

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON SMALL BUSINESS

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August 13, 2020
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HELD AT: REMOTE HEARING - VIRTUAL ROOM 1

B E F O R E: Mark Gjonaj
Chairperson

COUNCIL MEMBERS: Mark Gjonaj
Stephen T. Levin
Bill Perkins
Ydanis Rodriguez
Helen K. Rosenthal
Francis P. Moya
Keith Powers
Donovan J. Richards

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

Jonnel Doris
Commissioner
New York City Department of Small
Business Services

Christian Klossner
Executive Director
Mayor's Office of Special Enforcement

Andrew Rigie

Robert Bookman

Josh Gold

Kathleen Reilly

Andrew Ding

Evan Franca

Andrew Schnippers

George Constantino

Maria Diaz

Adam Farbiage

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UNIDENTIFIED: We're into the cloud.

3

4

UNIDENTIFIED: I'm not able to start my recording. Hannah, restart please.

5

UNIDENTIFIED: I'm recording to the cloud.

6

UNIDENTIFIED: I'm recording as well.

7

8

UNIDENTIFIED: You can begin the live stream.

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UNIDENTIFIED: Give us a second while we get it on the live stream. Ah, Speaker and Chair, just give us a couple more minutes. We're trying to solve some issues on the live stream.

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UNIDENTIFIED: OK, we'll be starting momentarily.

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UNIDENTIFIED: Sergeant [inaudible] will you begin with your opening speech?

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SERGEANT AT ARMS: Good morning. Welcome to the Committee on Small Businesses. Will council members and staff please turn on their videos at this time. To prevent disruptions, please place all cell phones and electronics on vibrate. If you wish to submit testimony you may do so at testimony@council.nyc.gov. That's testimony@council.nyc.gov. We are ready to begin.

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CHAIRPERSON GJONAJ: [gavel] Thank you for joining our virtual hearing today on Intro 1958 and two preconsidered Intros. We are joined today by the Speaker, Corey Johnson, and I thank him for his leadership in supporting local restaurants and small businesses. I'd like to acknowledge that we've been joined by many of our colleagues, Council Member Moya, Council Member Powers, Councilwoman Rosenthal, Council Member Richards, Council Member Perkins, and I'm sure we'll be joined by many more throughout the hearing. Good morning. I am Council Member Mark Gjonaj, chair of the Committee on Small Business, and I'd like to welcome you to our remote hearing today on Intro 1958 and two preconsidered Intros. Our city restaurants are a central aspect of what makes our city so wonderful, such a great place to thrive, raise a family, and invest. They are essential to the cultural fabric of this city and they deliver a variety of global cuisines that match the city's diversity. The COVID-19 crisis presents perhaps the greatest threat to the restaurant industry in modern history. According to the August 2020 report by the city comptroller 187,000 food service industry jobs were lost in the city in the month of June. A recent

1 report by the Partnership for New York City
2 classifies an estimated 679,000 accommodation and
3 food service jobs are vulnerable to loss, the most of
4 any sector in this city, 58% of which come from small
5 businesses that employ fewer than 100 employees.
6

7 Over 1280 restaurants have closed from March 10
8 through July 10 and restaurants will continue to
9 close over the coming months, especially if the COVID
10 crisis begins to increase as the summer ends,

11 especially if the COVID crisis begins to increase as
12 the summer ends. The experiences of individual

13 restaurant owners highlights the challenges the

14 industry faces to remain stable throughout the

15 pandemic. Businesses all of June at the Nugget Spot,

16 a restaurant on East 14th Street in Manhattan, has

17 equaled to one good Thursday before the pandemic.

18 Ivana's Centrals take-out and delivery business in

19 Times Square equals about 3% of its former revenue.

20 While restaurants are struggling to keep their doors

21 open and continue paying their staff third-party

22 delivery platforms have experienced a surge in use.

23 Uber Technology's second quarter earnings reflected a

24 103% jump in delivery revenue over the previous year.

25 For the same quarter Grub Hub Inc. Revenue rose by

1 41% and its number of active diners were up by 35%.
2 Grub Hub CFO, Adam DeWitt, committed, commented on
3 these numbers, saying we remain confident that
4 focusing on restaurant supply and diner loyalty will
5 enable us to keep growing in a sustainable and
6 profitable manner. Restaurants across the city are
7 closing permanently. Owners are forced to lay off
8 their staff and storefront vacancies are increasing.
9 We saw vacancy increases a problem prior to the
10 pandemic. During the pandemic and after the pandemic
11 our commercial corridors will never be the same. At
12 the same time, third-party platforms are booming,
13 more sustainable and profitable off of the hard work,
14 creativity, and survival tactics desperately employed
15 by restaurants. I am proud of this committee's work
16 in passing Local Law 51 and 52, which went into
17 effect this past June. These bills are set to expire
18 in September, however, and therefore must be
19 extended. I look forward to hearing from the Office
20 of Special Enforcement on their enforcement of these
21 laws and discussion whether third-party platforms
22 have been compliant with them. The two
23 preconsidered Intros we'll be hearing today will
24 extend the cap on fees and prohibit platforms from
25

1 charging restaurants for telephone orders that did
2 not result in a transaction during a call until
3 restaurants can completely reopen to indoor dining at
4 100% capacity. I'm proud of my bills and the work of
5 this committee and look forward to moving these
6 preconsidered Intros through the legislative process.
7 We're also hearing Intros 1958 today, which could
8 further investigate which businesses were able to
9 access money from the Department of Small Business
10 Services Loan and Grant Program. The importance of
11 this issue came to light at our last small business
12 hearing when the administration revealed that only 1%
13 of their loans went to the borough of the Bronx.
14 With that said, I'd like to thank my chief of staff,
15 Reggie Johnson, our legislative counsel, Stephanie
16 Jones, our policy analyst Noah Miksler, and finance
17 analyst Alia Ali for their hard work in preparing for
18 this hearing. I'd like to turn it over to my dear
19 friend, Speaker Corey Johnson, to give a statement,
20 followed by Council Member Moya. Speaker?

22 SPEAKER JOHNSON: Thank you, ah, Chair
23 Gjonaj, for holding this really important hearing
24 this morning. It is hard to overstate, I'm not sure
25 we could overstate, how important restaurants are to

1
2 New York City, the city we love so much, and you
3 outlined it, ah, Mr. Chair, so much of what makes New
4 York special has been on hold since the beginning of
5 COVID-19. We don't have Broadway, we don't have
6 museums, we don't have concerts. But when grocery
7 store shelves were empty or a little bare on certain
8 days or we didn't feel safe going out, you could rely
9 on your corner deli that stayed open all during the
10 pandemic to grab a bite. When you had an anniversary
11 or a birthday but you couldn't go out to celebrate,
12 or if you needed some comfort food when things were
13 rough, you could order in from your favorite local
14 restaurant and pick it up or have it delivered for
15 you. When restaurants were finally allowed to open
16 up and do outdoor dining it didn't just help the
17 bottom line for a lot of businesses and workers, it's
18 been good for the emotional health of so many New
19 Yorkers. Being outside at a restaurant again, it's a
20 chance to feel normal in a world that is anything but
21 normal right now. And it's clear that we are not
22 getting help from Washington anytime soon and the
23 outdoor dining weather season isn't going to last
24 forever. So New York City needs to do everything
25 that we can to keep supporting small businesses,

1 restaurants, food industry establishments. It's not
2 just jobs and tax revenue that's on the line, it's
3 also our identity as New Yorkers and as a city. Can
4 anyone imagine Arthur Avenue or Flushing and Queens
5 without their restaurants? Can you imagine your
6 neighborhood, whatever it may be, without your
7 favorite local restaurant? I can't. The fabric of
8 our neighborhoods is shaped by our local restaurants
9 and small businesses. Back in May, as the chair
10 said, the council passed legislation to help
11 restaurants by capping delivery app fees. We hope
12 that by now we'd be out of the woods. But it's clear
13 that we are still deep in the middle of this crisis.
14 If restaurants are going to have any chance at
15 recovering we have no choice but to extend those
16 laws. We are also hearing an important bill by
17 Council Member Donovan Richards today which will
18 require reporting on businesses who have received a
19 grant or loan from the city. The past few months
20 have been devastating for almost every type of small
21 business in New York, but like every other aspect of
22 this crisis black and brown New Yorkers have been hit
23 the hardest and we need an antiracist recovery and
24 that can't happen unless we are working to make sure
25

1 that minority-owned businesses are getting the help
2 that they need. Before I turn it back to the chair I
3 want to thank everyone who has joined us this
4 morning, but also everyone that has worked on these
5 issues all throughout this crisis. I see that Andrew
6 Rigie and Rob Bookman, and I know Christian Klossner
7 from the Office of Special Enforcement, and so many
8 small business owners that have worked so hard, ah,
9 during this. I really just want to, ah, thank you.
10 I know it's especially challenging for small business
11 owners to take time out of their busy schedules to be
12 here today, but you all make New York what it is, so
13 we'll be working to do everything we can to support
14 you and with that I turn it back to you, Mr. Chair.
15 Thank you for convening this hearing today, and I
16 look forward to hearing these bills, passing these
17 bills, and doing more to support small businesses and
18 restaurants in New York City. I want to thank the
19 other members that are here as well, Council Member
20 Rosenthal, Council Member Moya, Council Member
21 Richards, Council Member Perkins, and Council Member
22 Powers, unless I missed anyone. I'll turn it back to
23 you, Mr. Chair.
24

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2 CHAIRPERSON GJONAJ: Thank you so much,
3 Speaker Johnson. I'd like to invite a dear friend,
4 Council Member Moya, who has been a partner, ah, on
5 this very important issue for over a year, and
6 Speaker, you are absolute right. When we talk about
7 the pandemic and the crisis that we're in now, it's
8 up to the city and the City Council to make sure that
9 our small businesses can survive so that we can
10 thrive later together. And with that I'd like to
11 invite Council Member Moya, a sponsor of one of the
12 preconsidered Intros, to give a statement.

13 COUNCIL MEMBER MOYA: Thank you, ah,
14 Chair. Thank you, ah, to Speaker Corey Johnson for
15 your leadership, ah, and always protecting our small
16 businesses, ah, throughout the city, especially
17 during, ah, this pandemic. Ah, your leadership has
18 really demonstrated to us that, ah, we are putting
19 small businesses first and, of course, my, ah, my
20 friend and chair, ah, Chair Gjonaj, for your support
21 of small businesses and our local restaurants, and
22 also for cosponsoring our legislation to cap the
23 fees, ah, third-party food delivery apps can charge
24 restaurants during the pandemic. Ah, the City
25 Council voted overwhelmingly to pass that bill in May

1 and we're here today to vote on another bill that
2 we've cosponsored together to further define the
3 timeframe those fee caps will be in place for. As
4 someone who lives and, and represents the early
5 epicenter of the COVID outbreak in the US I've
6 witnessed the phases of this pandemic first-hand and
7 how they've affected our local restaurants. I've
8 watched them have to shutter their shops and rely
9 entirely on apps like Grub Hub, and these apps that
10 were only too eager to profit off of the pandemic.
11 Then I watched them begin outdoor dining at a
12 dramatically reduced capacity as the city slowly
13 reopened for businesses. Now some of them are asking
14 what happens next. Every restaurant I've spoken to
15 or heard about has said how much they support and
16 need these fee caps that we passed. And now they're
17 wondering when these fee caps will expire. They're
18 asking because they know that no matter what the
19 infection rate is now, they're still very much in the
20 middle of the pandemic. Restaurants will be
21 grappling with these consequences of this disease for
22 some time. The one thing that we can and must do is
23 to make sure that they're not grappling with the
24 exorbitant fees from these third-party food apps
25

1 while they're struggling to keep their shops on life
2 support. That's what this bill does. It requires
3 that the fee caps remain in place until restaurants
4 are permitted to operate at maximum indoor capacity.
5 This will offer our local restaurants temporary
6 protection from the billion-dollar tech companies
7 leeching off of them, ah, for as long as the COVID,
8 ah, as long as COVID forces patron onto the apps and
9 away from their tables. It's simple, it's logical,
10 and it's necessary. I want to thank my colleagues
11 for their support. I want to thank the advocates
12 and, ah, for the efforts and I urge all of you to,
13 ah, please, ah, help pass and, ah, this preconsidered
14 introduction. Thank you, and I give it back to you,
15 Chair.

17 CHAIRPERSON GJONAJ: Thank you, ah,
18 Council Member Moya, and I...

19 UNIDENTIFIED: Chair Gjonaj, you're on
20 mute.

21 CHAIRPERSON GJONAJ: Thank you, Council
22 Member Moya. I just want to thank you for your
23 commitment and thank your staff for your, their
24 unrelentless effort and focus on these important
25 issues. While many, ah, have been enjoying the

1
2 summer to one design or another, your office has been
3 working hard on this issue and for that I'm really
4 grateful. The restaurant industry and small
5 businesses are grateful to you. I, ah, want to get,
6 I want to invite Council Member BP, I mean, Council
7 Member Richards, sponsor of Intro 1958, to give a
8 statement. That was a Freudian slip. Sorry, BP. I
9 mean, sorry.

10 COUNCIL MEMBER RICHARDS: [laughs] You're
11 always starting trouble. But thank you, ah, Chair
12 Gjonaj, ah, for your leadership always in supporting
13 small businesses. Ah, to our speaker, thank you also
14 for your leadership and moving, ah, this important
15 package of bill. Ah, I am Donovan Richards,
16 representing the 31st District, covering Springfield
17 Gardens, Laurelton, Rosedale, and the Rockaways. And
18 today we are hearing my Introduction number 1958 in
19 relationship to reporting on financial assistance
20 received by small businesses impacted by COVID-19.
21 Ah, the bill requires that the Department of Small
22 Business Services to prepare a reporting, a report
23 detailing which businesses received a grant or loan
24 from the New York City Employee Retention Program or
25 New York City Small Business Continuity Loan Fund,

1 both created to help small businesses with revenue
2 losses because of COVID-19. The report will include
3 the name, location, and amount of grant, of the grant
4 or loan SBS gave to each business. SBS will also
5 submit the report to the mayor and the speaker of the
6 City Council and make the information publicly
7 available by posting the report on its website. This
8 bill is critical, ah, because it ensures that during
9 these difficult times for our small businesses that
10 the Department of Small Business Services is doing
11 all its can, all it can to ensure that they are
12 receiving the financial resources that they need. I,
13 I do have a long statement, but I'm gonna, ah, cut it
14 short and just stay that this bill is all about, ah,
15 transparency and accountability, and as our speaker
16 and chair alluded to, when you look at the
17 disbursement of where these loans and grants went
18 it's very clear that the outer boroughs were
19 certainly shafted during these process. I think 66%
20 of the, ah, retention loans and grants program wen to
21 Manhattan. Last I checked we are a city of five
22 boroughs and as we talk about the disparities that
23 we've seen, ah, impact many communities around the
24 city it is no different for our small businesses.
25

1
2 We're starting to see too many rental signs up in our
3 communities. We've heard the reports and know first-
4 hand that many black and brown businesses will find
5 it hard to actually get back on their feet, ah, post
6 this pandemic, and I want to hear from SBS on how
7 they're looking at this from an equity lens as we
8 move forward. So we want to make sure everybody
9 bounces back, that there's support for all of our
10 small business services. I want to hear how, ah,
11 M/WBE programs are certainly being, ah, designated
12 across the city as well and how we're helping to make
13 sure that we can exceed goals during this time when
14 we're talking about, ah, addressing disparities in
15 the city in a bigger way. So thank you, Mr. Chair,
16 for, for holding this hearing. I look forward to
17 hearing from SBS on how they're gonna do better to
18 make sure that boroughs like Queens, who got 9% of
19 the loans and grants actually, ah, are getting more
20 of their fair share. Thank you, Mr. Chair. Thank
21 you, Speaker.

