALE: Thank you very  
20 much.

21 CHAIRPERSON BREWER: The next panel  
22 is Robert Bookman, New York City Hospitality  
23 Alliance; Andrew Mosel, New York Restaurant  
24 Association; and Jack Friedman, Queens Chamber of  
25 Commerce. [pause, background noise] Go ahead,

2 whomever would like to begin. [pause, background  
3 noise] You talk the most, so maybe you should go  
4 first. [laughter]

5 JACK FRIEDMAN: The Queens Chamber  
6 of Commerce joins the Manhattan Chamber of  
7 Commerce to support all of the Intros being  
8 discussed at today's meeting. My name is Jack  
9 Friedman, I'm the Executive Director of the Queens  
10 Chamber of Commerce. I'd like to thank Council  
11 Member Diana Reyna, the great Chair of our  
12 Committee on Small Business; Council Member Gale  
13 Brewer, our fantastic Chair of Government Ops;  
14 Speaker Quinn and the leadership on these very  
15 important issues vital to the small business  
16 community. Following up on the regulatory reform  
17 panel established by the Speaker and the Mayor in  
18 2010, it's nice to see that many of these  
19 recommendations are finally being turned into  
20 meaningful legislation. It should also be noted  
21 here that the Queens Chamber of Commerce proudly  
22 stands with Make the Road and Small Business  
23 United, proving that while we may disagree on  
24 certain pieces of legislation, our ultimate  
25 missions are aligned in the pursuit of making life

2 better for small businesses, and the life blood of  
3 our community; despite sometimes having opposing  
4 positions, our organizations respect each other  
5 and look for synergies to work together. And I'm  
6 sure Gale is happy to hear that.

7 CHAIRPERSON BREWER: Thank you.

8 JACK FRIEDMAN: Times continue to  
9 be rough for us at these small businesses, and  
10 nuisance fines don't make things any easier.  
11 Small businesses are repeatedly violated with  
12 large fines for minor, curable offenses. When a  
13 violation does not impact public health or safety,  
14 first time violators should be educated not  
15 penalized. I hear stories constantly about  
16 inconsistent enforcement, revenue grabbing  
17 nuisance fines, and the difficulty to be heard or  
18 appeal your violations short of losing a day from  
19 your business. These practices must stop. Intro  
20 949 best addresses these situations allowing for a  
21 cure period and time to correct the problem before  
22 giving out a fine. While this Intro only requires  
23 departments to report, we think it's a good step  
24 towards our ultimate goal of seeing actual changes  
25 made to these punitive regulations themselves.

1  
2 Intro 941 addresses a problem we continue to hear  
3 about from our members, regarding inconsistent  
4 enforcement or rules by inspectors. A lack of  
5 language access and a lack of cultural  
6 understanding, a major problem in Queens County.  
7 Business owners often feel threatened, feel that  
8 they lack recourse or have to spend days away from  
9 their businesses to appeal fines and violations.  
10 There is also a fear of retribution if they go  
11 over the head of the inspector. This is not the  
12 climate we want to have, business owners need a  
13 forum to give feedback and inspectors must be held  
14 accountable. As a chamber of commerce, we  
15 especially like Intro 942, that would create  
16 department liaisons with organizations like ours.  
17 We think it's important to have a consistent  
18 dialogue with chambers, so our members' interests  
19 can be represented a little bit more anonymously  
20 and in an effort to creating a more business  
21 friendly legislation that still protects the  
22 public health, safety and welfare. Finally, Intro  
23 946, finally puts to law the recommendation from  
24 the regulatory reform panel of establishing and  
25 distributing business owners bill of rights. It

1  
2 is essential that our entrepreneurs know their  
3 rights, understand the appeals process, and feel  
4 that their voices have meaning. We again thank  
5 the Chairs, their Committees, the Speaker and the  
6 Council, for turning these recommendations into  
7 law.

8 CHAIRPERSON BREWER: Thank you, who  
9 wants to go next.

10 ANDREW MOSEL: Good afternoon,  
11 Chairmans, Chairs, and Council Members. My name  
12 is Andrew Mosel, I'm the Government Relations  
13 Council for the New York State Restaurant  
14 Association. Thanks again to everyone for  
15 convening this hearing on these very important  
16 issues. Just a minute, I have a long testimony,  
17 I'll just actually just paraphrase it in the  
18 interests of time. A little bit about our  
19 organization, we represent 5,000 food service  
20 establishments here in New York City and 10,000 in  
21 the State. We are the largest hospitality  
22 organization in the State, and we've been around  
23 for about 70 years, fighting for the interests of  
24 restaurants and our allied members. We're  
25 obviously in favor of all the bills today. And we



1  
2 are very happy that in addition to this hearing  
3 and others we've had, that this very important  
4 issue of regulations of small businesses and the  
5 burdens that are put upon them are being addressed  
6 both by the Council and now apparently from the  
7 testimony today by the Administration, which is  
8 very encouraging. Going through the bills, Intro  
9 941 is very important because it addresses  
10 probably the most common complaint that we hear  
11 from our restaurant members, which is the  
12 inconsistency of violations, as you all know. One  
13 day, someone comes in and it's, you know, it's a  
14 leaky faucet that gets them the fine; the next  
15 day, nobody cares. So, it's great that we can  
16 standardize, not only the violations themselves,  
17 but how the inspectors interact with the business  
18 owners in a courteous manner, which again is a  
19 major complaint from many of our members. 942 is  
20 also important in the same vein, in the sense that  
21 a lot of times members of the restaurant industry  
22 will have a complaint, a very valid one, and they  
23 try to get, you know, either themselves or through  
24 us and other groups, try to get to someone  
25 receptive at City Hall and are met with deaf ears.

1  
2 So it's incredibly important to have someone at  
3 each agency that can field these kind of  
4 complaints, 'cause sometimes just finding the  
5 right person to talk to can be extremely time  
6 consuming. The 949, that's, it was extremely  
7 encouraging, some of the things that we heard from  
8 the Administration today. We talked a lot about  
9 cure periods, so I don't need to go into it, but  
10 that would be extremely helpful because as we all  
11 I think agree here, the idea is to have clean,  
12 safe restaurants and not to gain revenue from  
13 those operations. We actually worked very closely  
14 with Council Member Karen Koslowitz' office on the  
15 bill of rights, and that's important not only  
16 because I think it holds the Administration  
17 accountable, but I would be lying if some of our  
18 members didn't come in, whether the inspector is  
19 courteous or not, I would say that some of our  
20 members don't do a good job helping themselves  
21 during the inspections, and that's also a product  
22 of I don't think they know how to handle that  
23 process, and having a piece of paper in their hand  
24 which tells them what their rights are and how to  
25 handle those situations, is going to reduce a lot

1  
2 of complaints and a lot of conflicts. And so I  
3 think it's a good piece of legislation. Finally,  
4 anything we can do to help victims of Hurricane  
5 Sandy I think is fantastic. We still have a lot  
6 of members that are out of business or just  
7 getting back into business. So, in conclusion,  
8 the New York State Restaurant Association supports  
9 the proposed legislation and looks forward to  
10 continuing our ongoing efforts with both the  
11 Council and the Mayor to improve the climate of  
12 business in New York City. A vital part of  
13 NYSRA's mission is to seek the development of a  
14 fair and equitable regulatory environment,  
15 encourage the success and growth of New York  
16 City's world famous restaurant industry--I think  
17 that's so important. New York City, it's part of  
18 what makes New York City New York City, these  
19 incredible restaurants we have here. I talk to  
20 restaurateurs every day that don't want to open  
21 here anymore because it's so difficult. I thank  
22 you for the opportunity to come here on behalf of  
23 NYSRA and the entire food service industry. We're  
24 encouraged by your efforts and we hope you keep  
25 going. Thank you very much.