22 CHAIRPERSON GJONAJ: Thank you, Council
23 Member. Um, we've created or allowed the tale of two
24 boroughs, ah, and we're gonna fight that injustice
25 and make sure that it's an equal playing field for

1 all, and what's good for Manhattan is good for the
2 borough of the Bronx, it's good for Queens, and it's
3 good for Brooklyn and Staten Island, and we're all in
4 this together and together we're gonna get through
5 this, but it's gonna require equal distribution and a
6 fair playing field for all of us. So thank you so
7 much for your Intro. Ah, it is a just one and, and
8 we're all looking forward to hearing from the
9 administration on how we can correct this. I want to
10 turn it over to our moderator, Committee Counsel
11 Stephanie Jones, to go over some of the procedural
12 items.
13

14 COMMITTEE COUNSEL: Thank you, Chair.

15 I'm Stephanie Jones, counsel to the Small Business
16 Committee of the New York City Council. Before we
17 begin testimony I want to remind everyone that you
18 will be on mute until you are called on to testify,
19 when you will be unmuted by the host. I will be
20 calling on panelists to testify. Please listen for
21 your name to be called. I will be periodically
22 announcing who the next panelist will be. The first
23 panelist to give testimony will be Commissioner Doris
24 from the Department of Small Business Services,
25 followed by Christian Klossner, executive director of

1
2 the Office of Special Enforcement. I will call you
3 when it is your turn to speak. During the hearing if
4 council members would like to ask a question of the
5 administration or a specific panelist, please use the
6 Zoom raise hand function and I will call on you in
7 order. All hearing participants should submit
8 written testimony to testimony@council.nyc.gov. We
9 will now call representatives of the administration
10 to testify. First, Commissioner Doris, followed by
11 Executive Director Klossner. Before we begin I will
12 administer the oath. Commissioner Doris, Executive
13 Director Klossner, I will call on each of you
14 individually for a response. Please raise your right
15 hands. Do you affirm to tell the truth, the whole
16 truth, and nothing but the truth before this
17 committee and to respond honestly to council member
18 questions? Commissioner Doris?

19 COMMISSIONER DORIS: I do.

20 COMMITTEE COUNSEL: Thank you. Executive
21 Director Klossner?

22 EXECUTIVE DIRECTOR KLOSSNER: I do.

23 COMMITTEE COUNSEL: Thank you.

24 Commissioner Doris, you may begin when ready.

1 COMMITTEE ON SMALL BUSINESS 20
2 COMMISSIONER DORIS: Thank you. Good
3 morning, ah, Chair Gjonaj and members of the
4 Committee on Small Business. My name is Jonnel Doris
5 and I'm the commissioner of the New York City
6 Department of Small Business Services. I want to
7 acknowledge my partner in government, Christian,
8 Christian, ah, Klossner, ah, executive director of
9 the Office of Special Enforcement. Ah, it is my
10 pleasure to testify, ah, to you today, and my sincere
11 hope that each of you and your loved ones are staying
12 safe, healthy during these difficult times. In
13 January, ah, we began to see the impacts of COVID-19
14 on businesses in commercial corridors across the five
15 boroughs. Based on these concerns we worked quickly
16 to launch the New York City Employee Retention Grant
17 and the New York City Business Continuity Loan to
18 serve as a stopgap measure, ah, to rapidly assist
19 small businesses who were experiencing slower foot
20 traffic and slumping sales while we waited for the
21 federal government to respond. To date, the New York
22 City Employee Retention Grant, ah, SBS has approved
23 financial assistance totalling more than 24.9 million
24 and 22.3 million through the New York City, ah,
25 Business Continuity Loan. We know that access to

1 capital remains a major challenge for small business
2 owners and SBS is utilizing all our tools to connect
3 businesses, business owners to the resources they
4 need. Through these new initiatives our broader
5 financial assistance offerings, including the
6 Contract Financing Loan Fund we New York City
7 financing products and technical assistance program
8 via our New York City Business Solution Centers SBS
9 has connected small business owners to more than 78
10 million in financing [inaudible] since the start of
11 the pandemic. In June we began to recover and reopen
12 our economy. We wanted to make sure we did this
13 safely so we can launch several, ah, resources to
14 help businesses reopen and provide the necessary
15 guidance and support. Our goal was to educate and
16 help small businesses navigate the reopening process
17 and stay up to date, ah, with the latest health
18 regulations. Through our reopening [inaudible]
19 we've hosted over 92 webinars, reaching over 2600
20 attendees. We published plain language industry
21 guides available in several languages. To directly
22 engage the small businesses, ah, we created and then
23 launched the Restart Hotline. To date we have
24 received over 28,000 calls for reopening guidance,
25

1 financing assistance, ah, legal services, provide
2 support, and much more. SBS has done its best to be
3 nimble and adaptable in addressing challenges faced
4 by our constituents. The city's Open Restaurants
5 Program, which allows qualifying, ah, restaurants and
6 bars to expand outdoor seating, is a prime example of
7 the agencies working together. We worked with DOT to
8 establish the program, which offers an expedited
9 approval process, allowing restaurants and bars to
10 self-certify their eligibility, expanding their
11 lifeline, and helping local businesses get back on
12 their feet. Over 9500 [inaudible] are currently
13 participating in this program. To ensure that
14 businesses, ah, participate in Open Restaurants
15 Program, understood how to comply with key, ah,
16 seating rules, ah, we launched a virtual compliance
17 consultant, consultations Open Restaurants Program.
18 Providing free virtual one-on-one consultations the
19 program aims to clarify existing regulations and help
20 businesses understand common compliance challenges.
21 I want to reiterate that these consultations are at
22 no cost to the small business. SBS does not issue
23 violations or fines and our compliance advisors are
24 available to offer guidance and support in multiple
25

1 languages. When I joined SBS I committed to thinking
2 creatively about how to effectively and equitably
3 deploy our resources that would allow community
4 engagement and connect small businesses with
5 additional financing. Chair Gjonaj, I appreciate the
6 opportunity to walk your district with you and
7 distribute PPE to small businesses and speak to them
8 as well. We have continued this engagement and I
9 have worked with over 80 community [inaudible]
10 distribute 7.5 million face coverings, as well as
11 creating a PPE marketplace where 52% of suppliers are
12 M/WBEs. In executing my five borough strategy I
13 continue to visit, ah, different corridors throughout
14 the city and directly listen to the challenges that
15 small businesses are facing. We know that rent has
16 posed an enormous pressure on our small business
17 owners, disproportionately affecting our communities
18 of color. Earlier this week the mayor announced a
19 continuation of the Commercial Lease Assistance
20 Program, extending funding to offer free legal
21 services to commercial tenants citywide. Through our
22 Commercial Lease Assistance Program SBS has helped
23 800 businesses with their lease-related issues.
24 Since the onset of COVID we've supported over 200
25

1 businesses, primarily from marginalized communities,
2 understand the legal, ah, requirements as they faced
3 uncertainty around rent, ah, payments and other
4 lease-related issues. We also partner with City Bar
5 Justice Center via their neighborhood
6 entrepreneurship [inaudible] Project to connect over
7 150 business owners to free legal assistance and
8 support with navigating the insurance [inaudible],
9 contracts, forced, ah, closures and, ah, access to
10 federal relief programs. As small businesses started
11 on a path toward recovery some, primarily in the
12 Bronx, were impacted by looting and vandalism due to
13 civic unrest. We partnered with the Mayor's Fund to
14 Advance New York City and private partners to launch
15 the Small Business Emergency Grant Program. The
16 fund, ah, was created as an initial cash grant to
17 help jump start small businesses and assist with
18 recovery from loss and physical damages caused by
19 looting. The grant focused on M/WBEs and mom and pop
20 shops with less than 1.5 million in revenue. We
21 worked closely with local community organizations,
22 such as BIDs, chambers of commerce, and local
23 merchants' associations to ensure that we reached
24 those businesses that were severely impacted and
25

1 needed support with gathering necessary documentation
2 to complete the application process. It, we have
3 144, ah, completed applications with 138 grants paid
4 out, totaling 1.23 million. In addition, our work
5 force [inaudible] centers have assisted over 600
6 businesses, connecting New Yorkers to 10,000 job
7 opportunities and, ah, filled over 2800 jobs.

8 Turning the page to the current and preconsidered
9 legislation, I want to address Council Member, ah,
10 Moya and Chair Gjonaj on preconsidered Intros 6439
11 and 6438, amending conditions for existing law, Local
12 Laws 51 and 52 out of 2020. While delivery apps can
13 provide helpful marketing, infrastructure, and
14 delivery services for small, small restaurants,
15 particularly during the pandemic, small business
16 owners have voiced concerns around the high cost of
17 utilizing these delivery service applications.

18 Extended relief for these costs will protect
19 businesses during this difficult time. We are
20 supporting of the extension and amendments and look
21 forward to working together with the council.

22 Additionally, Council Member Richards, Intro 1958,
23 calls to support, calls for SBS to report detailed
24 information of recipients, ah, such as name and
25

1 business, location, including cross streets, ZIP
2 code, and neighborhood, as well as the amount
3 received from the Employee Retention Program and
4 Small Business Continuity Loan Fund. We support the
5 council's commitment to creating broader transparency
6 around these awards as the city assesses its COVID-19
7 response. However, we hope to work with the council
8 to enact legislation that balances transparency with
9 business owner privacy. Thank you for providing me
10 with this opportunity to update you on the work SBS
11 is doing to help our small businesses recover from
12 financial devastation. [inaudible] the pandemic and
13 how we can work together towards creating broader
14 transparency around the disbursement of our awards.
15 We have major challenges to overcome. But our city
16 is at its best when we are working collaboratively
17 and listening to one another. I look forward to our
18 continued, ah, to collaboration as we support our
19 small business owners. Thank you, and I would be
20 happy to take your questions.

22 COMMITTEE COUNSEL: Thank you,
23 Commissioner. Next we'd like to invite Executive
24 Director Klossner to testify. Executive Director
25 Klossner?

2 EXECUTIVE DIRECTOR KLOSSNER: Yes, can
3 you hear me?

4 COMMITTEE COUNSEL: Yes, we can hear you.
5 Go ahead.

6 EXECUTIVE DIRECTOR KLOSSNER: Great. Ah,
7 good morning, Speaker Johnson, Chairperson Gjonaj,
8 members of the Committee on Small Business, and other
9 council members. My name is Christian Klossner. I'm
10 the executive director of the Office of Special
11 Enforcement, or OSE for short, which is overseen by
12 the Mayor's Office of Criminal Justice. Thank you
13 for the opportunity to testify today. OSE's mandate,
14 originating from a mayoral executive order in 2006,
15 is to coordinate efforts across city agencies to
16 problem solve around emerging issues adversely
17 affecting neighborhood cohesion, livability, and
18 safety. OSE has served this function in numerous
19 issue areas, with the vast majority of this work over
20 the past several years focused on preventing the
21 housing loss and community disruption caused by
22 illegal short-term rentals. Since the emergence of
23 COVID-19 OSE has been engaged in new work streams
24 related to the pandemic, including pursuant to a
25 designation from the corporation counsel, taking a

1 lead in investigating industry compliance with Local
2 Laws 51 and 52 of 2020. Taken together, these laws
3 prohibit a "third-party food delivery service" from
4 charging a food service establishment any fee for a
5 telephone order if the telephone call does not result
6 in an actual transaction, two, charging a delivery
7 fee more than 15% of the purchase price of an order,
8 and three, charging fees for the use of their service
9 other than a delivery fee that total more than 5% in
10 purchase price of each online order. These laws
11 carry significant penalties and enable the city to
12 seek both injunctive relief and monetary penalties,
13 including fines, restitution for illegally charged
14 establishments, and attorneys' fees. OSE pivoted
15 quickly to support the implementation of this law.
16 The office interviewed several restaurant owners and
17 gathered documents to understand current fee
18 structures. Letters were sent to those companies
19 identified as meeting the definition of third-party
20 delivery service and operating in New York City,
21 including Grub Hub and Seamless, Door Dash and
22 Caviar, Postmates, and Uber Eats, explaining the
23 prohibitions and potential penalties and expressing
24 the city's expectation that the companies would
25

1 adjust their fee schedules to be in compliance with
2 the law. OSE also set up an email access,
3 foodservicetips@ose.nyc.gov, to receive tips from the
4 restaurant industry regarding potential
5 noncompliance. I'd like to take a moment to thank
6 those restaurant owners who took the time and effort
7 during these challenging times to send information on
8 charging practices and to raise issues of concern, as
9 well as being available to me and my team for follow-
10 up conversations. The tip line will remain open for
11 the duration of the law and owners are encouraged to
12 send evidence of charges that may be illegal to the
13 tip line, which is again foodservicetips@ose.nyc.gov.
14 [Foodservicetips](mailto:foodservicetips@ose.nyc.gov) is all one word. OSE is pleased to
15 report that for the most part it appears there has
16 been universal compliance with a cap on fees relating
17 to delivery services and we have not heard of any
18 instances where restaurants have been illegally
19 charged for phone calls not resulting in an order.
20 There have, however, been issues of what may be
21 concerning practices relating to fees other than
22 delivery fee. One company apparently charged 10% for
23 orders which were picked up. Another company has
24 taken the position that credit card processing fees
25

1 are not covered by the 5% cap on other fees. OSE
2 documented these issues in letters to the respective
3 companies inquiring about the practices and
4 requesting both full compliance with the law as well
5 as any restitution for any restaurant charged illegal
6 fees. OSE is currently engaged in discussion with
7 both these companies about their fee structures and
8 both companies have engaged with us and are
9 cooperating with the inquiries. OSE understood that
10 the intent of Local Laws 51 and 52 was that they
11 would be in effect until 90 days after restaurants
12 were allowed to resume normal operations. Shortly
13 after these laws took effect the city entered Phase 2
14 reopening and restaurants were permitted to offer
15 outdoor dining under the Open Restaurants Program,
16 raising the question of whether there was still a
17 declared emergency in effect. Despite the intent, it
18 was clear that the law's definition of declared
19 emergency as being when "all food services, excuse
20 me, when "all food service establishments in the city
21 are prohibited from providing food for consumption on
22 premises" meant that there was no longer a declared
23 emergency for purposes of these specific laws once
24 outdoor dining began on June 22, 2020. Preconsidered
25

1
2 Intros 6438 and 6439 are welcome clarifications to
3 how long the original Local Laws were intended to be
4 in effect and the administration supports passage of
5 legislation ensuring the provisions added by Local
6 Laws 51 and 52 remain in effect until restaurants are
7 allowed to open fully. Thank you again for the
8 opportunity to provide testimony, and I welcome any
9 questions you have.