2 ROBERT BOOKMAN: Good afternoon, my  
3 name is Robert Bookman. I am counsel the New York  
4 City Hospitality Alliance, which is a new trade  
5 association here in the City, representing all  
6 aspects of the hospitality industry, used to be  
7 just the Nightlife Association. Also, in my  
8 private practice of 26 years, we represent small  
9 businesses of all types and appear before many of  
10 the administrative agencies. Very encouraged to  
11 be here today on these bills. We worked with the  
12 Speaker's staff in the drafting of them, and we  
13 worked with Tokumbo Shobowale's office in a  
14 discussion of them. And frankly, over the years,  
15 the press conference we had in October to announce  
16 these bills which was then delayed because of  
17 Sandy, was actually the third time over the years  
18 that I've been to the same press conference where  
19 there were Council Members that I was standing  
20 with announcing that we're going to, you know,  
21 review all the laws and look where we can have  
22 fines. What was different in the October press  
23 conference was that the Administration for the  
24 first time was actually there. And they were  
25 talking about joining it. And I think that's

1  
2 really key, because there needs to be a cultural  
3 change at the agencies. The one thing that Liz  
4 Weinstein said which concerned me was when she  
5 asked the agencies about the unnecessary laws. We  
6 haven't even gotten to the reducing of the fines  
7 yet and she goes, "And nobody raised their hands."  
8 That indicates to me that there hasn't been an  
9 important enough cultural discussion with these  
10 agencies that they're not going to be punished or  
11 in trouble for cooperating with this process. It  
12 should be quite the opposite. If nobody's raising  
13 their hands, then they're not getting the message.  
14 And the message needs to be that in the last  
15 decade, small business fines have simply gotten  
16 out of control. Health Department particularly,  
17 which we all have been focusing in on since the  
18 letter grade hearing especially, fines have gone  
19 from \$8 million a year to over \$50 million a year,  
20 to the same industry in a decade. Now, either  
21 there is--either ten years ago there was huge  
22 disregard for the law that was not being noticed,  
23 and now we're noticing it, and so we're fining \$50  
24 million; or the other way around, there was huge  
25 compliance ten years ago and now there's huge

1 noncompliance, although why they keep putting more  
2 As on doors if there's more compliance. So  
3 there's clearly something out of whack. And it  
4 seems to me that what's out of whack, which is a  
5 legal term, by the way [laughter] is that the  
6 agencies have lost sight of what the purpose and  
7 the public policy are of the laws that you pass  
8 and the rules that they adopt, pursuant to those  
9 laws. When I was a staff attorney and then  
10 general counsel and then director of adjudication  
11 at the Department of Consumer Affairs, all those  
12 many years ago, we considered it a victory when a  
13 business owner complied with the law. If we  
14 caught them noncompliance, and we brought it to  
15 their attention, and they complied, that went into  
16 my monthly management report. Now, it seems to be  
17 how much money have we collected? So they've  
18 lost--the public policy is not collecting money,  
19 the public policy is compliance with the law. And  
20 that's what goes to Councilwoman Reyna's  
21 discussion, and yours, Councilwoman Brewer, about  
22 education. They've lost track that the goal here  
23 is to work with businesses to educate them, and to  
24 use the cudgel of law is if you don't comply, and  
25

1  
2 fines as the last step, not the first step. Now  
3 the Fire Department, which is an agency that I  
4 think we can all concede deals in public safety  
5 almost exclusively, for years has been the leading  
6 agency in having a list of rules and regulations  
7 that they offer 30 day compliance for. And if you  
8 establish compliance within 30 days, there's no  
9 fine. Well, it seems to me if the Fire Department  
10 can do it, so with all due respect to the  
11 Department of Consumer Affairs that visited that  
12 99 cent store three times in one year, god knows  
13 for what reasons, three times in one year, they  
14 could kind of figure it out as well. And it's not  
15 always, Council Member, it's not always that it's  
16 a lack of understanding. I was listening  
17 carefully to your exchange, as well of what the  
18 law is, it's that they keep moving the goalpost.  
19 They keep expanding their interpretations and the  
20 way they view old laws, and apply it in new ways,  
21 without informing the industries that they're  
22 applying it in new ways. So, it may be a law  
23 that's been on the books for a long time, such as  
24 item pricing, but a 99 cent store probably  
25 calculated that the prices are 99 cents, duh. You

1  
2 know? And we don't need to label everything 99  
3 cents. I mean, I've represented the smallest of  
4 small business owners ever since I left consumer  
5 affairs, the sidewalk newsstand operators, all,  
6 you know, all recent immigrants. They've recently  
7 started to get violations because there aren't  
8 item pricing on the candy. You know, now, I  
9 suppose technically they fall under the item  
10 pricing law, though in 30 years of no one's ever  
11 really looked at it that way. But if the City  
12 wants to start looking for new sources of revenue,  
13 our opinion, or insuring consumer safety, 'cause  
14 you know how many thousands of consumers are  
15 complaining that they got ripped off with their  
16 pack of gum, at the newsstand, they should at  
17 least have a mechanism to put people on notice.  
18 And a warning is the best way to put people on  
19 notice. We now decided, Mr. Newsstand Operator,  
20 that you must have a sign that says either, "All  
21 Candy a buck and a quarter," or you have to label  
22 each piece of candy. And you got 30 days to  
23 comply. Very simple. I don't see why, given that  
24 we've been discussing this since 2010, quite  
25 frankly, you need to change the timeframe in Intro



1  
2 949 from 90 days to 180 days. This is not new. I  
3 was at the press conference with the Mayor in the  
4 Brooklyn Navy Yard, you were there, Jack, I think  
5 it was about two-and-a-half years ago, when we  
6 announced all together, the results of the  
7 regulatory review committee, and what the  
8 recommendations are. This was one of the  
9 recommendations. So they knew two-and-a-half  
10 years ago they had to do this. October, we stood  
11 up there at the press conference, you were there,  
12 I was there, the lights were hot, we were  
13 committing then to do it. 90 days from now is  
14 enough time, if they're serious about it. And we  
15 got to be realistic. It's almost March, Friday is  
16 March of 2013. At the end of this Council and  
17 this mayoralty. If you do 180 days, from the time  
18 this legislation passes, what we're saying is  
19 nothing is going to happen this year, because all  
20 they'll have to do is issue a report around  
21 November. And if the report is disappointing,  
22 where there's dozens rather than hundreds of rules  
23 and regulations listed, that's the end of it for  
24 most of this Council and we have to start all over  
25 again. So we got to stick with that 90 days,

1  
2 they're aware of it, they've known about it for a  
3 long time. Let--they're very bright people, let's  
4 do it. And Gale, I'm sorry, Council Member Brewer  
5 [laughter]--

6 CHAIRPERSON BREWER: I prefer Gale.

7 ROBERT BOOKMAN: Okay, I prefer  
8 calling you Gale, as well. We've got to include  
9 the statutes here in this review. Most violations  
10 are not issued under the rules, they're issued  
11 under the statutes, which with all due respect,  
12 you guys have passed. I mean, you've been  
13 enablers of the addiction of these agencies for  
14 fines, by keep passing lots and lots of laws with  
15 lots and lots of fines in it. Some of, you know,  
16 and the agencies are very vigorous in, you know,  
17 in doing those, in enforcing those laws. So I  
18 think we need a statutory analysis, as well, not  
19 just a regulatory analysis, because that's where a  
20 lot of the problems come. The Health Code. Well,  
21 I've been studying this stuff for decades, I'm not  
22 sure, since the weirdness of the Health Department  
23 with the Board of Health and the Health Code, is  
24 it, are the Health Codes rules? Or are they  
25 statutes? Are they even going to be reviewed

1  
2 under this piece of law? He's shaking his head  
3 no, they're not going to be. Well--

4 CHAIRPERSON BREWER: Definitely ask  
5 the question.

6 ROBERT BOOKMAN: --if they're not  
7 going to be, then we really need to modify this to  
8 ensure that the Health Code specifically gets  
9 mentioned, 'cause that's the one that every  
10 Council Member's hearing the most complaints  
11 about. And I guarantee you, there can warnings  
12 for a cracked tile, or on a hot day when a worker  
13 who works very hard in a kitchen, has the temerity  
14 to actually take a drink of water and get caught  
15 by a Health Department inspector 'cause they  
16 consider that a violation of the law, 'cause he's  
17 not drinking from a closed container. I think we--  
18 -yeah--I think we can get a warning on that one,  
19 you know, "Sir, madam, next time you take a drink  
20 when you're thirsty, make sure it's in a closed  
21 container, not an open cup, 'cause that's a  
22 violation of the Health Code." I think there are  
23 a number of things that aren't public safety  
24 hazards, probably hundreds if not thousands. So,  
25 I think this is great, I think we really got to

1  
2 keep everybody's feet to the fire, I think it's  
3 unique because both sides are on it. And the  
4 other bill that is of particular interest to us is  
5 the agency liaison bill. I think that's really  
6 important and I think it's also really important  
7 that the person that the agency liaison reports to  
8 is not the commissioner of their agencies.

9 Because there is a, there is a fear of retaliation  
10 out there that, you know, whether that's real or  
11 not, there is a, the fear is real. And I remember  
12 when I was in government, Commissioner Aponte at  
13 the time, taught me that the appearance of  
14 impropriety can be just as damaging to the  
15 public's confidence in government as actual  
16 impropriety. Well, there's an appearance of  
17 retaliation and fear and worrying about speaking  
18 to power by small businesses, of all communities,  
19 but especially of immigrant communities, in this  
20 City. And so to these liaisons are important, but  
21 we also have to know that the person that liaison  
22 is going to report to about all of our complaints  
23 is not their direct boss, the commissioner, but  
24 somebody at the Mayor's Office. So, I think  
25 that's great that that was put in that piece of

2 legislation, and I think that is going to be very  
3 helpful as well. Thank you.