10 COMMITTEE COUNSEL: Thank you. I'll now
11 turn it over to questions from the Speaker, followed
12 by Chair Gjonaj. Panelists, please stay unmuted if
13 possible during this question and answer period.
14 Thank you. Speaker Johnson, please begin.

15 SPEAKER JOHNSON: Ah, thank you to the
16 committee counsel and all the committee staff for
17 their hard work on this hearing. Ah, this, ah, is
18 for the commissioner. Ah, Commissioner, um, the
19 Partnership for New York City just put out a report a
20 few weeks ago that really sounded the alarm on how
21 bad things still are. They said that the
22 accommodation and food service industry are, quote,
23 sectors, this is their quote, "sectors that will
24 require drastic intervention to survive." Drastic
25 intervention to survive. So I wanted to hear from

1 you. I know you testified a little bit about it.
2 What does the city have as a plan for what to do
3 next, and what other interventions should we be
4 looking at to support and save as many small
5 businesses and restaurants as possible?
6

7 COMMISSIONER DORIS: Thank you so much,
8 ah, Mr. Speaker. Ah, absolute, ah, we, ah, read the
9 report. We, ah, I've spoken with Kathy Wylde myself.
10 Ah, we've been discussing this, and part of the
11 solution is, you know, um, they have a multiprong
12 approach to it. Ah, part of it is creating a
13 clearinghouse, ah, with [inaudible] where, ah, SBS
14 will be participating, um, and I'm also calling on
15 the private sector, ah, to help and support with, ah,
16 philanthropy and also, ah, to engage in this process.
17 Look, um, as you mentioned, ah, you know, this,
18 everyone's got to come to the table. Certainly the
19 city is at the table. Um, I believe our Open
20 Restaurants Program is addressing, ah, some of the
21 challenges that businesses have. Ah, but clearly,
22 ah, we know from small businesses if we don't have
23 indoor, ah, dining, um, the challenge will still
24 remain, and that the capacity challenges are the
25 limitations. So for us, um, we will continue to give

1 the guidance and support that we've given. Ah, we
2 have walked our small businesses through the process.
3 I think right now understanding the regulatory
4 environment and what they can and cannot do is one of
5 the primary things that small businesses have asked
6 to address. Secondarily to that is financial
7 assistance. Ah, they've asked where can we find
8 money? Where can you help us find resources? We've
9 done that as mentioned, to about 78 million dollars.
10 Um, we've also worked with, ah, the hospitality
11 industry about, ah, expediting, ah, processes,
12 reducing fees, and working with council, in agreement
13 100% with the council about dealing with the fee
14 structures that we have right now, um, for, for the
15 apps and that's why, ah, we testified, um, in, in
16 agreement with the council to be on these challenges.
17 And so, so, ah, Mr. Speaker, we, we certainly have
18 our work cut out for us, ah, continually. Our team
19 has been working around the clock on this issue. Um,
20 but we certainly, ah, you know, are in challenging
21 times and, ah, the drastic measures that we have to
22 take I believe also has to include federal, both
23 federal and also, ah, state assistance. Um, I think
24 at that point, ah, you know, being able to have long-

1 term [inaudible], you know, so we can have more money
2 so we can get it out to the small businesses because
3 that's a need they have right now. Um, I believe
4 that's gonna help us, um, get them back on their
5 feet.
6

7 SPEAKER JOHNSON: Thank you,
8 Commissioner. I mean, of course, on, on this issue
9 but also on homelessness and on the subways and on,
10 ah, rental assistance for residents and tenants we
11 need federal help.

12 COMMISSIONER DORIS: [inaudible]

13 SPEAKER JOHNSON: We need a, a federal
14 stimulus bill that has help in all these program
15 areas, but also has revenue replacement money for,
16 ah, states and localities to be able to help shore up
17 some of these programs and double or triple down on
18 some of these programs that we know work and saving
19 these small businesses. I wanted to, to just mention
20 that one of the biggest complaints that I have been
21 hearing from restaurants and businesses generally is
22 the lack of certainty on reopening plans. When will
23 indoor dining be allowed? What about gyms, museums?
24 What the metrics that we're using to determine what's
25 safe? Are we talking to the state about this? I am

1 not, with this question I am not saying that we
2 should rush these things, but the reason why I'm
3 mentioning those questions is because how is a
4 business supposed to continue to pay rent when they
5 have no idea what the future holds? If we are
6 waiting on a vaccine or a treatment or some other
7 advancement in air filtration maybe we need to say
8 that so that these type of small businesses actually
9 have some sense of how long they need to be downsized
10 for, how long they need to be negotiating with their
11 landlord for on putting off their rent. Ah, you
12 know, what is their relationship with their
13 distributors and suppliers? Ah, it's hard as a small
14 business to be able to make these decisions without
15 having a sense ahead of time of how the city and
16 state are reaching these benchmarks or creating new
17 benchmarks. So I just wanted to hear your thoughts
18 on that. How are we giving, ah, businesses the
19 ability to plan in advance to be able to continue to
20 stay open, even at a fraction of what they were doing
21 before, ah, and just keep their heads slightly above
22 water if they don't have a sense of the things that I
23 just outlined, ah, in my question?
24
25

1
2 COMMISSIONER DORIS: Ah, Mr. Speaker, you
3 are absolute right. I, you know, we, we talk to
4 small businesses every day. As I mentioned, our
5 hotline, 28,000 calls, ah, in just a month and a
6 half, you know, from our small businesses asking for
7 help and, and, and clarity. Um, not only, um, the
8 regulatory environment, as I mentioned, but really
9 how do they forecast, ah, you know, what's gonna
10 happen? How do I keep my employees? Who do I bring
11 back? And, you know, they have to have a source of
12 structure, ah, in place in order to address, ah, what
13 the future looks like in order for them to compare
14 for it. So, look, I, I hear you. I agree with you
15 Um, the health crisis really, ah, that we face really
16 brought on this economic crisis at a more, ah,
17 devastating rate even to our minority communities and
18 women-owned, ah, business community and immigrant
19 communities and, ah, certainly, the, the uncertainty
20 is a challenge at the moment. Um, I would say that,
21 that, ah, you know, we are listening, ah, of course
22 for the state to give us direction and follow the
23 direction. The state, state tells us what we can and
24 cannot do, ah, when it comes to reopening. Ah, we do
25 agree that we need some additional certainty. The

1
2 mayor did provide an extension of the program to
3 October 31, um, and then also a guarantee that the
4 program will, ah, also come back next year and so,
5 um, we are hearing from our, some of our small
6 businesses that at least they have inkling there, ah,
7 a surety from the city, um, as it pertains to the,
8 ah, Open Restaurants Program and Open Streets, Open
9 Restaurants Program, um, and, you know, that it will
10 be back and that they will have an opportunity to
11 participate and then we've extended the timeline, the
12 mayor has extended the timeline, ah, to October 31.
13 But I do hear you. I think, um, you know, the
14 challenge is real and, and certainly, ah, whatever
15 information we get we immediately pass it on to our
16 small businesses. Ah, we communicate with about
17 200,000 of them every single week. Um, it would
18 newsletters and conversations and trainings, as I
19 mentioned. Ah, they, they know what's coming down so
20 as soon as we get it we're giving it to them. But,
21 ah, you know, we are following the state, as you
22 know, um, requirements and also, ah, the health
23 professions. So, um, we do share that, that great
24 concern.

1
2 SPEAKER JOHNSON: I, I know that we are
3 in, ah, dire straits financially as a city. We had
4 to pass a budget that had a 9 billion dollar hole in
5 it. Ah, we're worried that even next year's budget
6 could be worse if we do not get state and local aid,
7 further cuts from Albany, and, ah, not enough revenue
8 coming in because we don't have the tourism and we
9 don't have the business revenue coming in. But has
10 SBS tried to figure out how much more we stand to
11 lose if small businesses keep going under? Have we
12 tried to project that?

13 COMMISSIONER DORIS: Yeah, I mean, we
14 are, ah, speaking with our colleagues at the city to
15 figure out the metrics. Um, there are several
16 versions of what that number looks like. Um, we're
17 still working through that process. Um, probably
18 we'll make that known and what we anticipate. But,
19 look, we've got 230,000 small businesses, and that's
20 small businesses with employees, right, and so, um,
21 about 65% of them have five employees or less. If we
22 hear projections, if a third or so go away, I mean,
23 you can, you can feel the impact, um, that that's
24 gonna have on our economy, and so, um, while we are
25 running the numbers and we're looking at the

1
2 projections, um, that's coming out of federal
3 government and also, um, out of, out of the Treasury
4 Department, who's also doing some forecasts with
5 [inaudible], all those forecasts, um, by region, and
6 by the way, a lot of that data was really, um, was
7 aggregated and we're trying to like break it out to
8 specific to the city. Um, but once we, we will
9 definitely be sharing our, our thoughts on that, ah,
10 in the near future. But that is a concern for us,
11 you know, again, we have, ah, three-plus million jobs
12 that small businesses, ah, employee here in the city,
13 ah, and we are very concerned about that economic
14 impact and the, the effect it's gonna have on the
15 city in general and it's having right now. So we do
16 agree with you and we are looking into that.

17 SPEAKER JOHNSON: OK, I have two final
18 questions and then I'll turn it back to the chair. I
19 understand the loan and grant program were created
20 and put online as soon as possible to serve as
21 stopgap measures for restaurants before federal
22 relief came. Do you think that those programs,
23 judging them now, were successful programs?

24 COMMISSIONER DORIS: Um, I believe they,
25 they were successful, um, in the sense that we were

1
2 able to get some money out the door very quickly and,
3 um, within a matter of weeks it was all, it was all,
4 um, accounted for. Certainly the challenge that
5 we're hearing today about borough diversity, making
6 sure that we get to the communities, um, around the
7 city, I think that's a challenge that we have
8 committed, um, committed the last time at the budget
9 hearing and, ah, with our colleagues here, um, that
10 we will, ah, work towards correcting that and also,
11 um, making sure we double down on our outreach, etc.,
12 into those communities. So, um, it was a success in
13 the sense that it got out the door. I mean, was it
14 what we needed? Ah, absolute not. We needed a
15 significant federal influx of dollars to actually
16 help. I mean, the PPP loan program, as you know, ah,
17 pushed out billions and billions of dollars, hundreds
18 of billions of dollars, um, and that of course New
19 York City again, ah, we're challenged because we
20 didn't get, we believe, the total number that we
21 should and so this is an ongoing challenge, um, but I
22 do hear you, ah, on the concern about the borough
23 diversity, but as a, just getting money as quickly as
24 possibility out the door within a matter of weeks we
25 were able to do that, ah, with whatever we had, um,

1 but certainly want to increase our borough diversity
2 there.

3
4 SPEAKER JOHNSON: And then lastly,
5 Commissioner, do you think that SBS, ah, did enough
6 during these last few months to provide support for
7 minority-owned businesses, women- and minority-owned
8 businesses?

9 COMMISSIONER DORIS: Thanks so much. Um,
10 you know, I believe that we did quite a few things,
11 ah, working with the Mayor's Office of M/WBE, which I
12 oversaw before I became the SBS commissioner. Um, as
13 you can imagine, um, the pandemic ah, really, I think
14 zeroed in on historic disparities that we already
15 evident, both in the financial sector, ah, both with
16 our city [inaudible] process, both with our, ah, just
17 the, the general, ah, business [inaudible], um, that
18 our minority businesses face and certainly, um, I
19 think we were able to do quite a bit of things in
20 connecting those firms, ah, to opportunities and
21 zeroing in on the specific needs that they have and
22 providing alternatives to, ah, to what they have in
23 the market place. For instance, um, in our program
24 if you were an M/WBE and you see the contract with
25 the city, ah, we zeroed out our interest, ah, to that

1 contract finance loan fund and, you know, it was at
2 0% now and we upped it to half a million, as you
3 remember, ah, that the M/WBEs still get and so, you
4 know, the challenges, you know, still, they need
5 more, more than that, we didn't have the resources
6 totally again because of the enormity of the
7 challenge. Ah, but we did do webinars. We partner
8 with organizations like 100 Black Men, um, with the
9 National Urban League. We, we've done outreach, um,
10 extensive outreach into the community, etcetera, and
11 we will continue to do that. But we certainly, ah,
12 know that that is an improvement. That is a need
13 that has been there before the pandemic and
14 certainly, um, we have some great challenges ahead in
15 getting those businesses back up and running.

17 SPEAKER JOHNSON: OK, thank you,
18 Commissioner. I, I appreciate you being here today.
19 I want to thank Christian Klossner for his hard work
20 as well. I don't have any questions, ah, for him,
21 but I want to thank Christian for his partnership
22 with the council, not just on this but on fighting
23 illegal hotels, which we've worked, ah, with him on,
24 ah, for years and, ah, I just want to say we need our
25 small businesses to survive, ah, and get through this

1
2 crisis. They are the lifeblood of New York City. I
3 can' imagine any neighborhood across the city without
4 the local bodega, the local diner, the local, ah, you
5 know, ah, cuisine spot that people love, um, and we
6 need to do everything we can, even with the limited
7 financial resources that we have currently because of
8 an absence of federal leadership. We need to help
9 these businesses survive and stay in business and
10 ride out this crisis. So I'm proud of the work the
11 council has done in working with, ah, you all and
12 with some of the folks I mentioned earlier from the
13 Hospitality Alliance related to open streets, open
14 restaurants, ah, these third-party app fees. We need
15 to continue to be proactive, to push the envelope, to
16 get relief and help these businesses weather this
17 incredibly difficult storm. So with that I want to
18 turn it back to you, Mr. Chair. Thank you for
19 indulging my questions and thank you for chairing
20 this hearing today.

21 CHAIRPERSON GJONAJ: Thank you, Speaker,
22 and thank you for the great questions, um, and thank
23 you for your leadership. Ah, we're in this together
24 and [inaudible] we're gonna get through this.
25 Commissioner, ah, thank you for your responses. You

1 know, I guess we are both committed and passionate
2 about small business. That's evident. The 20,000
3 phone calls that you received, and I think you stated
4 asking for help, they're not asking for help, they're
5 crying for help. And we're not there for the small
6 businesses that have contributed so much and continue
7 to give back to this city. This administration has
8 not done enough, not nearly enough, and when we say
9 we're there for support, we're there for them, we
10 hold webinars, we answer their questions, but we
11 point the finger always towards the federal and we
12 know that the feds must do more and they have to do
13 more. And we know that the state has to do more.
14 But the question is what are we doing to help these
15 small businesses survive? What's within our power to
16 give them all of the resources that they need to
17 survive? We've had this conversation so many times.
18 The things that are in our power, our real estate
19 taxes, water and sewer charges, ah, sales taxes,
20 income tax, give them the immediate funding that they
21 need to rebuild their business models. Giving them
22 the ability and the tools that they need to survive.
23 And the rhetoric about well, we're waiting for feds
24 and we're waiting for state and we're waiting for
25

1 this, where small businesses have always done their
2 part. They've taken the risks. They've been the
3 creators. They've invested. They've redeveloped.
4 They continue to employ. They continue to build our
5 communities. They give back tax dollars.
6 Commissioner, the total city's grant and loan program
7 I believe was 47 million, am I correct?

9 COMMISSIONER DORIS: It was, yes, 47
10 [inaudible].

11 CHAIRPERSON GJONAJ: 47 million dollars,
12 for roughly 230,000 businesses in New York City, am
13 I correct on those numbers?