4 CHAIRPERSON BREWER: Thank you very  
5 much. I have one overall question, which is that  
6 these are all good bills, and I appreciate your  
7 input. Do you think this would be enough to  
8 change the culture that we all feel is one of  
9 punitive and revenue enhancing as opposed to the  
10 education and the collaboration, that we all are  
11 trying to engender? Do you think there's more  
12 that's needed? And I mean, what I'm trying to say  
13 about Sandy is there might be something good that  
14 comes out of it, because there is such focus on  
15 trying to make things better. I'm hoping that  
16 there might be some suggestions that come out of  
17 this horrible situation. So I've got two  
18 questions, I guess.

19 ROBERT BOOKMAN: I don't think  
20 there's any law you can pass which could change  
21 culture. I think that has to be an attitude, an  
22 approach, both at the top, from the top of the  
23 Council and the leadership, as well as the  
24 Administration. And then it has to filter down to  
25 the agency heads. But you do play a role in this.

1  
2 I mean, I've gone to many budget hearings where  
3 agencies come and they tell you, "We fined \$50  
4 million this year, we're budgeting \$58 million  
5 next year," and I don't see any of you, with all  
6 due respect, standing up there and say, "That's  
7 outrageous. What do you mean you're budgeting and  
8 \$8 million increase in fines next year? I want to  
9 see you budget a \$10 million decrease in fines  
10 next year." So--

11 CHAIRPERSON REYNA: Mr. Bookman.

12 ROBERT BOOKMAN: That's part of the  
13 culture, hey, I'm speaking honestly to power now.

14 CHAIRPERSON REYNA: You also stood  
15 and supported this regulatory review and never  
16 brought up the issue of statutory.

17 ROBERT BOOKMAN: Well, no, no--

18 CHAIRPERSON REYNA: And so--

19 ROBERT BOOKMAN: I checked, I  
20 checked the--

21 CHAIRPERSON REYNA: --it's okay as  
22 far as I'm concerned, so we have to be careful  
23 how, in what direction we want this hearing to go.  
24 Because again--

25 ROBERT BOOKMAN: I checked the

1  
2 press release that we were all quoted in--

3 CHAIRPERSON REYNA: --there's the  
4 only thing we've been wanting to do--

5 ROBERT BOOKMAN: No, it's  
6 important--

7 CHAIRPERSON REYNA: --is create a  
8 climate that is conducive for small business. And  
9 it's very difficult to deal with the small  
10 business community, they're not knocking down my  
11 door, by no means.

12 ROBERT BOOKMAN: That's 'cause your  
13 door is always open.

14 CHAIRPERSON REYNA: Well, let's  
15 not--go back and forth here, I want to share with  
16 you that I have asked both agency and the small  
17 business community to come up with a list, and  
18 everybody's waiting for the Administration to do  
19 it, and the Administration wants to wait for their  
20 term to end, and then we get nothing done. And so  
21 that brings us to the, our last and final year,  
22 right, as far as I'm concerned, and the  
23 Administration, to be able to get something done.

24 CHAIRPERSON BREWER: April 30th is  
25 what they said. The last whatever they're doing.

2 ROBERT BOOKMAN: And something is  
3 way better than nothing.

4 CHAIRPERSON BREWER: Okay.

5 ROBERT BOOKMAN: No question about  
6 it. But I did check the press release from--

7 CHAIRPERSON REYNA: Did you submit  
8 every a list of laws that you wanted eliminated?  
9 Whether that was the previous chair to the small  
10 business committee, yourself, because I know I've  
11 never seen one.

12 ROBERT BOOKMAN: I, I have been  
13 asked by Speakers Office many times over the years  
14 for a list of outdated laws and I have provided a  
15 small list.

16 CHAIRPERSON REYNA: I've never seen  
17 it.

18 ROBERT BOOKMAN: A small list. A  
19 much--I don't think that's the big, I don't think  
20 that's the big list, quite frankly, I think what  
21 we're doing here today is the big list, the  
22 warnings ones. And I'd be happy in the next 90  
23 days to do the same thing.

24 CHAIRPERSON REYNA: And a bill of  
25 rights is not going to do the job--



2 ROBERT BOOKMAN: No.

3 CHAIRPERSON REYNA: --as far as I'm  
4 concerned.

5 ROBERT BOOKMAN: Of course not.

6 CHAIRPERSON REYNA: For anyone.

7 ROBERT BOOKMAN: Of course not.

8 CHAIRPERSON BREWER: Others, go  
9 ahead Jack.

10 JACK FRIEDMAN: So just, I think  
11 these are all good steps forward, but as I said,  
12 rather than just have an agency report what is  
13 curable, I'd like to actually see, you know,  
14 legislation changing these things. I think that a  
15 Bill of Rights is not really a great tool, there  
16 needs to be some sort of appeal process which a  
17 business owner can understand, which doesn't take  
18 him out of their business, but it has to be one  
19 that's dealt with sensitively because I think  
20 there's a lot of fear of retribution. I think  
21 that there's more that needs to be done, but I  
22 also agree with Councilman Reyna, it's very, very  
23 difficult to get small business people out of the  
24 insular confines of their four walls. And no  
25 matter how hard we want to try and make an effort

1  
2 here, it really is going to be incumbent upon the  
3 business owners to step forward, and they have to  
4 have the confidence that if they do step forward,  
5 it's not going to impact them negatively, the next  
6 inspector isn't going to come and hammer them, the  
7 inspector's not going to think, "You're going over  
8 my head to my boss." So, Rob's right, also.

9 Culture has to change. Given the time parameters,  
10 given the fact that we're losing some Council  
11 Members this year, that the Administration is  
12 changing this year, I think it's important to get  
13 some of these things on the books. I think it's  
14 shame that we have not been able to get things  
15 from three years ago passed, so I'm very, very  
16 encouraged that it's being done now, but I don't  
17 think this work stops with this administration or  
18 this Council, I think we stay vigilant to make  
19 sure that these steps are just first steps.

20 ANDREW MOSEL: I agree with what a  
21 lot of people are saying, it's very difficult to  
22 change the culture. I'm really here to speak to,  
23 I can really only speak intelligently towards the  
24 DOH inspections, we're representing restaurants,  
25 but we have a list of I think about ten actually

1  
2 suggestions that we think can improve the letter  
3 grading inspection system, that we submitted in  
4 the past hearing that I'm happy to share with  
5 everybody.

6 CHAIRPERSON BREWER: Those are, I  
7 think those are being dealt with - -

8 ANDREW MOSEL: [interposing] And  
9 yes, and I believe the Speaker is, I know working  
10 on specific letter grade legislation. So--

11 CHAIRPERSON BREWER: Yes, they're  
12 definitely working on it, yes, they are, just so  
13 you know.

14 CHAIRPERSON REYNA: And it would be  
15 helpful if you stay in touch with our committee.

16 ANDREW MOSEL: We will.

17 CHAIRPERSON REYNA: You know, like  
18 I don't hear from you guys.

19 ROBERT BOOKMAN: I'm going to call  
20 you all the time now.

21 CHAIRPERSON REYNA: No, you're not,  
22 no, you're not, you all said that the last time.  
23 [laughter]

24 ANDREW MOSEL: And Council Member  
25 Chin I believe said that there, it's true that

1  
2 letter grades are tremendously popular amongst the  
3 public, I mean, I would argue that's 'cause they  
4 don't fully understand them, but I won't get into-  
5 -

6 ROBERT BOOKMAN: Right, [laughs]  
7 yeah. That's right.

8 ANDREW MOSEL: --I won't get into  
9 that 'cause I know that we all want to go. But I  
10 think there's a lot of ways we can make them more  
11 equitable and a lot easier on restaurant owners  
12 without completely dismantling the system.

13 ROBERT BOOKMAN: And I always did  
14 think we were talking about both, and you know,  
15 when it came, when I read the first draft of this  
16 and I saw rules, I got, oh my god, we're only  
17 doing rules. So, I looked at, I--I know, I looked  
18 at the press release with all our quotes, and we  
19 were all, what everything was said in that press  
20 conference, and in the press release was "We're  
21 going to review violations. I'm perhaps  
22 mistakenly undertook violations to mean as a  
23 lawyer both the statute and rules. But listen, if  
24 we get rules done, good step.

25 CHAIRPERSON BREWER: We're going to

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try to do both.

ROBERT BOOKMAN: Good step.

CHAIRPERSON BREWER: That was the question. We're going to try and do both.

CHAIRPERSON REYNA: Do want to understand, what is your expectation of this bill of rights? You, the small business community is very excited about this, but I'm not quite understanding it.

ROBERT BOOKMAN: It is?

ANDREW MOSEL: I mean, I think--

CHAIRPERSON REYNA: The Administration is, okay.

ROBERT BOOKMAN: Oh, the Administration is, yeah.