14 COMMISSIONER DORIS: Yes, and employees.

15 CHAIRPERSON GJONAJ: So let's do the math
16 of 47 million, divide that by 230,000, is \$204.35.
17 That's how much the city values the small business.
18 That's how much the city has done their part in
19 helping our small businesses in their most time of
20 need, and when I say that, they didn't bring about
21 the pandemic, they didn't decide which businesses are
22 gonna close and how they're gonna reopen. They
23 didn't decide how this city is going to up and get
24 through this. They were forced to shut down. And
25 while they're forced to shut down or operate at a

1 percentage of their business, we still say to them,
2 hey, pay your taxes, hey, pay your real estate taxes
3 and if you don't we're gonna hit you with interest
4 and penalties. Hey, if you don't pay your water and
5 sewer bill we're gonna cut your water off. We're
6 gonna hit you with penalties. And we're gonna put
7 judgments and liens against you. We have stacked the
8 deck against them. Why aren't we doing more? The
9 budget of New York City that we just passed was
10 roughly 89 billion dollars. Why aren't we giving
11 them a fighting chance, and not in words, it's show
12 much how much you love me, show me how much you value
13 me. The words are great and moral support is
14 wonderful. Show me in the terms of dollars. Then
15 you can answer that question, and I know that there's
16 so much to say there, Commissioner, and it's not
17 directed towards you. And if you had a magic wand I
18 would imagine we would be somewhere else. But you're
19 the one that's speaking for the city and this
20 administration. \$204, I think that was the number.
21 \$204.35, that's how much you're showing our small
22 businesses how much New York City loves them and
23 appreciates them. The cost of a lunch or a dinner.
24 Thank you, Commissioner. Maybe you can respond.
25

1
2 COMMISSIONER DORIS: Thank you, ah, Mr.
3 Chair. Ah, look, I think, I think you know we share
4 that passion for small businesses. Um, I think I
5 certainly wouldn't be in this chair if that wasn't
6 the case and, um, being a former small business owner
7 myself, understanding the realities of the job of
8 [inaudible] and meeting your obligations. And so I
9 think, I hundred percent hear you and, and as we've
10 said before, as we talked, you know, a lot of those
11 proposals and proposals around even business
12 interruption insurance, um, all these proposals need
13 to be heard and you're pushing for, ah, some changes.
14 Um, it's not to deflect really, ah, the, the
15 responsibility of our, ah, office, but it's really to
16 speak about the enormity of the challenge that we are
17 faced with, and I think for me that is why we are
18 saying that we need to get federal help and
19 assistance because, you know, we have a 9 billion
20 dollar gap here, as you know, and how do we, ah, you
21 know, how do we support our small businesses and
22 that's part of the challenge, um, that we have
23 [inaudible]. Um, you know, look, we, we've set aside
24 the 49 million dollars for those two programs. Ah,
25 but we did connect, ah, and, and continue to work

1
2 with our small businesses to connect them to, to
3 other opportunities, um, so our total was around 78
4 million, getting closer to 80 million that we've
5 helped small businesses connect to other
6 opportunities with our 40 lenders that we have out
7 there and also, ah, to the federal government
8 [inaudible] program, ah, that has been, ah, able to
9 help, ah, some of our small businesses. So I hear
10 you, sir, on that. Ah, I certainly agree in the
11 sense that we've got to figure out, ah, where we get
12 the resources from, ah, to do this, and I totally
13 agree with you on, on the, the, the enormity and the
14 challenge that we're faced with that. And, again,
15 um, you know, this is, this is in part, ah, the small
16 businesses did not do, do this, this has not
17 happened, this is no fault of their own. Um, and so,
18 ah, you know, we have to do everything. I believe we
19 are, we are knocking on every door. We're speaking
20 to our philanthropic partners. We are talking
21 events. Um, every day, we're talking with financial
22 institutions, where we can find money, where they can
23 come alongside and work with us, um, and to help our
24 small businesses, where they can change their
25 policies and make it easier for small businesses,

1
2 their credit, ah, the credit requirements, all these
3 things, um, we are doing, um, that may not show up.
4 In, in, in the loan and grant program, which we had
5 to essentially close with such demand was in the
6 first couple weeks, but certainly we are working with
7 the private sector, as I mentioned before, and
8 looking for ways, and, and the federal government as
9 well, to make sure that we have an opportunity, ah,
10 to get resources into the hands of businesses who
11 need it. Um, and, and we've done that. No business
12 out of those 28,000, they have not come to us,
13 knocked on our door, and we were not able to help
14 them. Um, we were able to help every last one of
15 them and in some way, shape, or form get them what
16 they've asked us for and we will continue to do that.
17 So I certainly appreciate your advocacy and working
18 with you, sir. I mean, I think, you know, it's been
19 a great, ah, a great, you know, thing to come
20 together and to work, to go out, to speak with those
21 businesses and to hear firsthand in your district and
22 many of the other council members' districts, um,
23 about the challenges that they face and we certainly
24 want to help them to meet those challenges. And, and

1
2 so I appreciate your concern there and, and we share
3 it.

4 CHAIRPERSON GJONAJ: Thank you,
5 Commissioner. And I, and it's, I don't want to
6 continue to beat on this one issue, but I can't let
7 up. The small businesses that you've engaged with,
8 that I've engaged with, that we hear from
9 particularly the restaurant industry, which is really
10 suffering, the hotel businesses, which are really
11 suffering, every mom and pop shop is really
12 suffering. And an 89 billion dollar budget the
13 message to our small businesses is 47 million.
14 That's how much we value, \$204, and that \$204 hasn't
15 been dispersed equally. We have also decided who is
16 gonna get that money because it's evident not
17 everyone did. And it's not right. The message is
18 clear that in the City of New York, you may have been
19 here for decades, you may have been a second- and
20 third-generation small business, and yet in your most
21 time of need the city has turned their back on them.
22 This is not my position. This is in black and white.
23 You've turned your back on them and the city was not
24 there for them. This administration was not there
25 for them. And those are cries that you received, not

1 calls for help. In 2019 the restaurant and eating
2 establishments generated over 21.9 million dollars in
3 sales tax collections. Sales tax. And the amount of
4 money that the mayor set aside for the loan and grant
5 program was how much? Twice that. That's just one
6 industry of the 230,000 businesses in New York City.
7 One industry. That's how much we've given back. And
8 while you say we'll reach out to our philanthropy and
9 we'll reach out to our partners, you hold the
10 pursestrings. Commissioner, during this pandemic
11 what, ah, ah, permits and fees have you waived?
12 None. What taxes have you waived? None, none. What
13 economic stimulus have we provided them? Almost
14 none. We have not done our part, Commissioner. We
15 have not shown ourselves as partners, Commissioner.
16 And while those small businesses are out there trying
17 everything, risking everything, borrowing, taking
18 from savings, taking from retirement, to keep their
19 doors open we say our answer is the fed and the
20 state. All those things that I outlined are within
21 our power, our power. Not a single regulation,
22 licensing renewal, permit fee besides Open Streets,
23 sidewalk cafe, has been removed. Not one. Taxes,
24 don't pay on time, penalty, forget waiver. How do we
25

1
2 go back to our districts? How do these council
3 members go back and say we're there for you when
4 we're not? What is the message that you want me to
5 give our small businesses in New York City besides
6 feds, state? What is that message that you want all
7 those that are listening today to hear, that this
8 administration is going to give them? If you can
9 answer, Commissioner?

10 COMMISSIONER DORIS: Yes sir. So, you
11 know, look, I, I, as mentioned, you know, we are
12 doing everything we can. We are answering every
13 question that we're given. Our small businesses, if
14 the city does not have the money because of our
15 budget deficit we are connecting them to finance and,
16 and support. We walk them through the process and we
17 give them, ah, all the help they need, white glove
18 service all the way through, and we are able to help
19 a significant number of businesses in that process.
20 I think that is what we're [inaudible] and we hear
21 you on the other pieces. Um, the city [inaudible] I
22 had announced back several years ago concerning fines
23 and fees, in which we are able to make adjustments
24 there with the council's help. We were able to do
25 some of that where businesses are saving 20 million

1 dollars a year so far from those programs. Um, and
2 also, you know, we will continue to do that, ah, and
3 I think we're [inaudible] and looking at those as
4 well to see where else can we make the adjustment.
5 So I think we are aligned on principle, ah, what, you
6 know, small businesses need. Certainly, again, I
7 mean, our financial constraints is, is, ah, really,
8 um, where it's hampering our ability to do more when
9 it comes to the actual direct financing to help fund
10 the city, but in the sense of where we cannot support
11 or you don't have the financing to do so, no small
12 business is coming to us and walking away without
13 getting the help. If they say we need financing we
14 connect them to that financing and we are there with
15 them from beginning to end so they can get the
16 resources that they need. And I think that is of
17 value, um, to our small businesses. It's a value to
18 them who walked away when the city, ah, programming
19 may have had to close because we didn't have the
20 resources in that because of the pandemic and we
21 connected them to a federal resource our, or a
22 philanthropic resource and they have got those
23 resources, those grants or loans. I think it's a
24 valuable thing to them. You know, that's why we're
25

1 here. We're all set up to help them with our
2 business solution centers [inaudible] the city, um,
3 with our work force and [inaudible] centers helping
4 connect our small businesses, ah, to employees, but
5 also giving folks job. So we are, we are, ah, in
6 agreement on that and certainly, um, we're gonna
7 continue to do that work. Um, that's significant
8 work. Thank you, sir.

10 CHAIRPERSON GJONAJ: Thank you,
11 Commissioner. But [inaudible] and jobs and helping
12 them, pointing them in the right direction is not
13 what they need. And, ah, there are plenty of
14 financial institutions which are denying
15 applications. And the question, again, when I harp
16 on this and if the federal dollars aren't there, if
17 the state is not there, what are, what is the message
18 that you want our small businesses to hear today?
19 Because you can't control what the financial markets
20 do and where they're gonna lend their money and how
21 much, and if the federal dollars don't come in and
22 the state dollars don't come in, what is the message
23 that you want those small businesses to hear today?
24 And not the, not a politically correct answer. These
25 are businesses that are suffering and are waiting to

1 hear from us. Pointing them in the right direction
2 is not gonna do it for them.

3
4 COMMISSIONER DORIS: Yeah, so I, you
5 know, again, I'll say this, and we've said this, ah,
6 to our small business community and being responsive
7 to them, ah, one SBS is here for you. We are here to
8 help you through this process. And we have done
9 that, tens of thousands of businesses, and I really,
10 ah, you know, want to reiterate that fact. That is
11 not something light. Ah, we can't, ah, almost tens
12 of thousands of businesses that we've helped get
13 financing, support, or, you know, trained how to
14 pivot, help them in the Open Restaurants Program, all
15 these things to help them get revenue back up again,
16 ah, that they're insignificant. We understand the
17 scalability of our challenge. We understand the
18 issues that they're dealing with. But, you know, we
19 are here for them and, um, they can, they've never
20 picked up the phone or called us and we're not there
21 to answer the call. So we are here for you. We are
22 SBS. We're the Small Business Services. Ah, your
23 advocates here in the city, and we will make sure
24 that whatever you need we will get you and we will do
25 our best to make sure that whatever financial

1 supports you need you will get, and that we are
2 working on the regulatory environment as well here at
3 the city to make sure that you have a, a platform to
4 conduct business in a way that is not punitive, but
5 in a way that encourage growth, and that's, that's
6 our plan and we will continue to do so.

8 CHAIRPERSON GJONAJ: Commissioner, what
9 they need is waiving of real estate, water and sewer,
10 ah, sales tax payments. That's what they need. They
11 need more clarity on the Open Streets Program that
12 we've asked them to invest money that they don't have
13 into making accommodations for outdoor seating that
14 they did not have, put up barriers that, for money
15 that they did not have, to tell them that the
16 barriers that they put up are not acceptable so go
17 change them again. That's what we've done to them.
18 We've made them spend more money that they don't
19 have. At the same time we demand that they pay sales
20 taxes, income tax, real estate tax, water and sewer
21 charges. That's what we've done. Commissioner, I
22 get more calls from restaurants that followed DOT's
23 regulations to find out that a sheriff shows up and
24 tells them to shut down right now before he pulls
25 their liquor license. That's what we've done to

1 them. We've put them on a, on a, a breaking point.
2 They've, they don't have the ability financially.
3 There's nothing there. But now we've put them in a
4 position to invest more money into something that
5 they can't possibly comply with. Sheriffs, right now
6 as we're holding its hearing, are visiting
7 restaurants and telling them to shut down before they
8 lose their liquor license and face more fines. What
9 are we doing about this, Commissioner?
10

11 COMMISSIONER DORIS: Yeah, so I want to
12 just point a clarification. The state controls the
13 liquor license. That's not us. Um, and, and we have
14 stated our challenge to the state about how, ah, that
15 process is going. We have, ah, communicated. Ah, we
16 are concerned about, um, you know, liquor license
17 being lost, ah, in a disproportionate rate, um, in,
18 in certain communities, black and brown communities,
19 [inaudible] communities. That is, that is a concern
20 for us and we, again, we do not, that's the state
21 liquor authority and we have said that that is a
22 concern. You know, we do not want our, ah,
23 restaurants to lose their liquor license. That's
24 their bread and butter right there. Without that,
25 ah, it's, it's, survival is bleak. And so, ah, what

1 we have done, ah, for restaurants who have questions,
2 we are doing, right now we started virtual
3 consultations. That means a restaurant can call us,
4 say we need help or we need to understand this
5 process and we will literally sit on the phone, which
6 we have, with them by video and walk them through
7 that process as well. Ah, all these tools have been
8 so helpful to these restaurants. Again, we have 9500
9 restaurants in, in this program set up in a matter
10 of, ah, you know, days, got it turned it around,
11 expedited process with no fees, self [inaudible],
12 everything that the industry, we've worked with the
13 Hospitality Alliance and others on want it, we make
14 sure that happens. Certainly we are seeing almost
15 90% compliance or more when it comes to the rules
16 there. And so, look, I think, we all know these are
17 challenging times and, ah, you know, we're doing
18 everything we can to support those businesses and get
19 them the information, because that's the key, you
20 know, how do I set up, where do I set up, we do that,
21 and we do that on a consistent basis to our, ah, and
22 for our small businesses, to the tunes of thousands
23 of them, and we will continue to do that.
24

1 CHAIRPERSON GJONAJ: Commissioner,
2
3 there's so many questions that other council members
4 have and I don't want to take away and I don't want
5 to continue to take up the valuable time.
6 Commissioner, our own city agencies are not, have not
7 interpreted this, the laws, um, ah, unilaterally, our
8 own city agencies, let alone the discrepancies from
9 the city and state level. And I'm still not sure,
10 restaurants are still not sure, who decides
11 compliance when it comes to opening the streets? Who
12 decides that they're legally permitted to have
13 outdoor dining and what are the policies when you say
14 one thing and we have sheriffs and marshals out there
15 saying something else? You need to address this.
16 You need to reach out to your counterpart in the
17 state, come up with a unified plan that will address
18 this once and for all, and until that is done they
19 should not be picking and choosing which restaurants
20 are targeted. Social distancing is one thing. We're
21 talking about regulations and showing of permits and
22 authorization that is being challenged. And to
23 threaten someone's liquor license and fees and fines
24 that are tens of thousands of dollars is not fair.