ANDREW MOSEL: I don't think it's a, I don't think it's going to be a cure all, by any means, but I think it gives--some people have no idea what to expect when they are, when they get inspected. I actually, I mentioned this in my prepared remarks, I actually think it'll not only keep the inspector accountable for what he does, but I mean, and I'm here representing restaurant owners, but a lot of restaurant owners don't

1  
2 behave themselves as well as they should, whether  
3 they're being treat--you know, they claim that the  
4 inspectors come in and start kicking over their  
5 like, you know, stove and stuff. I'm not quite,  
6 you know, that could be true, it might not be  
7 true. I think actually having this piece of paper  
8 and reviewing it will kind of allow both, everyone  
9 to approach this in a sort of like much, having  
10 calmer heads prevail type of attitude. Or the  
11 very least, it'll like both sides will understand  
12 exactly what their rights are. I mean, maybe some  
13 people won't even look at it, maybe not, but at  
14 least the fact that you're handing something  
15 someone to read, and they can look it over, and at  
16 least have a basis for trying to complain about  
17 something, as opposed to just going off the wall,  
18 I think hopefully it will be helpful in some  
19 cases.

20 CHAIRPERSON REYNA: There's a  
21 triage issue that I have, you know, this doesn't  
22 end in the hands that it needs to go in order to  
23 address the culture. Right? So, Small Business  
24 Services is not getting this survey. Right? It's  
25 not going to go to the Chief Operating Business

1  
2 Operator or Officer. We don't know if that  
3 particular position's going to continue to remain  
4 in the Administration, right, so--

5 ROBERT BOOKMAN: That's right.

6 CHAIRPERSON REYNA: --the director  
7 of op--Mayor's Operation, should be handling what  
8 would be this particular survey, not anyone else,  
9 in order to then trickle down what would be  
10 changes so that there's an applied tone across the  
11 board as far as I'm concerned, with whomever or  
12 whatever agency there is, that oversees statute or  
13 rules governing the small business community. But  
14 that doesn't do that.

15 ROBERT BOOKMAN: No, it doesn't.  
16 If you remember when you passed that, when we had  
17 the bill creating that, I testified saying, you  
18 know, rights without any remedies when those  
19 rights are violated is kind of silly. I remember  
20 at the time we had a conversation about it, and I  
21 still think it's kind of silly. It's really not a  
22 bill of rights, if the city violates those rights  
23 and there's nothing you can do about it. It's a  
24 bill of suggestions.

25 CHAIRPERSON BREWER: Regarding the

1  
2 Sandy, not just this legislation, but all of you  
3 I'm sure, I know Jack does, others too have a lot  
4 of restaurants, and other businesses still out.  
5 Do you think that after the discussion today, do  
6 you see any changes to their supporting those  
7 businesses, either through legislation or just  
8 from the dialogue? And again, my bigger question,  
9 is there anything coming out of the Sandy business  
10 discussions in general that bodes well for the  
11 business community, small business as a whole?

12 JACK FRIEDMAN: So, our biggest  
13 problem with Sandy and businesses, FEMA as you  
14 know does nothing for businesses. The only thing  
15 available for small businesses are loans, and when  
16 we look at the Rockaways, we have problems with  
17 people who live on the Rockaways, people who have  
18 businesses on the Rockaways, and even the people  
19 who are going to remain there and stay in  
20 business, they're losing a lot of their neighbors,  
21 they're losing a lot of their customer base. The  
22 tiny amount of grant money that's available for  
23 the Mayor's Fund, the \$10,000, is all tied to  
24 loans. The \$5,000 is all tied to loans. So  
25 there's nothing out there for the businessperson



1  
2 that's struggling, who may not qualify for the  
3 loan. The IRS does not give out gold stars to mom  
4 and pop businesses for being profitable. And  
5 maybe go into business understanding that. I  
6 think that things like fee waivers are great, any  
7 dollar a business can save on reconstruction and  
8 rebuilding, whether it's a sales tax on building  
9 materials or fee waivers, is great. We're going  
10 to lose almost 40 to 50 percent of the businesses  
11 in the Rockaways. 40 to 50 percent. And there's  
12 no getting around that because people who are in  
13 these businesses, shouldn't be taking out loans.  
14 Their businesses were tenuous before Sandy, it's  
15 going to be worse afterwards. They're personally  
16 guaranteed to surety bonds, and I want my business  
17 owners to be thinking with their heads and not  
18 with their hearts, so I don't want them going  
19 deeper in debt, a quarter of a million dollars, a  
20 half million dollars, 'cause then it's going to  
21 make them personally bankrupt, as well. I'm  
22 encouraged by some of the things the  
23 administration is doing for small business  
24 solution centers, who are working in Queens,  
25 closer to Bob Walsh's office, on specific areas,

1  
2 like Beach and 116th Street in the Rockaways. But  
3 there's a long term planning that has to be done,  
4 it's going to cost billions of dollars and the  
5 only way it's going to happen is through  
6 incentivizing private investment. We've been in  
7 touch with the people in Joplin, Missouri and  
8 people in Missouri, in Mississippi, and we've  
9 found plans and things that have been done in  
10 other states, that give tax credits to individuals  
11 and businesses that want to contribute to a  
12 revolving business fund. It worked in lower  
13 Manhattan after 9/11 and most of those people paid  
14 back those loans, and the money that was used to  
15 pay back those loans was used gain this time, to  
16 help support it. So I think government has to be  
17 innovative, we brought legislation to the state to  
18 Bill Scarborough, the Small Business Committee  
19 Chair, and to Tom De Napoli. If there needs to be  
20 something done on the city side, we will bring it  
21 to you as well, but that's why we're trying to be  
22 proactive.

23 CHAIRPERSON REYNA: Could I just  
24 ask, have you requested from Assemblyman  
25 Scarborough as the Small Business Chair, the

1  
2 request to waive what would be the liquor license  
3 fee, which is \$10,000?

4 JACK FRIEDMAN: We have not  
5 specifically asked that.

6 CHAIRPERSON REYNA: And that has  
7 not come up?

8 JACK FRIEDMAN: Has not come up at  
9 all.

10 CHAIRPERSON REYNA: Have you  
11 requested--?

12 ROBERT BOOKMAN: No, it's \$5,000,  
13 I'm sorry.

14 CHAIRPERSON REYNA: It's \$10,000.

15 ROBERT BOOKMAN: Liquor license in  
16 the City of New York is \$5,000--

17 CHAIRPERSON REYNA: I spoke to the  
18 specific small business--

19 ROBERT BOOKMAN: I'm a liquor  
20 attorney, I do it for a living.

21 CHAIRPERSON REYNA: I--

22 ROBERT BOOKMAN: Unless you have  
23 two bars.

24 CHAIRPERSON REYNA: I spoke to a  
25 business owner.

2 ROBERT BOOKMAN: He has two bars  
3 then.

4 CHAIRPERSON REYNA: Okay, so  
5 \$10,000.

6 ROBERT BOOKMAN: He has two  
7 licensed bars, then.

8 CHAIRPERSON REYNA: Okay, so, the  
9 issue of requesting this from the state, you know,  
10 I'd be happy to pass a resolution, which we're  
11 working on, but it should be something that is  
12 looked at. I don't know if you guys are going to  
13 begin those conversations, and if you haven't  
14 already, I encourage you to.

15 ROBERT BOOKMAN: How about just the  
16 city waiving the extra--

17 CHAIRPERSON REYNA: We're talking  
18 about the - -

19 ROBERT BOOKMAN: [interposing] tax,  
20 IO know, so the city, only the city, the only five  
21 counties in the State of New York has an extra tax  
22 on liquor licenses.

23 CHAIRPERSON REYNA: Can we start  
24 with the state liquor license first? [laughter]

25 JACK FRIEDMAN: Councilman, I think

1  
2 we've been concentrating more on getting  
3 established businesses reopened.

4 CHAIRPERSON REYNA: And I'm only  
5 referring to Hurricane Sandy victims, right?

6 JACK FRIEDMAN: Right, so--

7 CHAIRPERSON REYNA: Just to be  
8 clear.

9 JACK FRIEDMAN: I'm not sure it has  
10 an effect on the businesses like Ty Rock  
11 [phonetic] you know, which has been open, had a  
12 liquor license, and it just needs to reopen. I  
13 think it has more to do with new businesses that  
14 want to open up in these areas. So we really  
15 haven't heard much from people who are investing  
16 in new businesses this time, we're just trying to  
17 get guys who are closed down to reopen. So, I'm  
18 not sure--if there's something, and issue there,  
19 I'd more than happy to look at it.

20 CHAIRPERSON REYNA: Specifically  
21 businesses that have not been able to open, and  
22 are already being called by the state to open, to  
23 pay for their license--

24 ROBERT BOOKMAN: Their renewal?

25 CHAIRPERSON REYNA: And if they

1  
2 don't open, then they don't open, and they'll get  
3 their refund--

4 JACK FRIEDMAN: But these are  
5 businesses that never had a liquor licenses  
6 before.

7 CHAIRPERSON REYNA: This is the  
8 renewal, right.

9 ROBERT BOOKMAN: No, it's got to be  
10 a renewal, right. 'Cause any businesses, as soon  
11 as they, as soon as they were closed because of  
12 Sandy, if you had a liquor license, what you do is  
13 you put the physical document if you had it, if  
14 not an affidavit, into safekeeping, and your  
15 license gets frozen.

16 CHAIRPERSON REYNA: They didn't,  
17 they refused it.

18 ROBERT BOOKMAN: The license gets  
19 frozen at that point, so you're not losing any  
20 time on your license. But if it's renewal time,  
21 yeah, they want the renewal money.

22 JACK FRIEDMAN: If you have  
23 specific instances of businesses, please share  
24 them with me, I'll share with my colleagues, too.

25 CHAIRPERSON REYNA: Absolutely.

2 JACK FRIEDMAN: Help them.

3 CHAIRPERSON REYNA: Yeah.

4 ROBERT BOOKMAN: Yeah.

5 CHAIRPERSON REYNA: And I wanted to  
6 just ask a very specific legal question. The  
7 story that I had shared as far as Edgar the  
8 business owner for the Wyckoff 99 Cent Store, the,  
9 at the end, the sentiment of what would be a  
10 process that finds you guilty no matter what, and  
11 at the end you have to pay, doesn't that rise to  
12 the level of a violation for due process?

13 ROBERT BOOKMAN: Here's my problem  
14 with it, and again, my last job in the city  
15 government was director of adjudication of that  
16 division at the Department of Consumer Affairs.  
17 And it's changed dramatically since then. What  
18 they do, frankly, is shocking with small business  
19 owners who cannot afford an attorney, and in most  
20 cases, most of the violations there don't rise to  
21 the level where they're going to be able to pay  
22 somebody like me, quite frankly. You know, I tell  
23 them you're going to be found guilty anyway, you  
24 might as well give the money to them than give the  
25 money to me to fight it because it's hard to win,

1  
2 for that very reason. But they, when you go  
3 there, they encourage you to see what they call "a  
4 settlement officer." To the average layperson, a  
5 settlement officer means somebody you sit down  
6 with and you work out a settlement. You know,  
7 I'll pay you, okay, my maximum exposure here is  
8 \$500, we'll pay \$200, and we're done. Most, what  
9 they don't understand is, it's not a settlement,  
10 it's a guilty plea officer. And they're being  
11 told to, and then the paperwork they sign, they're  
12 pleading guilty. They're just being offered a  
13 lower fine in exchange for pleading guilty, as  
14 opposed to taking their chances at a hearing where  
15 they might be able to win, or more often not, and  
16 get potentially hit for a higher fine. But they  
17 basically imply, if not out and out say it to the  
18 people, "Oh, if you don't pay me, and you go to  
19 the hearing, you're going to pay more." Rather  
20 than say, "Well, you know, you have a due process  
21 hearing you can have, and you can wind up zero, or  
22 you could be found guilty but the judge may find  
23 that a \$200 fine is more than sufficient under  
24 your circumstances." I've said to them that for a  
25 consumer protection agency, it's particularly



1  
2 offensive because if private businesses were doing  
3 what you do, you'd issue 'em a summons for  
4 deceptive trade practice. But that's what they  
5 do. So I'm not surprised that a lay person went  
6 in there, kind of heard all of that, most of which  
7 was accurate, some of which is not, you know, as  
8 far as the actual process. But walked out of the  
9 hearing that "I got to pay now or I got to pay  
10 later, and I might as well plead guilty and pay  
11 now." And it's really a shame, it's really a  
12 shame. I've even been in that room, which also  
13 it's the waiting room, it's instructive, you  
14 should spend some time in these waiting rooms.  
15 They share it with the Health Department tribunal,  
16 where a Health Department, you know, somebody  
17 comes up there and says--this is before they had  
18 the translation services that you guys passed--  
19 "Anybody speaks Chinese, you know, you can get out  
20 of here faster," you know, "and we'll take you out  
21 of turn," or, "If you want to plead guilty, if you  
22 want to get up here and get out fast, come with  
23 me." And what they really mean is plead guilty  
24 and we'll get you out of here faster. But you  
25 want your day in court, well, you're going to sit

1  
2 around. And it's bad, it's bad.

3 CHAIRPERSON REYNA: I've spent my  
4 days in TLC. So.

5 ROBERT BOOKMAN: Yeah, I've never  
6 been there, thank god.

7 CHAIRPERSON REYNA: Yeah, you don't  
8 want to go.

9 ROBERT BOOKMAN: I heard it's  
10 really a zoo.

11 ANDREW MOSEL: Can I make one  
12 point? And I guess wrap it up.

13 CHAIRPERSON REYNA: Of course, and  
14 after you're done--

15 ANDREW MOSEL: Oh, sure.

16 CHAIRPERSON REYNA: --Council  
17 Member Dickens has a question.

18 ANDREW MOSEL: This is a corollary  
19 point, it particularly applies to letter grades,  
20 but I think it applies to a lot of different  
21 agencies, especially if we're talking about cure  
22 periods. What happens with letter grades is let's  
23 say you get a B on your initial inspection, and  
24 then you have a reinspection in two weeks. And  
25 presumably, whether it's letter grade legislation

1  
2 or legislation we're considering today, some of  
3 those, if some of those violations they got in  
4 your first one could be cured in the second one, a  
5 lot of times the inspector comes back and he gives  
6 you a whole nother set of violations in your  
7 second inspection. I mean, this could presumably  
8 happen with anything like your gentleman at the 99  
9 cent store, if we pass a lot of--I'm sorry, you  
10 pass a law saying that someone has to come back  
11 and see if it's been fixed, but then he gets four  
12 more violations. It's not going to make a  
13 difference. So that's something we have to be  
14 mindful of.

15 [background comment]

16 COUNCIL MEMBER DICKENS: Thank you,  
17 Madam Chair, Chairs. And I want to apologize to  
18 my Chairs for my lateness, but because of their  
19 being several committee hearings at the same time,  
20 I had to run to two different locations for two  
21 different hearings all at the same time. But I  
22 wanted to say that I'm glad to see that the  
23 industry is supporting this legislation. I signed  
24 on to three of them, the business owners bill of  
25 rights I don't know if I sing--I did not sign on,

1  
2 I don't need to say I know, I didn't. And that's  
3 not because I don't support it, but it's because I  
4 come from a small business background, and I did  
5 not see any teeth in it, to be honest. It didn't  
6 really address, and Mr. Bookman I know you asked  
7 that we be in the, some of the waiting rooms,  
8 well, I have. [laughter] I have been in many of  
9 the waiting rooms for ECB, for DEP, for Board of  
10 Health, you name it, and I've been in the waiting  
11 room.

12 ROBERT BOOKMAN: Good for you.

13 COUNCIL MEMBER DICKENS: Waiting  
14 for hours, regardless of the time they give you.  
15 And also, the fact that the violations frequently,  
16 and that's something we have not yet addressed,  
17 violations frequently are, they give us duplicate  
18 violations. In other words, it's really the same  
19 violation, but they'll assign it a new number, and  
20 then when you check it's the exact same thing.  
21 And those are things that we have not cleaned up.  
22 If we really want to protect and enhance small  
23 business, which are the ones that create  
24 employment opportunities. It's the small  
25 businesses that do that, and not big business.

1  
2 And it's maybe because it's a very zealous thing  
3 we would have to do to make these changes, it  
4 would require an awful lot and of work and  
5 investigation and proof to make changes to laws  
6 that we did enact. And so, do you have any  
7 suggestions of how we could do something like  
8 that, because that was what your suggestion was.

9 ROBERT BOOKMAN: I mean, I agree,  
10 it's a huge project, it's a huge project, and it's  
11 going to finish up with this Council--

12 COUNCIL MEMBER DICKENS: No.

13 ROBERT BOOKMAN: --and this  
14 Administration. But the fact that we're talking  
15 pro-small business issues for the first time in  
16 the last year or two, is substantially different.  
17 You talk about how do you change a culture? Well,  
18 I think you change it slowly, and I think the  
19 culture is being, has been changed, and is being  
20 changed, where we're at least having serious  
21 conversations and hearings now about how do we  
22 protect small businesses? That didn't--Jack, that  
23 was, ten years ago nobody was even talking about  
24 how to protect small businesses. So, on the  
25 statutes, you have excellent Council staff, I

1  
2 mean, they're all young and bright and eager and  
3 they, I've been very impressed with all of 'em.  
4 You know, I don't think we need to go through  
5 every law right away, but we know which agencies  
6 statutory laws deal mostly with small businesses,  
7 so there's really four or five administrative code  
8 sections that are probably 90 percent--[background  
9 comment] Yeah, well, yeah. There's a 1,000 DCA  
10 laws, not 1,000 laws that relate to 99 cent  
11 stores.