25 COMMISSIONER DORIS: Agreed.

1
2 CHAIRPERSON GJONAJ: And if you can make
3 a commitment on the record that you're going to look
4 into this with the state and address this so we can
5 do our part by informing our small businesses, our
6 restaurants how to comply, and here's your guide that
7 will be both city and state, and no one is gonna come
8 down and ask you to do something otherwise. Or you
9 can wait for them to hear and then get back to us so
10 we can put it out there universally and say here is
11 your procedure, city and state has determined this is
12 the acceptable, ah, requirements for you to operate
13 your place of business.

14 COMMISSIONER DORIS: So I would say that,
15 you know, we, we, we already do this, um, you know,
16 as a city agency. We have a coordination, ah, team,
17 we, from the launch of this program. Ah, again,
18 there is a, I want to make sure that we understand
19 the, the division of labor here. The state oversees
20 the liquor authority. The city, DOT helps us with
21 making sure that folks are safe in the street if
22 they're going to go to the, ah, curbside, ah, model
23 and, ah, you know, make sure that they're doing
24 everything as safely as possible. Um, and then we
25 are getting, you know, the requirements from the

1
2 state as to social distancing and all those other
3 pieces, and we have trained, again, these programs
4 are up and we're training, we're telling folks what
5 to do. Um, we have guides out. We have, ah,
6 animation guides. We've got actual guides where are
7 in the stores, in the restaurants, we're delivering
8 them, hundreds of thousands we've got out the door,
9 um, you know, and so we'll continue to do that. And
10 so, you know, we say if folks have concerns or
11 questions they can call us, um, you know, 888-SBS-
12 4NYC. You can call us and our compliance, ah,
13 helpers will be there to make sure that you are
14 following the guidelines and that we explained
15 everything that you need, and certainly we are
16 committed to that. That's what we're currently
17 doing, we've been doing for the past, ah, you know,
18 month and a half since reopening has started. Um,
19 but certainly there's some gaps, um, in, in
20 restaurants who are now coming on, and we're also out
21 there to let them know, ah, what those rules and
22 regulations are. Certainly on the SLA piece, um,
23 that is, you know, we are in contact with them, too.
24 Ah, our city agencies is speaking with them on a
25 consistent basis, um, and we are articulating to them

1 the concerns that we're seeing on the ground and,
2 and, and we are over, saying it over and over and
3 over again, um, and so I, you know, I do hear you,
4 sir, and I agree, ah, that if they need help SBS is
5 here to help them with that process.

6
7 CHAIRPERSON GJONAJ: Commissioner, thank
8 you. My last question, and we're gonna have to move
9 on, Intro 1958 would require SBS to report a list of
10 businesses who received your grants and loans. Have
11 you been storing this data thus far? Do you
12 currently categorize them by borough, by industry,
13 whether they're minority or women owned? When can we
14 expect this? Ah, when can we get a transparent
15 review available to know where the funding has gone?
16 By business, by industry, by borough, ah, and, and by
17 minority or WMBE?

18 COMMISSIONER DORIS: Yes, certainly. So,
19 you know, we, we, ah, we do track these things. Um,
20 you know, there is a, we do say that we support the,
21 the, ah, tenets of the bill in the sense that we want
22 to make sure that we have ability to, ah, preserve a
23 business privacy, ah, certainly on, on the items,
24 some of the items you've listed, um, you know, where
25 the businesses are, what neighborhoods they're in,

1 what industry, ah, you know, they're in. Ah, we
2 support creating broader transparency around it. So,
3 um, absolute.

4
5 CHAIRPERSON GJONAJ: Thank you,
6 commissioner. I only have one question before we
7 open to the colleagues to OSE, ah, Mr. Klossner. Um,
8 you indicated that you have your [inaudible]
9 problems, ah, the instances and, um, a phone charge,
10 erroneous charges have not been occurring, but you
11 have said that there were incidents of fees above the
12 permissible caps that we, um, ah, capped them to have
13 been violations. Have you issued any fines or
14 violations? How many notices or how many, um,
15 violations of these laws have you found and, if
16 possible, by which, ah, third-party food, ah, vendor?

17 EXECUTIVE DIRECTOR KLOSSNER: Thank you
18 for the question. We have not issued fines or
19 violations. The, the goal, um, you know, one of the
20 reasons that our office was brought in was to look at
21 this from what is the most efficient way to enforce
22 this. With so few industry, so few players in the
23 industry, um, our goal is to take any instance of a
24 problematic overcharge and look it on an industry-
25 wide level, right, that if we hear from one

1 restaurant that they believe they've been over
2 charged, our goal is to go to that industry and get
3 compliance across the entire city that protects all
4 other restaurant owners. Instead, especially what we
5 don't want is an enforcement regimen that shifts a
6 lot of the burden onto the restaurants, um, in a time
7 where we know they're struggling to make ends meet to
8 have to take time out of their schedule to gather
9 documents and come to us. We'd rather take notice of
10 one instance, go right to the company, say what's
11 going on here, can you stop? So we've no issued
12 fines. Fines are one the table if we aren't getting
13 compliance, we can't get restitution, um, where
14 charges were illegal, if we, the next step would be
15 litigation. Um, we're hoping we can continue to get
16 compliance, ah, either just through the law or
17 through talking to the companies. If that doesn't
18 happen we'll certainly come back and let you know.
19 Um, I, I prefer not say the companies, um, simply
20 because I, I would hate for this hearing to turn into
21 a back-and-forth, um, while we're having negotiations
22 with those companies' attorneys currently. If we
23 take any public actions we'd certainly be announcing
24 the name of the company at that point.
25

1 CHAIRPERSON GJONAJ: Mr. Klossner, those
2 violations aren't being issued to restaurants. The
3 failure would be on the part of third-party food
4 delivery apps.
5

6 EXECUTIVE DIRECTOR KLOSSNER: No, I
7 understand that. I apologize for cutting you off,
8 but let me clarify and then if I don't I'm happy to
9 turn it back over. What I'm saying is that, um, as a
10 victim, or as a complainant, a restaurant would have
11 to take the time to provide specific documents, log-
12 ins, lots of extra information. Um, I don't want to
13 put that burden on restaurants. What I want to do is
14 if one restaurant says I think I've been overcharged,
15 here's an email, I want to go to the company and put
16 the onus on them to say are you complying with the
17 law? Why aren't you complying if you're not? What
18 can we do to get the money back, not just for the one
19 restaurant that complained, but for all restaurants
20 that have been overcharged?

21 CHAIRPERSON GJONAJ: Are you at liberty
22 to say how many complaints do you receive?

23 EXECUTIVE DIRECTOR KLOSSNER: Um, well,
24 we didn't set up a specific complaint line. We set
25 up the tip line that I mentioned earlier, um, and I,

1
2 you know, not more than a dozen. Um, as I said in my
3 testimony there has been wide scale compliance with
4 the law. Um, you know, we've partnered with
5 restaurant, specific restaurant owners that have
6 reached out both before and after the law's effective
7 date, um, and the industry writ large to make sure
8 that we have open channels of communication so that
9 as soon as there is a problem we're made aware and we
10 can address it on a, on a systemic and industry-wide
11 level.

12 CHAIRPERSON GJONAJ: Thank you, Mr.
13 Klossner. Let me, ah, refer back to, ah, Stephanie
14 Jones for the members that have questions and, um,
15 I'm sure that we, ah, will continue both with you and
16 Commissioner Doris. Thank you.

17 COMMITTEE COUNSEL: Thank you, Chair.
18 I'll now on council members in the order they have
19 used the Zoom raise hand function. If you would like
20 to ask a question and you have not yet used the
21 function please raise your hand now. You should
22 begin once I have called on you and the sergeant has
23 announced that you may begin before delivering your
24 testimony. First we will hear from Council Member
25

1
2 Richards, followed by Council Member Powers. Council
3 Member Richards.

4 COUNCIL MEMBER RICHARDS: Thank you, and
5 thank you, ah, Chair, and thank you to the
6 Commissioner again. Ah, just some brief questions.
7 Um, so during the Small Business Committee hearing in
8 April, hosted by my colleague, ah, Mark Gjonaj, and
9 previous commissioner Greg Bishop, ah, according to
10 Small Business Services around 8 million of the 20
11 million loan programs for struggling small businesses
12 was dispersed, with 66% going to Manhattan-based
13 shops, while those in Queens received only 9%, and
14 as, ah, Council Member Gjonaj, Chair Gjonaj, alluded
15 to the Bronx receiving 1%. Since, ah, since then
16 have those numbers increased? If so, how, and can
17 you provide us with a report on where we're at, ah,
18 in terms of more equity in the disbursement of those
19 funds and loans? Commissioner, you may be muted.

20 COMMISSIONER DORIS: Absolute. Thank
21 you, thank you, Council Member. Um, ah, yes, so, so
22 as mentioned, you know, as we've rolled out the
23 program it was one that was done very expeditiously
24 and making sure that we're, we're getting to our
25 small businesses. So as you mentioned, um, I can

1
2 just give you just briefly that when the grants
3 program, ah, for Queens was around 17% and for the
4 loans program I think we're around, um, at this
5 moment around 12% in awards.

6 COUNCIL MEMBER RICHARDS: You said in the
7 grants?

8 COMMISSIONER DORIS: In the grants
9 program, the grants about 17%.

10 COUNCIL MEMBER RICHARDS: OK.

11 COMMISSIONER DORIS: Um, that's 19%, out
12 of 19% of the applications, so 17%, ah, were to
13 Queens. And then on the loans 18% applications
14 overall [inaudible] 12% went to Queens. I'm happy to
15 provide a full write-out to you.

16 COUNCIL MEMBER RICHARDS: Sure, and you
17 recognize that's why this bill is so important, to
18 make sure that we are bringing equity. And, and how
19 did, why, I mean, did Manhattan have something
20 special that Queens and other outer boroughs didn't
21 have in terms of getting that, ah, percentage of the
22 loans and grants so early on? Ah, and have you
23 recognized that now coming in as the new commissioner
24 that that, that the prior, um, commissioner, who I
25 have a great deal of respect for, um, certainly could

1
2 have, ah, looked at this deep, deeper and, and ensure
3 that there was more equity in the disbursement of, of
4 this program and are you looking to make corrective
5 actions in this area, and how are you doing it as the
6 new commissioner?

7 COMMISSIONER DORIS: Yeah, absolutely.

8 I, I think, as I mentioned in my opening statement,
9 part of, um, my five borough strategy is to make
10 sure, one, from the inception of any program or ideas
11 or, ah, any work that we do that we take into account
12 this reality, right? That we have five boroughs and
13 every, ah, borough has to be able to, ah, get the
14 services, ah, and the resources that they need and I
15 think that's important. I think also, ah, really,
16 ah, and, and you said this, I think, a little bit
17 before about, you know, how do we do outreach? I
18 think it's important, um, different, ah, communities
19 we have to, ah, you know tailor our outreach to
20 different communities. Some communities are, are,
21 you know, are, are easily contacted, ah, through say,
22 say, the web or email or something. Others we have
23 to actually pick up the phone. Others you have to
24 physically be there. And so, you know, we, we're
25 thinking about that. That's something that we're

1
2 working on. Um, and you know, look, we're
3 aggressively working with community partners as well.
4 I think that is a huge component of what we shifted.
5 So, ah, relying really on our community partners to,
6 work with us, to help us identify those areas and
7 businesses in need. And then for us when we talk
8 about equity, we're looking at, you know, our LMI
9 communities and I think, um, right now the mayor, as
10 you know, launched, ah, a few weeks back, um, our,
11 um, from the Racial Inclusion and Equity Task Force,
12 um, really a series of services that were focused on
13 communities, ah, who are largely impacted by COVID
14 that are predominantly out in the outer boroughs and
15 we provided free, ah, business, ah, corps to help
16 them, consultants, to help them, um, to, to do
17 mentorship. We have these programs that are all
18 coming out and they're gonna be focused in those
19 outer boroughs communities and LMR communities, ah,
20 to work specifically, ah, with those businesses. So,
21 ah, we have a five borough strategy, um, and from
22 inception of ideation all the way to the execution,
23 ah, began to implement that, ah, as the new
24 commissioner.

1 COMMITTEE ON SMALL BUSINESS 71
2 COUNCIL MEMBER RICHARDS: Thank you,
3 Commissioner. Ah, another question. So I'm assuming
4 there were some barriers, ah, and partly because of
5 some of the, the policy attached to both the loans
6 and grants program. Ah, in particular some
7 restaurants were unable to take advantage of the
8 grant program because of the four-employee limit. Do
9 you think that this was fair to an industry that
10 offered employee positions such as servers, managers,
11 busing staff, chefs, and hosts, and are you in any
12 way, um, thinking about altering the program to
13 broaden the appeal to small businesses who may not
14 have been able to take advantage of the program, um,
15 based on the criteria that were set early on?

16 COMMISSIONER DORIS: Ah, thank you,
17 Council Member. Absolutely, we're, we're, you know,
18 we're thinking about all criteria across the board,
19 um, in part why we executed the new Emergency Grant
20 Program, ah, for those businesses that will need it,
21 we ensured that we capped the annual income at 1.5
22 million. That means I'm gonna get to the smallest
23 businesses that I can possibly get to. So those
24 were, that's something that we are putting in, into,
25 ah, action. I also think, you know, look, in, in

1 the, ah, challenge with our grant and loan program
2 initially we had limited funds and, again, we wanted
3 to get to those very tiny, you know, micro
4 businesses, you know first, right? And I think that
5 was part of why the program was constructed the way
6 it was, um, to get to those businesses that have four
7 employees or less, um, and we were able to help out
8 who were having some significant struggles initially
9 in the process. Um, but understanding that that was
10 obviously a stop-gap measure and we just did not have
11 the resources, um, as a city, um, initially to
12 actually do, ah, more there, um, but we wanted the
13 most vulnerable, ah, and the most micro, smallest of
14 businesses, and that is what the program is, ah,
15 focused on at the time.

17 COUNCIL MEMBER RICHARDS: So you're going
18 to be broadening, ah, the criteria a little bit more,
19 you're saying if I heard you correct? Rather than
20 just the four, will you be expanding the number of
21 employees you can have?

22 COMMISSIONER DORIS: Well, I, I would say
23 this. I would say that, um, that answer will be yes
24 depending on the resources that we have. I mean, you
25 know, if we have the resources, ah, we will try to

1
2 expand and include as many as possible. But, you
3 know, for businesses, and I mentioned before, for
4 businesses who, ah, may be outside of a criteria if
5 we're really trying to micro target to small
6 businesses or LMI communities or so forth, ah, you
7 know, we, just because the city is unable to do it,
8 we can, again, find them resources, work with them
9 with our white glove service being the step, ah,
10 first step to the end, um, you know, with them. Um,
11 and our business, ah, consultants are with them
12 through that processes as well. So, um, we're, we're
13 looking at the gaps where they may be, and so we are
14 open, ah, to where we can close those gaps.