12 COUNCIL MEMBER DICKENS: And give  
13 this Council some credit, you know.

14 ROBERT BOOKMAN: But we can do it,  
15 it's doable.

16 COUNCIL MEMBER DICKENS: Give this  
17 Council some credit because yesterday, if you had  
18 been in - - yesterday, you would've seen Council  
19 Member after Council Member jump up in support of  
20 small businesses.

21 ROBERT BOOKMAN: Right. So I think  
22 there's a mindset there for it now, and I think  
23 staff could work with industry, in starting with  
24 the Health Department, Consumer Affairs  
25 Department, the ones that get a lot of attention,

1  
2 and there's probably a couple of others, couple  
3 other codes. And we could start going through  
4 those and seeing which of those can have warnings.  
5 And I got to say, most of the time that you pass  
6 laws with fines, you give a range. But what's  
7 happening at the agencies, is they are  
8 administratively ignoring the range and telling  
9 their judges, "If you find guilty, then you, I  
10 want the minimum fine to be \$250." Even though  
11 you may have passed something and said, "Not ex--  
12 up to \$500," well that means zero to \$500. But  
13 when they tell their administrative law judges,  
14 "If you find guilty, I want the minimum to be  
15 \$250," they've really changed your law to be \$250  
16 to \$500. So, a lot of what you might need to do  
17 in statutory is not necessarily demand warnings on  
18 some of the statutes, but maybe a solution in many  
19 cases to simply make it clear in the law that when  
20 you provide a full range, that that full range  
21 must be available when you go to the hearing. And  
22 they can't over--they can't supersede your law  
23 with their rule.

24 COUNCIL MEMBER DICKENS: All right,  
25 well thank you, because I don't think that we're

2 against making the changes, it's just that it's  
3 overwhelming.

4 ROBERT BOOKMAN: No, I understand.

5 [background comment]

6 COUNCIL MEMBER DICKENS: All right,  
7 thank you.

8 ROBERT BOOKMAN: Thank you.

9 CHAIRPERSON BREWER: Thank this  
10 panel very much, for all your years of service,  
11 and we look forward to cures and education.

12 ROBERT BOOKMAN: Absolutely.

13 CHAIRPERSON BREWER: Thank you very  
14 much.

15 ROBERT BOOKMAN: Thank you.

16 CHAIRPERSON BREWER: Our next  
17 panel, and I so appreciate your waiting, is Mr.  
18 DeJesus, Ms. Tarulli and Mr. Petrie. [pause,  
19 background noise] Whomever would like to begin,  
20 go ahead.

21 MAUREEN TARULLI: I guess I'll  
22 begin, if you don't mind. My name is Maureen  
23 Tarulli.

24 CHAIRPERSON BREWER: Got to pull it  
25 towards you and I don't know if it's on.



MAUREEN TARULLI: Okay. Hello?

Okay. I want to thank you for hearing me. I want to thank Christine Quinn's office for putting me in touch with you. I am a small business owner that got so frustrated, and after reading the paper and seeing that Christine Quinn was trying to help small businesses, I contacted them. And they put me in touch with you. Again, my name is Maureen Tarulli, I am the owner of a small carting business in New York City, named Mo's Carting. Here are some of the agencies I'm regulated by: I'm regulated by the NYPD, I'm regulated by the New York Fire Department, I'm regulated by the New York City Department of Transportation, the New York State Department of Transportation, the New York City Department of Environmental Protection, the Business Integrity Commission, the New York City Sanitation, and the list goes on. Okay? I'm happy to hear that this City Council wants to create a liaison between small businesses and the city. At this time, I do not know one small business owner who is happy doing business in this city. We are overregulated and fined excessively. Small business owners do not want to break the

1  
2 laws, we want to know the laws. The problem  
3 starts with not knowing who regulates us, and what  
4 the regulations are. The only set of regulations  
5 I received when I started my business, was from  
6 the Business Integrity Commission. Not only do I  
7 not know who regulates me, or where to find the  
8 regulations, I do not even know when I'm getting  
9 fined. I'm sorry, I handwrote all this also,  
10 because I was in the environmental control board  
11 this morning. Okay, I didn't know I was going to  
12 be here. So, I didn't have time to prepare like I  
13 would've liked to. But because I was able to get  
14 out of court today, and come here, I was able to  
15 write this and, so--

16 CHAIRPERSON BREWER: Thank you very  
17 much.

18 MAUREEN TARULLI: I've had tickets  
19 mailed to me a year after the ticket was written.  
20 I was told there are no statute of limitations on  
21 these tickets. Also, these tickets can be written  
22 by more than one agency. Tickets are being  
23 properly served to the Department of State in  
24 Albany, even though all my trucks and containers  
25 have my name, address, telephone numbers, and

1 license number, on all my equipment. These  
2 tickets served to Albany almost never get mailed  
3 to me. I find out that I was fined when I get a  
4 default letter from the ECB office. I asked to  
5 postpone a hearing at the ECB court, and the judge  
6 wanted me to plead guilty, pay the \$750 fine, and  
7 then appeal it. I spent over an hour with this  
8 judge, trying to convince him that the default  
9 letter I got did not give me enough information to  
10 defend myself. He couldn't understand that I  
11 didn't want to pay the \$750 fine and appeal it. I  
12 had to ask him, "Aren't we innocent before being  
13 proven guilty? Why should I have to plead guilty  
14 and pay \$750 and then appeal? I just wanted to  
15 adjourn it." That \$750 is a salary. When I was  
16 fined by the Fire Department, I was able to cure  
17 all my violations. I appeared before the ECB and  
18 was happy that I was able to cure them all. But I  
19 found out that I did not serve the Fire Department  
20 with my cures, and because I didn't serve the Fire  
21 Department, I still had to pay the fine. I had no  
22 idea you had to serve the city agencies. The DOT  
23 is now requiring that carters obtain permits for  
24 our containers on the street. I've never received

1  
2 any regulations from the DOT when I became a  
3 permittee, but yet I was in the DOT's office and  
4 had to get bonded for the DOT, to get, to become a  
5 permittee. But they never handed me their  
6 regulations. Never. I have no idea, I find out  
7 when I go along. Recently, I was given a  
8 violation from the Business Integrity Commission,  
9 not providing the Business Integrity Commission  
10 with a one sentence letter. When I went to court,  
11 the BIC lawyer met me in the waiting area at 66  
12 John Street, and then told me he was willing to  
13 settle for \$500. He said, he then said if I  
14 didn't settle for the \$500, he was certain I would  
15 be found guilty, and he would demand a \$20,000  
16 fine. For a one sentence letter. I agreed to pay  
17 the \$500 fine and left feeling like I was just  
18 extorted. I was afraid to go in front of the  
19 judge, even though I knew I was right, I just  
20 couldn't afford to gamble with a \$20,000 fine. I  
21 can go on for hours with stories of how I've been  
22 fined. And to add insult to injury, these fines  
23 are not tax deductible. They show up as profits  
24 on our taxes. So, we are paying taxes on these  
25 fines. When I applied for financial aid for my

1 children's college education, these fines  
2 prevented me from getting any aid. When I  
3 explained to the school that these moneys weren't  
4 paid out to--these moneys were paid out to New  
5 York City for fines, and that they were not in my  
6 checkbook, they didn't believe me. The  
7 environment of fining and regulating excessively  
8 is pushing businesses out of New York City. Many  
9 business owners learn how to open and close up  
10 corporations to avoid paying fines. Hurting small  
11 business is hurting the backbone of the city. No  
12 one works as hard as a small business owner,  
13 usually 24 hours a day, seven days a week on-call.  
14 New York City is the center of the world because  
15 of our diversity. Once we lose that, New York  
16 City will be like any other big city. You cannot  
17 expect small business owners to be able to run  
18 their businesses and fight City Hall at the same  
19 time. If we can work together, we can still be  
20 the greatest city in this world and be an example  
21 of how small business and big business can work  
22 together. There's a place for all of us, we love  
23 our delis on the corner, but we love Subway, and  
24 we love our Dunkin' Donuts next door. Small

1  
2 businesses need education and opportunity. We  
3 need warnings, we need cure periods, and physical  
4 copies of our bill of rights, regulations and the  
5 amendments. I once went to a ECB violation, and I  
6 was told that this, I gave him the law, and showed  
7 it to him, and he said, "Well, this has been  
8 amended." And I said, "Well, I never got the  
9 amendment in the mail, how am I supposed to know  
10 it was amended." We don't have any liaison going  
11 on telling us what, when a law gets passed and  
12 when it's getting amended. So, I'm looking at a  
13 law that was from two years ago, and in the  
14 meantime, it's gotten amended, I have no way of  
15 knowing that. I right now, feel like I have to be  
16 a lawyer to run my business. And that I should be  
17 sitting in front of all these different agencies  
18 every day, and going through them and saying,  
19 "What's new today, what's new today?" It's  
20 impossible. It's impossible. We will not survive  
21 with more regulations and excessive fines. When  
22 there is no more competition left, the consumer  
23 and the city will suffer. When the private sector  
24 flourishes, so does the public sector. Small  
25 businesses are what makes New York City the

1  
2 greatest city in the world. Let's see if we can  
3 bring a partnership together, so that we can be  
4 example for the 21st Century, not only a place to  
5 love to do business in, but a place that we love  
6 to raise our families in. Setting an example for  
7 future businesses to not only want to start up  
8 here, but to grow here in New York City. It is so  
9 hard to want to be a small business person here  
10 and to think about growing. I think I would want  
11 to put a bullet in my head first. It's so hard to  
12 regulate and to navigate everything that goes on  
13 here. That to want to grow and that's what we  
14 should be encouraging, too, is also something  
15 that's mindboggling. So, you know, this is a  
16 starting point, but there's a lot of work to be  
17 done. And I do think one of the reasons small  
18 businesses do not speak in front of you, is  
19 because of afraid of being retaliated from.  
20 Because now I know, I just mentioned all these  
21 agencies, and I know what will happen, I went--

22 CHAIRPERSON BREWER: You're fine.

23 I promise you.

24 MAUREEN TARULLI: [laughs] Well,  
25 I'm telling you, I went with that \$500 fine and I

1  
2 told them exactly why I shouldn't be fined, and  
3 the next week, I got another fine in the mail. I  
4 said, "I opened my mouth, and the next week, I got  
5 another fine in the mail." So, it is an  
6 environment and it is a culture that has to  
7 change. It has to feel like we want to do  
8 business here, and we want to feel good about our  
9 businesses. We feel like we're criminals. When  
10 we get the inspectors come, they take their badges  
11 out, I have my workers get stopped. And they  
12 think, they don't know what's going on, if they're  
13 getting arrested or not. It's a terrible feeling.

14 CHAIRPERSON BREWER: Thank you very  
15 much.

16 MAUREEN TARULLI: You know.

17 CHAIRPERSON BREWER: I really  
18 appreciate it.

19 MAUREEN TARULLI: All right, I'm  
20 sorry.

21 CHAIRPERSON BREWER: That's okay.  
22 Thank you.

23 MAUREEN TARULLI: [laughs]

24 CHAIRPERSON BREWER: Next, and  
25 thank you for waiting, everybody.



2 NICK PETRIE: Good afternoon, my  
3 name is Nick Petrie, I'm the Small Business  
4 Organizer with Make the Road New York. I - -  
5 Jesus. Just really quickly to do an intro, so  
6 what we've given is the prepared statements, and  
7 they're both in English and Spanish. If it  
8 pleases the Chairs, we'd love, so Juan is a  
9 monolingual Spanish speaker. If he can read his  
10 statement and then I'll be translating as we go.  
11 We'd also just really like to thank Chair Diana  
12 Reyna, Chair Gale Brewer, Speaker Christine Quinn.  
13 we can open for questions afterward and we're  
14 looking forward to that dialogue. And then also,  
15 Council Member Reyna was already kind enough to  
16 speak some of Edgar's story. I mentioned to him  
17 and he's really excited that that happened. I in  
18 the interest of time will maybe just add a couple  
19 tiny details to that, but the major points of that  
20 I think were made, which is I'm really glad that  
21 that happened, and his voice was already in the  
22 conversation.

23 JUAN DEJESUS: [Spanish, translated  
24 by Nick Petrie] First, please permit me to greet  
25 everyone. Thank you so much for being here for

1  
2 this marvelous day. My name is Juan DeJesus. I'm  
3 the owner of a cellular store. I am originally  
4 from the Dominican Republic. When I came to this  
5 country, I came with a dream. I sold my store in  
6 the Dominican Republic and brought that money and  
7 those resources to invest in this country. I am  
8 very proud to be the owner of my own business and  
9 with the help of God, I hope to expand my  
10 business. But it seems that often the City of New  
11 York doesn't want to work together with the small  
12 businesses. The small businesses are dedicated to  
13 the health of our communities, and the development  
14 of our communities, and to succeed together. But  
15 often, the enforcement of the regulation is very  
16 arbitrary. There are many, many regulations and  
17 they are always changing. So without  
18 communication between us, the small businesses,  
19 and the Departments, for us the small business  
20 owners, it is impossible for us to follow all the  
21 regulations without clear communication. In some  
22 cases, it seems that the Departments are more  
23 interested in fining the businesses than they are  
24 in working together with the businesses. My story  
25 is indicative. For my business, I had to renew a

1  
2 license. So I did it by way of the internet,  
3 because I didn't have time to leave my business  
4 and go to this, so I did it through the computer.  
5 So, afterward I received a receipt that said,  
6 "You've paid for your license." So it seems that  
7 the Department of Consumer Affairs had sent the  
8 license to the wrong address, I don't know what  
9 happened, but I never received a copy. The  
10 Department did not communicate with me, that I,  
11 that the license had not arrived and been returned  
12 back to the Department a long time passed, and I  
13 didn't receive my license. So an inspector came  
14 to my business and saw that I had an expired  
15 license. I showed him the receipt that I had,  
16 that was showing that I had already paid for the  
17 license fee. We couldn't communicate, I didn't  
18 receive any translation services. It seemed  
19 everyone was a little bit bothered, and then we  
20 couldn't talk about what was actually happening.  
21 So, finally, after trying to communicate, he said,  
22 "You have to sign this document," and so I signed  
23 it. So, a month later I received an email that I  
24 had missed a date, the date to appeal, or to fight  
25 the charge originally, and that I was going to be

1  
2 fined \$1,000. I feel the inspector was a little  
3 bit abusive. So my license was paid, he could see  
4 that it was paid with the receipt, but still, he  
5 fined me. The other thing is I don't understand  
6 why I couldn't receive translation services by  
7 phone. The inspector understood that we couldn't  
8 communicate correctly. So the inspector never  
9 told me in a language that I understand when I was  
10 supposed to go to my court date. And then he  
11 never told me and then he just left. Therefore, I  
12 believe that this fine is unjust, with my heart I  
13 believe that this fine is unjust. I always try to  
14 follow all of the regulations that I need to for  
15 my store. I followed with paying for the license,  
16 I paid for the license on time, because I believe  
17 that's my responsibility. When I received the  
18 message that I was being fined by DCA, I went  
19 there, I had to lose an entire day of work and  
20 close my business. And I went there to see what I  
21 could do, talk to them, to talk to them. So I  
22 went there to ask him "What could I do?" And when  
23 I went, I found that they had my license in a file  
24 for returned documents. So, just as like I had  
25 the responsibility to pay for my license, I

1  
2 believe that they have the responsibility to send  
3 me my license if when they send me the license and  
4 it returned, they should have tried to communicate  
5 with me, tell me that the license had been  
6 returned, and sent it to the right address, resend  
7 it to my business address, because they had  
8 different addresses, and they sent to the wrong  
9 place. Yeah, so I think that they should have  
10 tried to communicate with me to tell me what was  
11 going on. So, it's a joke, what is funny about  
12 the situation is that when they needed to inform  
13 me about the situation with my license, they  
14 couldn't find me and couldn't communicate with me,  
15 but when they needed to inform me that I was being  
16 fined, they called me, sent me a text message,  
17 emailed me, sent a letter to my home and to my  
18 business. Yeah. I believe that my story shows  
19 that it's necessary to support regulatory reform.  
20 The proposals with Intro 949, 941, and 942 would  
21 support small businesses, these proposals would  
22 begin the process. Also, my story shows that it's  
23 necessary to have language access, to have  
24 translation. These proposals are the first steps  
25 or actions in order to change the relationship

1  
2 between the City and the small businesses. We the  
3 small businesses want to work together with the  
4 City in order to be successful. I had the vision  
5 to expand my business, but now like many other  
6 businesspeople in New York, I have a lot of fear,  
7 I'm very afraid that I could lose my business and  
8 my investment in a single inspection, if I were to  
9 receive two more fines like the one that I  
10 received, I would have to close my business. So,  
11 only we the small businesses, we want to overcome  
12 and we want to grow together in this great nation.  
13 Thank you so much for helping.

14 CHAIRPERSON BREWER: A couple  
15 questions. Ms. Torulli, you must be one of the  
16 few women owned carting companies, right?  
17 Congratulations. Is there an association? And if  
18 there is or isn't, do you meet with Ms. Hymen  
19 [phonetic] and the BIC, or do they ever ask for  
20 your input? Do they ever say, "Are there some  
21 issues we could do to work on the roots or agency  
22 coordination?" or anything at all at the BIC? No.  
23 You need the microphone, I'm sorry.