15 COUNCIL MEMBER RICHARDS: All right. And
16 then, ah, this last two questions. Ah, one, let me
17 just ask will any of the, the program include street
18 vendors and food trucks at all? Ah, for instance, in
19 the areas like Jackson Heights, um, in Queens, I know
20 that this has become a big issue. Are you
21 considering any, um, relief of them? And then
22 lastly, um, if you can just touch, you know, the
23 number one thing I hear about is rent relief for
24 business owners and I've been speaking to a lot of
25 business owners. Queens Together held an event, ah,

1 just a few weeks ago where we heard from a lot of,
2 ah, immigrant businesses, immigrant-owned businesses,
3 people who put everything, their life savings, into
4 starting businesses who at the moment just can't hold
5 on because of the astronomical rent prices and
6 obviously the impacts of COVID-19 not being able to
7 open up small businesses, their small businesses,
8 totally. Um, so is there any strategy around rent
9 relief and then also if you can just speak, ah, to
10 street vendors and food trucks, and that would be the
11 end of my questions.

12
13 COMMISSIONER DORIS: Thanks, thanks
14 Council Member. So as it pertains to street vendors
15 and food trucks and so, those are businesses, ah, you
16 know, they, they all, ah, can apply for these
17 programs. Um, you know, the programs are closed out,
18 unfortunately, ah, because, um, for some time now,
19 but certainly we are to open these programs again,
20 um, once you're a business you can apply, and all
21 businesses can apply once you have, ah, the EIN
22 number, ah, and you are eligible for all of our
23 programs. And so, um, all those businesses have and
24 therefore they can participate. Um, I think on
25 the...

2 COUNCIL MEMBER RICHARDS: Did any of them
3 receive loans or grants, or no?

4 COMMISSIONER DORIS: I, I can, I'm not
5 sure how many, um, but I, we can look into that for
6 you. I'm sorry, I...

7 COUNCIL MEMBER RICHARDS: But you're
8 saying that they fit the, what you're saying, they
9 fit the criterias as well to apply?

10 COMMISSIONER DORIS: I'm saying if, if
11 businesses have an EIN number...

12 COUNCIL MEMBER RICHARDS: If they have an
13 EIN number, OK.

14 COMMISSIONER DORIS: Most of the, most
15 businesses have. They, they would fit the criteria,
16 yeah.

17 COUNCIL MEMBER RICHARDS: OK. And then
18 just on the rental questions.

19 COMMISSIONER DORIS: Oh, yeah,
20 absolutely. So, ah, look, this is, ah, really the
21 number one challenge we're having right now with,
22 with, with small businesses, um, outside of
23 financing, and, ah, and customers. Um, and, you
24 know, the challenges, how do they pay the rent and
25 meet those requirements. And so, look, we've, we've,

1 we've instituted, um, as you know, legal assistance
2 to help them, um, with that process, with our
3 Emergency Assistance Program and our partner with,
4 ah, the bar, [inaudible], um, and, and really wanted
5 to make sure that they have the ability to at least
6 negotiate with their landlord, ah, and the lease
7 [inaudible]. So we are looking at other, um, ways to
8 support, ah, small businesses on this, on this side.
9 Um, but, ah, you know, I think the best, the best way
10 that we can support them right now, ah, while I think
11 either, ah, legislative bodies are looking at, you
12 know, what type of relief and support can happen, um,
13 you know, our Commercial Lease Assistance Program is
14 there for them and, and, you know, it's real easy for
15 them to apply and we work with them, um, you know,
16 through that process and, and, ah, really help them
17 on the legal side and to, to [inaudible] their, ah,
18 their landlords and give them the ability to, um, to
19 renegotiate those leases, um, and, and have that,
20 have a free attorney, um, to do that with them. So
21 that's the support we're giving as that's concerned
22 while, you know, other discussions are happening.
23 I'm sure you look at the federal, state and, and

1
2 local level about what type of rent, actual cash
3 relief, can, can be given.

4 COUNCIL MEMBER RICHARDS: Well, thank
5 you, ah, for the work that you're doing. I look
6 forward to seeing you. I know we had to postpone a
7 few times.

8 COMMISSIONER DORIS: Yeah.

9 COUNCIL MEMBER RICHARDS: Um, but I look
10 forward to seeing you out here and I'm hoping that,
11 you know, the city is going to really explore ways to
12 work with, um, the private sector as well, ah, in
13 terms of trying to leverage opportunities. I hear
14 the lawyers, but the lawyers, folks are looking for
15 rent money and rent assistance. Ah, I don't think
16 that they're, I mean, not to say that legal
17 assistance isn't important, but when you have to make
18 that rent due payment, um, that seems to be the most
19 critical thing at the moment, and I don't have to
20 tell you about communities like southeast Queens and
21 the south Bronx, where we're starting to see a lot of
22 rental signs going up. So for black and brown
23 communities and all businesses, I don't, you know,
24 but specifically we're gonna be hit harder, just as
25 COVID-19 has already showing us and I'm really

1
2 worried about the state of our communities in terms
3 of blight and how do we address these issues, um, and
4 bring equity to them as well. So I look forward to
5 our continued work together. I want to thank the
6 chair and the speaker for holding this hearing again.
7 Thank you.

8 COMMISSIONER DORIS: Thank you.

9 COMMITTEE COUNSEL: Thank you, Council
10 Member. Before we continue I'd like to acknowledge
11 that Council Members Rodriguez and Levin have joined
12 us. Next up for questions, Council Member Powers,
13 followed by Council Member Rosenthal. Council Member
14 Powers.

15 COUNCIL MEMBER POWERS: Thank you. Thank
16 you to Chair Gjonaj and Council Member Moya for your
17 work here and, ah, and your advocacy and, and
18 bringing this hearing together. So I thank you guys
19 for all you're doing. And thank you to the
20 commissioner, um, I appreciate everything you guys
21 are doing. And I just want to echo what Council
22 Member Richards said, which is really the driving
23 issues right now, beyond legal assistance and
24 [inaudible] rent relief, financial relief, and
25 regulatory relief wind up losing their licenses, ah,

1
2 as we're hearing from restaurants, over trivial
3 matters. And I do, I want to say, I do think this
4 administration could be doing more on all those
5 fronts, even if it's just pushing back harder on the
6 state's insane and bizarre rules around restaurants
7 right now. They are taking people's licenses away
8 for little to nothing, and I don't mean this to be a
9 sharp criticism, but I do think SBS and the mayor and
10 his entire administration should be pushing back
11 forcefully on the state for their bizarre and insane
12 rules that right, are risking our own businesses',
13 um, livelihoods. But, um, so I'm happy to join you
14 in, ah, an effort to do that. Um, before I ask about
15 the third-party apps, which I have a number of
16 questions about, we talked about fines and fees just
17 a little bit, and I, I had sent a letter to the mayor
18 I think about three weeks ago, asking for an update
19 on his State of the City proposal which was called, I
20 believe, Fix It, Don't Fine It, and it was meant to
21 provide regulatory relief through fines and fees and
22 go through a list of fines and fees that have, ah,
23 that seemed achievable, to either remove, to put, um,
24 longer periods or first warnings into effect, and to
25 do a number of other steps. They announced, I think,

1
2 three or four at the outset of it. I joined that
3 announcement in the press release. Um, but I wanted
4 to know if there's an update on that. It was in
5 February, right before the COVID hit. But it does
6 strike me that at least a small step this
7 administration could be taking is to be looking for
8 ways to not take much-needed revenue away from
9 businesses right now and to cure those, ah, to help
10 them cure those fines or fees where it makes sense,
11 rather than just punishing them with showing up with
12 a, ah, with a citation and, and making them go and
13 pay a fee or a fine. Um, can you give me any sense
14 of where, any sense of where that, ah, that proposal
15 stands right now, and also, um, just a simple
16 question. Has this administration removed any fines
17 or fees on small businesses since COVID started?

18 COMMISSIONER DORIS: Thank you, ah,
19 Council Member, for that question. Ah, the State of
20 the City pieces, um, yeah, you know, I certainly will
21 get back to. Let me get back, I, I promise to do
22 that, on where we are with those. Um, certainly, as
23 you know, we have, ah, over the last several years
24 have been reducing fines, fees, um, putting in cure
25 periods, all those things, adding up to about 20

1 million a year that we are saving small businesses,
2 um, in the last several years. And so, you know, I
3 want to make sure I am, um, speaking, um, very
4 directly to the letter that you sent and the list, so
5 I will be certain to get back to you on that. And,
6 and for us, um, I think the mayor, the mayor has
7 said, I mean, even, ah, you can look at the, the
8 street, the street, ah, you know, the sidewalk cafes,
9 um, fees and so forth. Ah, with our Open Restaurants
10 Program there were no fees. Ah, all those fees were
11 gone, removed. Um, it was a very, ah, easy program,
12 about five to 10 minutes, you can sign up without any
13 sort of fees, just self-attestation, etcetera. And I
14 think it's important. I think it's important for us
15 to continue that, that work, um, and so, ah, on the
16 broader fee structure and fines, um, we, we, the
17 mayor did, ah, promise, as you mentioned, to double
18 down on that. Um, we have seen and we have 20
19 million or so dollars, um, in business, small
20 business savings per year for the last several years.
21 Ah, and so we will, ah, get back to you on the
22 specifics of the State of the City, um, but we have
23 dealt with specifically around the restaurant fee
24 structure. We have dealt with that and also, um, we
25

1
2 have, um, worked with, again, um, many of our small
3 business advocacy organizations, ah, when we were
4 putting out, um, any of these requirements, ah,
5 meaning for social distancing, etcetera, the mayor
6 said he wanted to start and have start, and we have
7 start, with the, with an education first policy, and
8 I think that's what we've been doing, um, and so, um,
9 to my knowledge not excessive fees or a whole lot of
10 fees being put out there. Um, only really, you know,
11 sometimes you have some real bad actors, um, and, and
12 that is not 95% of the businesses, right, so we're
13 not, we're not talking about those, ah, businesses.
14 We're talking specifically about, ah, the, the small
15 group, right, that may, ah, may not adhere to, to the
16 policy and even then the mayor had said education, a
17 warning, and then if, you know, folks are just not
18 trying to adhere to any of the requirements then we
19 will have to, ah, impose other, ah, other, um,
20 penalties, etcetera. So the, the short answer is ah,
21 ah, we have, we implemented some of these, um,
22 structures and fees and really we're thinking of
23 fines and all that, um, through an education first
24 model, um, and, um, also, ah, for 20 or so million
25 plus dollars we're saving every, every year, small

1 business saving, and, ah, we'll get back to you on
2 specifically on the, ah, State of the City, ah,
3 pieces that, ah, we are in review of.

4
5 COUNCIL MEMBER POWERS: OK, and I'm gonna
6 just say, I mean, I am not aware of any, ah, relief
7 during the COVID, during COVID. Ah, maybe there is
8 and I just missed it. But I, but I don't believe
9 there has been any, at least that I have seen. So,
10 or I say minor, I should say minor. But not as a
11 result of the State of the City announcement and, um,
12 we had asked for a full list. I presume when the
13 State of the City happened somebody put together a
14 list for the mayor of all these different agency
15 fines and fees that you guys looked at to repeal a
16 few of them. So we've asked for that list or a list
17 of various agencies and their fines and fees so we
18 can take a look at them together and figure out which
19 ones make more sense. [inaudible] discretionary
20 amount we can bring to the lower end, we can do
21 education and things like that. And I would ask, we
22 sent it three weeks ago, it does take some time to
23 [inaudible] but we will ask for that list in, um, you
24 know, very soon to have that, um, sent back. Um, I
25 just want to go over the apps since that's kind of

1 the point of the hearing, amongst other things. Um,
2 we've taken up this cap. Can you tell me [inaudible]
3 city municipalities taking up a cap, ah, on third-
4 party fees?
5

6 COMMISSIONER DORIS: Can you repeat the
7 question? I apologize.

8 COUNCIL MEMBER POWERS: Oh, I said have
9 we seen other cities, this is for either one of you,
10 have other cities or municipalities taken up a cap on
11 third-party fees the way New York City has?

12 EXECUTIVE DIRECTOR KLOSSNER: We have
13 seen, we have seen other cities. Um, Washington,
14 D.C., Portland, San Francisco, Philadelphia pop to
15 mind. I think San Francisco, um, went first and I'm
16 sure there are other speakers actually who are
17 probably monitoring this even more closely further
18 down in the witness list. Um, and, you know, and we
19 are looking at how the industry responds to those
20 caps. Um, from what we understood there was early
21 compliance in San Francisco. There's alarming news
22 coming out of Portland about, um, companies that are
23 choosing to not comply. Fortunately, what we've seen
24 in New York is wide scale compliance, um, and whether
25 that is the importance of the market to these

1
2 companies or whether that is the, um, careful
3 drafting of, ah, of the original legislation. I
4 think only, only time will tell and maybe some of the
5 industry witnesses can speak to that.

6 COUNCIL MEMBER POWERS: Got it. And do
7 you know if [inaudible] I do think probably some of
8 the companies will be able to answer this better
9 than, than any of us 'cause they have, ah, widespread
10 presence in the country, but do, do we know if any of
11 the other cities or states have adopted our model?
12 Is it, it is, ah, we have the, as I, you know, we
13 have the two sort of structures here. Do you have
14 any familiarity with how the cities are doing and/or
15 have they adopted our legislation, or have they done
16 this in another way?

17 EXECUTIVE DIRECTOR KLOSSNER: I don't
18 know if anyone has adopted our specific model.

19 COUNCIL MEMBER POWERS: OK. Um, this is
20 the SBS commissioner, ah, so I think you have to be
21 unmuted. Um, um, you know, we have the model where
22 we do marketing, and I'm going to ask this of the
23 companies as well, just to be, just to be clear, but,
24 um, you know, one of the, one of the, the model we
25 have is basically you pay for listing yourself on the

1 app. That's one, I think, um, one fee, that is, has
2 a cap on it, and the other cap is around the delivery
3 service. Do you know if, I don't believe we do, but
4 do you know if other cities, and do you have an
5 opinion on whether, or whether or how much of that
6 fee should be [inaudible] who is making the delivery?
7 So essentially if you're charging for delivery does
8 that go to the delivery person and, you know, the
9 other laws about whether that is the case? Laws in
10 other places.

12 COMMISSIONER DORIS: Um, I don't, I, I
13 can get back to you on that. I don't know. But I
14 think, um, I, I hear, I hear what, where you're going
15 and some of the concerns we've heard that before.
16 But, um, I'm not sure if my colleague knows, but, ah,
17 we haven't heard, ah, the process in which it goes
18 directly to the delivery, um, person. Um, yeah, sort
19 of instead of going to the, to the app company, yeah,
20 we have not heard. I have not heard that.

21 COUNCIL MEMBER POWERS: Great. Ah, Mr.
22 Klossner, do [inaudible]?

23 EXECUTIVE DIRECTOR KLOSSNER: Um, I, I've
24 only recently learned that in LA there's a model that
25 doesn't restrain the fees based on which service, ah,

2 and obviously, you know, we're gonna be looking at
3 that, that model, and, and based on your questions
4 we'll be looking at others and...

5 COUNCIL MEMBER POWERS: Well, what
6 exactly...

7 EXECUTIVE DIRECTOR KLOSSNER:
8 ...[inaudible] this conversation with the council.
9 Ah, from what I understand there's a, a model out
10 there where it doesn't break down what percent
11 [inaudible] on what kind of fee, but rather just a
12 universal cap and, and the companies choose where to,
13 where to spend that money. Again, we'll look
14 carefully at that model, um, and continue to work
15 with committee counsel on, on making sure that
16 legislation meets the city's needs.