24 MAUREEN TARULLI: There is a  
25 national solid waste association. In '98, or

1  
2 maybe even earlier, when Giuliani was Mayor, the  
3 Local Law 42 made it where you were not allowed to  
4 belong to an association unless they, the business  
5 at the time was the Treadways [phonetic]  
6 Commission--

7 CHAIRPERSON BREWER: Right.

8 MAUREEN TARULLI: --approved the  
9 association.

10 CHAIRPERSON BREWER: Right.

11 MAUREEN TARULLI: So, a lot of the  
12 business owners became part of the national solid  
13 waste organization.

14 CHAIRPERSON BREWER: I see, yeah.

15 MAUREEN TARULLI: But the national  
16 solid waste association--

17 CHAIRPERSON BREWER: Good guys,  
18 really good guys.

19 MAUREEN TARULLI: Yeah. And  
20 everyone knows here, New York is a different  
21 animal. New York City is totally different doing  
22 business here, than anywhere else in this country,  
23 just picking up garbage is different, never mind,  
24 you know--

25 CHAIRPERSON BREWER: Right, no, I'm

familiar.

MAUREEN TARULLI: And so, I don't belong to it right now. I did belong to it, but I couldn't afford it. So, if you don't belong to that association, they are at least giving the members some information. But because I don't belong to it--

CHAIRPERSON BREWER: So there are probably others who don't belong, too.

MAUREEN TARULLI: Oh, yes, yes.

CHAIRPERSON BREWER: Okay, all right, that's helpful. Maybe we'll try to get you to meet with - -

MAUREEN TARULLI: [interposing]  
Yeah, there's the, but the problem is I'm regulated by so many different agencies.

CHAIRPERSON BREWER: No, I hear you, but BIC is the one that should be looking at that.

MAUREEN TARULLI: Right, right.

CHAIRPERSON BREWER: In addition to that, you know. Mr. De Jesus, when you met with the gentleman who came into the, was the material that he gave you to sign in just English?



2 JUAN DEJESUS: Yes.

3 CHAIRPERSON BREWER: I think that's  
4 probab--I believe that's illegal. So that's  
5 something to look at. That's one of the  
6 regulations that we passed that I think makes  
7 sense.

8 JUAN DEJESUS: [Translation]

9 CHAIRPERSON BREWER: And secondly  
10 when you went down and took, unfortunately, a day  
11 off from work to go talk to the Department of  
12 Consumer Affairs, was there translation there? In  
13 other words, when you walked in, were you greeted  
14 respectfully? Were, was there translation  
15 available to figure out where your sitting in the  
16 file material was?

17 JUAN DEJESUS: [Spanish,  
18 translation provided by Nick Petrie] No, there  
19 were not, there was someone there that was doing  
20 something, and I asked them for the favor to help  
21 me translate.

22 CHAIRPERSON BREWER: Okay. But  
23 anyway, thank you very much.

24 JUAN DEJESUS: [Spanish,  
25 translation provided by Nick Petrie] So, someone

1  
2 was there, not an employee, just someone who was  
3 there.

4 CHAIRPERSON BREWER: That's very  
5 helpful. I think that everything that you just  
6 described is not what is supposed to be. So, I  
7 really appreciate it. But Council Member, you  
8 have questions.

9 CHAIRPERSON REYNA: Thank you,  
10 Council Member Brewer. I just wanted to ask,  
11 Senor DeJesus, [Spanish]

12 JUAN DEJESUS: No.

13 CHAIRPERSON REYNA: [Spanish]

14 JUAN DEJESUS: No.

15 CHAIRPERSON REYNA: Okay. So, I  
16 asked Mr. DeJesus if he had received this  
17 particular bill of rights, and his answer was no.  
18 And at the agency, did he receive this bill of  
19 rights, and he said no. And so, language access  
20 bill, violated; bill of rights, violated. I don't  
21 know exactly at what point will we change the  
22 culture, via laws, because clearly the laws are  
23 not changing the culture. And the issue of what  
24 does the store owner end up in pursuing justice,  
25 is still to be determined. [pause, background

1  
2 noise] So I just wanted to, you know, get clarity  
3 on that particular question, and I do appreciate  
4 the work that Make the Road has been working with  
5 the small business community. And Senior DeJesus,  
6 [Spanish]

7 JUAN DEJESUS: Minihany [phonetic]  
8 Grove.

9 CHAIRPERSON BREWER: Minihany  
10 Grove. [Spanish] No, okay. I just wanted to ask  
11 what were the between streets of his location.  
12 His Council Member is Council Member Dilan, to see  
13 if he's visited with, to see if he could file a  
14 complaint with the agency, concerning this  
15 particular case. So that the Council Member is  
16 aware and reaches out to the Department of  
17 Consumer Affairs. Thank you very much. And if  
18 you can make a formal complaint, as far as this  
19 particular case is concerned, and any other, to  
20 the [www.nyc.gov/customersurvey](http://www.nyc.gov/customersurvey), it would be  
21 helpful to just have a recording of this  
22 particular complaint, so that we can certainly  
23 continue to follow up. So, [Spanish]

24 CHAIRPERSON BREWER: Thank you all  
25 very much, thank you for this panel. Do you want

1  
2 to add something?

3                   NICK PETRIE: I would love to just  
4 be able to add a part of Edwin's statement.  
5 Again, I thank Council Member Reyna for bringing  
6 those issues to light, and I think particularly  
7 talking about the prohibitive costs of fighting  
8 violations, for small business owners,  
9 particularly - - where Make the Road is working,  
10 this is something that I hear about every day.  
11 And I just wanted to include the last quick  
12 section of his, just because it brings up some  
13 other points that have been made, I think it's  
14 worthwhile. So starting from after where Council  
15 Member Reyna had read, so it says, and this is  
16 from Edwin Andrade, his Wyckoff 99 cent store.  
17 "Now, I'm worried about the next inspection. We  
18 are already saving money because the fines seem  
19 inevitable. I see so many of my neighbors  
20 closing, in just a few blocks around my store,  
21 three stores have closed. A CD store on my block  
22 closed because the owner couldn't pay a \$1,500  
23 fine. A medical clinic down the road closed  
24 because of too many expensive fines. The grocery  
25 store on my corner has been fined for improper

1  
2 outdoor displays of produce, and the owner gave up  
3 and sold the store. I must support regulatory  
4 reform so that small business can remain in  
5 business. I believe that the Fire Department  
6 inspectors offer a perfect example of how  
7 inspections could work to benefit everybody. The  
8 Fire Department will spend half a day at your  
9 store, and tell you what is broken. They write  
10 down the violations, so you know what to fix. For  
11 immediate issues, they require that you fix it  
12 right there, but for other issues, they give you  
13 time to fix it. Then, in a week, they return to  
14 make sure everything is better. This protects the  
15 Community while letting the business owners  
16 actually follow code, rather than just getting  
17 fined." So, again, I thought it was worthwhile to  
18 highlight that point, again cure periods being  
19 truly essential to be able to let small businesses  
20 stay in business. Again, Juan's story really  
21 highlights the necessity of language access across  
22 the city. And we are really, really enthusiastic  
23 when we see this legislation moving forward. As  
24 we've known for a while that in our neighborhoods  
25 small business are an essential part of the fabric

1  
2 of the neighborhood, and we're really excited to  
3 see the city moving forward toward a more  
4 productive, educational and positive relationship  
5 with small business owners, as opposed to more  
6 punitive.

7 CHAIRPERSON BREWER: Thank you very  
8 much. We note the Mayor's Office has been here  
9 taking notes the whole time, so we appreciate that  
10 you're here and we will follow up on all avenues  
11 and thank you and it's a pleasure to work with  
12 Council Member Reyna, and we thank all the staff  
13 members, I thank Will Colgrove from my office,  
14 too. Thank you.

15 CHAIRPERSON REYNA: [laughs]

16 CHAIRPERSON BREWER: Thank you.

17 NICK PETRIE: Thank you so much.

18 [gavel]

19 CHAIRPERSON BREWER: Adjourned.

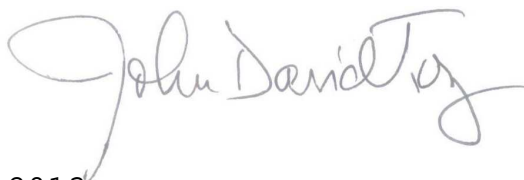
20 [background noise then blank until

21 end]

C E R T I F I C A T E

I, JOHN DAVID TONG certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

A handwritten signature in cursive script that reads "John David Tong". The signature is written in black ink and is positioned to the right of the printed word "Signature".

Date March 19, 2013