17 COUNCIL MEMBER POWERS: OK, meaning that
18 they, you just do one flat fee, you just pay just
19 this one big capped fee, it doesn't specify what it's
20 for?

21 EXECUTIVE DIRECTOR KLOSSNER: Right, and
22 then to your question then, you know, that would,
23 that would leave in the hands of the industry whether
24 or not, um, and what percentage of that money goes to
25 the worker versus their own services.

2 COUNCIL MEMBER POWERS: Got you, OK. Um,
3 and you're looking at that now?

4 EXECUTIVE DIRECTOR KLOSSNER: Yes.

5 COUNCIL MEMBER POWERS: Can you report
6 back to us anything you [inaudible] I think you said
7 it was LA?

8 EXECUTIVE DIRECTOR KLOSSNER: Sure.

9 COUNCIL MEMBER POWERS: OK. Thank you.
10 Ah, I just, I just, I'm just gonna raise a question.
11 I mean, I do think, I do wonder as I was rereading
12 this the other day in preparation for this hearing,
13 and I did ask myself the question of whether the
14 delivery fee is going to the delivery person that's
15 making the delivery and if, and if not how much of it
16 is going to them and so, um, I'll ask the companies
17 that question as well, but I think it's worth a
18 question we should all be asking as we're debating
19 fee structures here around, um, around delivery. So,
20 thank you, thanks both, I'll give my time. Thanks.

21 COMMITTEE COUNSEL: Thank you, Council
22 Member Powers, Executive Director Klossner, and
23 Commissioner Doris. My name is Alex Polinoff and
24 I'll be taking over moderating duties for the
25 remainder of the hearing. Ah, next up we have

1
2 questions from Council Member Rosenthal, followed by
3 Council Member Rodriguez. Council Member Rosenthal,
4 the floor is yours.

5 COUNCIL MEMBER ROSENTHAL: Thanks so
6 much. Um, ah, Commissioner Doris, I just, one quick
7 question. The Speaker had asked what could be done
8 to help our small businesses and one of the things I
9 was hoping to hear you say is the possibility that we
10 will keep the restaurant outdoor dining open beyond,
11 um, I guess it's September 30 now. Are you
12 considering, um, keeping the outdoor and the street
13 dining beyond September 30? It's something that's
14 been successful and, you know, certainly owners in my
15 district as, as well as residents have asked, um, why
16 not keep it going all year long.

17 COMMISSIONER DORIS: Yeah, thank you,
18 Council Member. Um, so, you know, the mayor had
19 extended it to October 31, um, and also guaranteed
20 that it will be back next year. That was just
21 mentioned and that was part of the positive part is
22 [inaudible] an opportunity to forecast out...

23 COUNCIL MEMBER ROSENTHAL: It just, I'm
24 sorry, just to confirm that's the, um, not just
25

2 outdoor dining but on the street using the parking
3 spaces?

4 COMMISSIONER DORIS: Correct.

5 COUNCIL MEMBER ROSENTHAL: Until October
6 31?

7 COMMISSIONER DORIS: Yes.

8 COUNCIL MEMBER ROSENTHAL: OK, and would
9 you consider moving it beyond October 31, um, perhaps
10 making that decision later, but, um, soon enough so
11 that restauranteurs could perhaps purchase those, you
12 know, outdoor heating units, etcetera?

13 COMMISSIONER DORIS: Yeah, no, we are
14 definitely looking into that. Um, right now the
15 mayor set it October 31, but, um, we have heard from,
16 from the alliance. We've heard from others, ah, who
17 are asking, um, about that, the same question. So,
18 um, it is something that we're looking into. Um, I
19 don't have an answer today if it's going to go past
20 October 31, but that's something that we are looking
21 into and, um, if, if that's the case, as it was with
22 the program, we want, we have to give notice, um, as
23 we've done for the 31st, but also that it's coming
24 back next year, ah, so that folks can adequately

1
2 prepare for it. So I do agree, um, if we are going
3 to do that it needs to be done in a way that, um...

4 COUNCIL MEMBER ROSENTHAL: Yep, thank
5 you, what are the hurdles? What's holding you up
6 from just making that decision now?

7 COMMISSIONER DORIS: Well, I mean, it's a
8 collective decision, it's a citywide decision and I
9 believe we're just, we're going through that process.
10 Um, we're going through that process. Many agencies
11 involved, as you can imagine. Um, and then you have,
12 um, you know, what, what would it look like in, in
13 winter? We're gathering information from industry
14 and also restaurants and our fellow city agencies to
15 see, ah, what are some of those challenges, but we
16 are, we are certainly looking into it. I can let you
17 know that. Um, and, ah, if, if it is going to be
18 changed, ah, we will give definitely ample notice.

19 COUNCIL MEMBER ROSENTHAL: Honestly, if I
20 were a restaurateur hearing that answer I would be
21 really disappointed. Um, of course it takes working
22 among the agencies, that, that's what, that is how
23 government works. Um, we're in the middle of an
24 economic freefall and to hear that the best you can
25 give me at this juncture is we're looking into it is,

1
2 is disheartening. If you're say a hurdle is winter,
3 you know, I imagine you talk with Sanitation about
4 plowing the streets and what the regulation would be
5 around that. But, again, I'm asking you specifically
6 what the hurdle is from the perspective of a
7 restaurateur who is trying to decide whether or not
8 to keep his business open at all, his or her business
9 open at all. Um, the, you know, we're in a pretty
10 dire straits here, so what are the hurdles, when do
11 you think those hurdles will be resolved and there
12 will be a decision?

13 COMMISSIONER DORIS: Yeah, I, I, I do not
14 have a timeline on the decision. Um, I think, as I
15 mentioned, you know, it's an ongoing conversation
16 we're having with our agencies and with the entire
17 city and with the industry. Um, look, this program
18 we, um, you know, are very happy with this program,
19 as you can imagine. We stood it up in record time.

20 COUNCIL MEMBER ROSENTHAL: Indeed,
21 indeed.

22 COMMISSIONER DORIS: Um, and this
23 programming is...

24 COUNCIL MEMBER ROSENTHAL: It's really
25 [inaudible].

2 COMMISSIONER DORIS: [inaudible], so,
3 yeah.

4 COUNCIL MEMBER ROSENTHAL: You set it up
5 in record time, right? Because the circumstances are
6 dire.

7 COMMISSIONER DORIS: Absolutely.

8 COUNCIL MEMBER ROSENTHAL: I think what
9 the restaurant industry wants to hear is the same
10 sense of urgency from you.

11 COMMISSIONER DORIS: Yeah. I think we
12 have the sense of urgency. I mean, there's no doubt
13 about it. We're working on this 24/7 and our teams
14 are working on this. Um, at the moment I just, I
15 just don't have an answer as to...

16 COUNCIL MEMBER ROSENTHAL: You repeat
17 you're working on a...

18 COMMISSIONER DORIS: ...a specific yes or
19 no, um, 'cause that is being worked out on when and
20 how, um, but...

21 COUNCIL MEMBER ROSE: ...[inaudible] I'm
22 just sort of curious. If your teams are working on
23 it 24/7 what is, can you give me a specific example
24 of a hurdle that's not overcomeable or two hurdles
25 that you're working on, not necessarily not

1
2 overcomeable. What are the exact hurdles that you're
3 working with and what agencies are involved in
4 working on them?

5 COMMISSIONER DORIS: Well, I'm not,
6 again, I'm not, we don't, we don't have like, um, ah,
7 a timeline and the challenges that are persistently,
8 um, available to us, as we know are obvious for the
9 restaurant industry right now, and that they would
10 like to have some sort of certainty for winter. Um,
11 we don't have an answer for that yet. And I don't,
12 I'm not sure, um, if and when it will happen, but
13 that's something we are looking into. Um, when it's
14 presented as to our hurdles, um, you know, there,
15 there are many hurdles depending on, I think the
16 restaurant. The restaurant may say well, how can I
17 afford to, to have heating, or can heating happen,
18 or...

19 COUNCIL MEMBER ROSENTHAL: Right, but
20 that's...

21 COMMISSIONER DORIS: ...um, what are
22 their, what are their requirements, electrical...

23 COUNCIL MEMBER ROSENTHAL: ...[inaudible]
24 yes...

1 COMMISSIONER DORIS: ...whether there,
2
3 any, all these things are, you know.

4 COUNCIL MEMBER ROSENTHAL: Those are
5 questions for restaurants to figure out. They're big
6 boys and girls. They're, they're trying to make
7 these decisions, but they can't make the decision if
8 you don't give them the opportunity to make that
9 decision. Right? Where you give them that
10 opportunity is by opening the door. And what I'm
11 hearing from you right now today is the door is
12 closed. Um, so that, that choice that you're making
13 by closing the door has consequences. It's not a
14 just passive choice. It's an active choice by the
15 administration to not make a decision today. And it
16 means that restaurants today are making their
17 decisions based on your choice to say no. So at
18 least, you know, spare them the grief of not having
19 information by fishing or cutting bait. Just say no
20 or say we're thinking about it, we're gonna have a
21 decision in a week. I mean, these are real, these
22 are business people who are trying to figure out what
23 to do with our residents who work there, their own
24 businesses, and it just feels a little cavalier to
25 me, um, and, ah, very disheartening for the

1 restaurant industry, which, you know, as the chair
2 has said, you know, has just been clobbered. So, ah,
3 it, I think it's important to the public for the
4 purpose of this hearing to give a date certain where
5 you can say something rather than nothing. Can you
6 do that?

8 COMMISSIONER DORIS: I, I, um, I cannot
9 give you a date as to a decision, ah, when a decision
10 is made. Ultimately, um...

11 COUNCIL MEMBER ROSENTHAL: Is on the desk
12 for the mayor to consider now? Is it in his
13 consideration, or has it not made it to his desk yet?

14 COMMISSIONER DORIS: Well, I think it's
15 reworked through the process. Um, I don't, I can't
16 confirm if it's part of the decision yet. Um...

17 COUNCIL MEMBER ROSENTHAL: Have you
18 spoken...

19 COMMISSIONER DORIS: The mayor, when he
20 announced, ah, absolutely, we have discussions around
21 this issue. Um, the challenge, I think, is when the
22 mayor actually announced this extension, which, by
23 the way, um, you know, I believe this, the certainty
24 to the industry, ah, up to October 31, which we did
25 not have before, and additional certainty about next

1 year, how that this program will be there. Um, I
2 think right now we're thinking, talking about, as you
3 mentioned, the winter, which is, ah, the winter
4 months, what will happen. Um, and the mayor had
5 said, um, that we will get back to the public on that
6 decision. And that, Council Member, I hear you, your
7 concern, but that's where we are right now and I
8 really don't have any...

10 COUNCIL MEMBER ROSENTHAL: Right now are
11 you discussing it with a deputy mayor in particular
12 or the mayor himself? And what [inaudible] are
13 involved in the discussion?

14 COMMISSIONER DORIS: I'm sorry, I didn't,
15 you went in and out, I'm sorry.

16 COUNCIL MEMBER ROSENTHAL: The discussion
17 that's happening now about extending it beyond
18 October 31, is that discussion, what other
19 commissioners are part of the discussion, and, um, is
20 it, is the deputy mayor part of that discussion,
21 which deputy mayor?

22 COMMISSIONER DORIS: So, as you know, ah,
23 several agencies are involved in this program.
24 Which, by the way, I want to keep saying, is one of
25 our real successful programs and which we're excited

1
2 about, um, and that we support 9500 businesses are in
3 it, and so, I mean, I think, I want to just clarify
4 and make sure that everyone listening and watching
5 this understand the city's, um, adjustments that
6 we've made because this is a crisis and we're in a
7 crisis and we've done that. Um, this is just a
8 decision that we need to walk through. DOT, of
9 course, obviously is part of that because of the
10 street, ah, issues, DSNY for the sanitation, my
11 office and agency, um, we're all having discussions
12 and our respective deputy mayors are a part of that
13 discussion as well, ah, just to [inaudible] the
14 process works.

15 COUNCIL MEMBER ROSENTHAL: Which deputy
16 mayors?

17 COMMISSIONER DORIS: Ah, all the, all the
18 deputy mayors that these, our agencies report to. So
19 you have, ah, Deputy Mayor Thompson that we're
20 angling, ah, being all of us are, you know, the
21 entire administration is committed to this and making
22 sure that it works. Um, this is, these are ongoing
23 discussions that, that are happening. Um, you know,
24 I, we just don't have, I just, I, I understand what,
25 what your concerns are. I just, I just do not have a

1 date certain yes or no at the moment, and as soon as
2 we have that we will get to the public. We
3 understand, you know, the need for that and, um, you
4 know, and that certainty. Um, but the mayor has
5 given the certainty to October 31 and the certainty
6 that by next year, ah, the program will come back,
7 and we've heard from, ah, the industry that, you
8 know, they're very appreciative of that. We think
9 the winter issue is one that is ongoing.

11 COUNCIL MEMBER ROSENTHAL: And to be
12 clear the industry is appreciative of crumbs. So,
13 um, this is an industry that, you know, is tanking
14 and I think the fact that you've been able to extend
15 it one money is something. So today we're at, you
16 know, August 13, which, um, by the way, is Black
17 Women's Equal Pay Day. Right? It takes one year,
18 eight months, and 13 days for a black woman to make
19 as much as a man does in an annual, in one year.
20 Right? So I'm asking because for, for restauranteurs
21 like Melba, I'm asking for the restauranteurs who are
22 hanging on by their fingernails and could appreciate
23 more than two months' notice about whether or not
24 they need to buy, they have an opportunity to buy
25 space heaters, and frankly it would be nice if you

1
2 could not only give them notice, but say whether or
3 not the city will pay for space heaters. I
4 understand that the federal government is screwing us
5 over hand over fist. I understand that Trump could
6 give a whit about New York City and wants to see it
7 fail. I understand the federal government owes us
8 tens of billions of dollars. But what I'm asking
9 about is what the city can do with its rules and
10 regulations to help in some tiny fractional way our
11 restaurants survive. And this is such a tiny
12 diminutus thing that I would hope that the city
13 really is working 24/7 to make this decision, and if
14 it is working 24/7 I hope it will make its decision
15 prior to the month before or even two months before
16 the date would begin. It's dispiriting to hear this.
17 Um, I'll turn it back to the chair. Anything else
18 you want to say, Commissioner, of course, um.

19 CHAIRPERSON GJONAJ: If you answer that
20 question, Commissioner, Council Member, I want to add
21 to your point, and it's an incredibly important
22 point. The Fire Department will not authorize
23 propane heaters. They will not authorize or approve
24 electric heaters. The only method that is approved
25 today for Fire Department compliance is piped gas.

1
2 Now, imagine what the cost would be and the hurdles
3 that we're referring to, to have gas piping expanded
4 to outdoor dining to give temporary heat. And,
5 Commissioner, this question is directed towards you.
6 That's the law, and thank you. I want to thank the
7 person that sent that to me. I wasn't aware of it.
8 So before we start talking about winter, it means the
9 city coming together, and if we can't get you to meet
10 with the mayor directly, 'cause leadership starts at
11 the top and from the top it trickles down, to have
12 the other commissioners come up with a real plan so
13 our small businesses can adopt and plan ahead, and
14 Con Edison is not going to be there to allow the
15 permanent process, the increasing gas lines, the
16 increasing gas meters, we need them to waive this
17 requirement. This is easily done. But it's going to
18 require a decision and that starts with the mayor.
19 And Council Member Rosenthal, you hit an incredible
20 point. The commissioner did not answer that
21 question. I hope he'll answer. When was the last
22 time he actually met with the mayor on this? How
23 often is he meeting with the mayor, 'cause the mayor
24 is the one that's gonna be able to have the deputy
25 mayors and the commissioners of the various agencies

1 and departments pull their weight as we come across
2 this. And, Commissioner, please.

3
4 COMMISSIONER DORIS: Yeah, certainly.

5 Um, as the commissioner of Small Business Services

6 I'm in constant communication with the mayor. We

7 meet and talk very frequently. This we did, as you

8 know, a, ah, announcement with the CLA program.

9 Before that, the other week another program, and so,

10 the, the, the notion that we're not in communication,

11 that's not, that's not true. We're, I'm in constant

12 communication with the mayor. Ah, several meetings,

13 ongoing, ah, coming up with decisions, ah, decision

14 meetings, brainstorming meetings, phone calls,

15 etcetera. Um, you know, this is, we understand the

16 challenges that the small businesses are facing, as

17 you know, ah, and my job is to work with the mayor to

18 come up with those decisions and I hear you all on

19 the urgency of this matter, um, and as I mentioned,

20 um, the mayor did extend it. He did say it's coming

21 back next year. Um, and, you know, we were just in

22 Chinatown, ah, two days ago, um, meeting with

23 business owners with the mayor on these same issues.

24 You know, again, so I think, um, we want to make sure

25 that everybody understands that the mayor's

1
2 commitment here, ah, to resolving this issue and what
3 we have done so far. Um, and I think this is another
4 challenge that we are looking at and, ah, you know,
5 certainly will be reporting back on those decisions.
6 But I want everyone to be [inaudible] that we are,
7 ah, actively, ah, looking into this, the mayor and
8 deputy mayors and agencies [inaudible].

9 COUNCIL MEMBER ROSENTHAL: Yes. I'm
10 gonna turn it back to the chair, but this is just my
11 last question, that the chair brought up a very
12 specific issue of, ah, the specific mechanism for
13 outdoor heating, and it's, ah, a challenge, and I, I
14 wish you would have mentioned it as specifically as
15 the chair just did, as you were enumerating the
16 specific challenges for making this decision. You
17 know, this notion of propane gas, piped gas, electric
18 heaters, that's a very serious but very specific,
19 very specific issue and I think when, you know, the
20 public wants to know what are you working on, hearing
21 those very specific, very real concerns helps give
22 the public confidence that this is exactly what
23 you're working on. And saying, well, the issue is
24 around winter just isn't good enough. But I'm
25 interested to hear about this specific issue of the

1 type of heating mechanism and I look forward to
2 hearing back from you about what you can do to make
3 it easier for restauranteurs and perhaps Andrew Rigie
4 can speak to that when he testifies. But I'm gonna
5 leave it there. Thank you so much for your time.
6 Thank you for all you're doing to help our small
7 businesses during what is, um, you know, the biggest
8 crisis of our, of our lives. Thank you.

10 CHAIRPERSON GJONAJ: Thank you, Council
11 Member. Um, and Commissioner, I know that it looks
12 like perhaps we're beating on you on this and many of
13 these things don't fall, um, ah, or give you, you
14 have the responsibilities or the capabilities to
15 address them. But these are real issues. And while
16 we talk about October 31, the reopening of the
17 sidewalk, ah, street restaurant, ah, cafes will not
18 occur back until May. That's six months. How are
19 these businesses going to survive? Six months, after
20 having six months of no business. In essence, we're
21 telling our small businesses raise your hand, don't,
22 not only don't pay rent, but don't pay your taxes,
23 and walk away and take your business to Westchester
24 where you can operate, or leave the state altogether
25 and go somewhere else. This is our problem to

1 address, and we're not doing it. When we say we
2 understand, we really don't. Because none of, many
3 of us don't come from the small business world. Many
4 of us don't understand because we haven't been there.
5 So, um, we should be more mindful on how we address
6 this and what it's actually going to mean, ah, at the
7 end. This city will never be the same and it's
8 because of the failure of leadership that we have to
9 really make commitments to helping out our small
10 businesses. Ah, I'll hand it back to, ah, the
11 Sergeant at Arms to continue going on the roster on
12 the other council members.

14 COMMITTEE COUNSEL: Ah, thank you, Chair
15 Gjonaj, um, and Council Member Rosenthal. We'll now
16 hear from Council Member Rodriguez, followed by
17 Council Member Levin.

18 COUNCIL MEMBER RODRIGUEZ: Thank you.
19 Thank you, Chair. Thank you, Commissioner. As
20 someone that has been on the council since 2009 I
21 gotta say that there's a lot that we have
22 accomplished in this administration. Eh, I know
23 that, eh, that with the leadership with Mayor de
24 Blasio and other commissioners we have seen a
25 reduction of hundred millions of dollars in fine to

1 local small business. So of course as New Yorkers it
2 is our responsibility to always advocate for more.
3 And I think that one of the basic concern and
4 complaint and reality that we deal with is that even
5 though most of the job are created by the mom and
6 pop, eh, small business owner, they don't get enough
7 subsidy. They don't get enough financial support.
8 And, and even though we discussed during the, the
9 negotiation, the governor and the mayor, especially
10 the governor, with Amazon giving them 3 billion
11 dollars, eh, of incentive, no one had put together a
12 plan to say let's put together like 1 billion dollars
13 of incentive to the local small businesses, even
14 though a two or three year plan. So has the city
15 start any brainstorm on how to put together a plan
16 that is more than connecting, eh, small businesses
17 with the bank, because as you know, like, you know,
18 the black and Latino, the immigrant community, that
19 are most of the small businesses. You know that when
20 we connected with the banks most of them they don't
21 qualify. Most of them they don't have the credit.
22 Most of them they don't have all the requirements to
23 get those loan. So even though I know that the
24 spirit is to help them most of the time it doesn't go
25

1 for more than just connecting them with information.

2 So is the city right now discussing any plan to put

3 together a permanent subsidy when it comes to a

4 waiver of the property taxes for the small businesses

5 so that the property owner, they don't [inaudible]

6 taxes to the other initiatives?

7
8 COMMISSIONER DORIS: Thank you, Council

9 Member, and, ah, you know, you hit on a very near and

10 dear topic to myself, um, as a small business owner,

11 ah, going for a business loan and being denied, um,

12 and having to go to a CDFI, community development

13 financial institution, ah, to get my first business

14 loan. So I, I certainly understand all the

15 challenges that are, ah, black and brown businesses

16 in particular, are facing. And that CDFIs, ah, or

17 our smaller lending institutions are the way to that.

18 I think that's part of the process, and our work at

19 SBS, as you mentioned, um, it is to connect folks,

20 but, again, I want to just say what that connection

21 is. It's not passing the, ah, applicant on to a

22 financial institution and forgetting about them. No,

23 we are there with them all the way through the

24 process to make sure that they get what they're

25 seeking [inaudible] clarify that process to make sure

1 folks understand that. Um, we get to where the
2 actual resources are, and wherever those resources we
3 make sure that they're getting it. Ah, we packaged
4 those, ah, those proposals and those, um, those
5 deals, um, for them to make sure that we can help
6 them in that process. Um, but on the, on the grander
7 scale of, of incentives, ah, you know, most of our
8 incentives, um, are state driven, as you know. Um,
9 those incentives, um, incentive programs, most of
10 them are from the state. We have talked to, ah, our
11 colleagues there about what can be done for small
12 businesses. Um, you know, I know they're thinking
13 about that. Um, also the city, we have our
14 comprehensive plan, um, based on the resources that
15 we currently have to address those needs. So, ah,
16 the, the broader, the broader question around
17 incentive programs, those are state authorized, um,
18 the taxes and all these other things, all these
19 things we've sort of, um, you know, began to look at
20 and, and I know others are looking at the state level
21 as to what the city can have and what we can't have.
22 But right now the big thing that we do need, ah, is
23 long-term [inaudible], ah, for the city. If we can
24 get that I think a lot of the resources, ah, that
25

1 we're seeking, ah, we'll be able to, ah, to have, ah,
2 to help our small businesses, ah, with our 9 billion
3 dollar deficit right now.

4
5 COUNCIL MEMBER RODRIGUEZ: I, I just hope
6 that we can find a way on how to, you know, be
7 creative on, on, on, you know, during this moment of
8 crisis. You know, one [inaudible] that I heard by a
9 very successful person back in the Dominican Republic
10 when I [inaudible] is that from crisis we get
11 opportunity.

12 COMMISSIONER DORIS: Absolutely.

13 COUNCIL MEMBER RODRIGUEZ: And I think
14 that as we have to as a city build back immigrants
15 and of course being entrepreneur is in our DNA as the
16 immigrants. I gotta say we know and anyone who is
17 not Dominican look, Google it to see the first non-
18 native American who served in New York City, Juan
19 Joanne Rodriguez, was brought by the Dutch in 1613,
20 left here in the island and when the European came
21 back again after he was doing business with the
22 Native American. So I think that, you know, our
23 reality is that even though there's a different type
24 of small business, there's one who mom and pop of
25 that, is the lawyer who have been the grandfather

1
2 their business owner and they're trying to, to try
3 something new. For many of the immigrant small
4 business owner is the first opportunity to get their
5 dream to move to the middle class. And I think that
6 at this moment we need to be creative. I hope that
7 under your leadership and the mayor we need to put a
8 plan that should be more than business as usual.
9 Because big bank, they are not there. [inaudible]
10 the bank they come with the community benefit and
11 they always try to get away how do anything more than
12 help the small business. So I think that this moment
13 and I don't know, you know, what is the legacy that
14 you will leave to say we pushed the big bank to be
15 more than what they had done to help financially
16 support the small business. And, and, and then I, I
17 move now to my second thing, which is what else can
18 we do, and as you know I have a bill at the City
19 Council with 28 council members supporting it, the
20 Small Business [inaudible] Act. When Mayor de Blasio
21 was a council member he supported that bill, that
22 we'll bring fairness and right to a small business to
23 negotiate and renew the leases. One other thing that
24 I've been doing after the coronavirus because I know
25 that this is one particular way of how we can help

1
2 the small business for them to retain the leases is
3 that I get new language to the council so that the
4 bill will only be in effect outside the center of
5 Manhattan. So I would like to follow with you and
6 the rest of your team so that in, in, in the
7 administration because I think that if we can find a
8 way on how to bring fairness and [inaudible] the
9 Small Business [inaudible] Act then I feel that
10 there's gonna be a additional thing that we can do
11 very specific, so that we can stop, you know, the
12 closure of so many mom and pop store that is
13 happening right now and hundred thousand or more that
14 will happen if we don't take action.

15 COMMISSIONER DORIS: Yeah, perhaps...

16 COUNCIL MEMBER RODRIGUEZ: But you'll be,
17 but you'll be open to, you know, have discussion. I
18 don't want to put you in a spot saying will you
19 support it, yes or no? I know what the
20 administration has done, but I think I would like to
21 open a mechanism of discussion so that we can share
22 the new language of the bill.

23 COMMISSIONER DORIS: Yeah, absolutely,
24 you know, Council Member, as you know, you know,
25 we're, we're always open to discussion. I think, um,

1
2 one of my core principles of running this agency is,
3 is around collaboration and figuring out ways we can
4 help solve these real issues, ah, that our small
5 businesses are facing. Collaboration is key. Um,
6 without it, ah, we cannot, we cannot, ah, accomplish
7 anything at this particular moment and so, um, I'm,
8 I'm happy to continue those discussions with you,
9 sir, and, and look to new ideas and things that we
10 are thinking about and we are also talking to
11 privilege industry and nonprofits and philanthropy on
12 a consist basis about how we all, ah, can
13 collaboratively come together and think outside the
14 box. Um, and to make sure that we're solving these
15 real, real, ah, issues that, ah, small businesses are
16 facing. So, so absolutely look forward to discussing
17 with you.

18 COUNCIL MEMBER RODRIGUEZ: Thank you,
19 Commissioner. My last thing is related to, while as
20 you know, the 181st, eh, Business Improvement
21 District, eh, doing a great job. Eh, currently
22 they've been using a, a 360 grants, eh, by the SBS
23 that allow them to do a great job supporting the
24 small businesses. Eh, I appreciate that you were,
25 you had a tour. I couldn't be, I was in DR with my

1 [inaudible]. Eh, but as you know 181st is going, I'm
2 talking 181st in Manhattan, between Amsterdam and
3 Broadway is going to [inaudible] major developments,
4 eh, 350 million dollars new construction at the
5 corners with a hotel, 178,000 square feet, and new,
6 more coming to 181st and Broadway. So if again can
7 look at that particular brand that SBS been providing
8 to the 181st beat and, and, and explore the
9 opportunity to continue supporting that, that, that
10 base so that they can support this whole business
11 there and at the same time as construction of the, of
12 that building at 181st and Amsterdam, will it be done
13 and by 2021, if SBS or a city agency can explore to
14 take a floor in that building to provide, to turn as
15 incubators, to support the local small business.
16 Because one thing that is happening is the case of
17 many outer borough communities that we lacking, you
18 know, places where they, it's told that they cannot
19 go to downtown, get a training, or to 125th. But if
20 you can, and more than happy to follow with you and
21 your team to look at the possibility what is there
22 from City Hall that we can look at the possibility to
23 see if there's any opportunity for the city to take
24 the floor in one of the new construction going on
25

1
2 there to provide training to, and provide support to
3 the local small businesses in [inaudible] Manhattan
4 and the Bronx.

5 COMMISSIONER DORIS: Thank, thank you so
6 much. Yeah, so, ah, that's a great idea. Um, maybe
7 we'll, ah, happy to set something up to discuss that,
8 ah, new project. Um, on, on our, on our end, um, you
9 know, we went through the budget process and
10 certainly are working, um, on our grants now to, to,
11 to try to get as many of them the door as possible.
12 So we'll circle back on the status to where those
13 are, um, to, to let you know, ah, ah where, where we
14 are with those, ah, with those particular grants, um,
15 in our, um, business corridors.

16 COUNCIL MEMBER RODRIGUEZ: Thank you,
17 Commissioner. What about, what about the
18 [inaudible], eh, SLA. And as you know SLA consults
19 with many city agency, can be with you and then NYPD
20 and the local [inaudible], but the [inaudible] thing
21 that we need to centralize it because of the moment
22 what we have right now, why it could be you or any
23 agency to be the one that we as a council, we know
24 that is particular agencies like the license between
25 the city and the liquor license so we cannot raise

1 those issue that have negative impact in the local
2 restaurant throughout the five boroughs.

3
4 COMMISSIONER DORIS: Yeah, certainly, I
5 mean, this, you know, there's direct communication
6 with, with the mayor's, ah, the mayor's, ah, the
7 state on SLA, with SLA, ah, in particular. So, um,
8 we're certainly happy to, happy to connect to, um,
9 you folks who are, ah, having those specific
10 discussions, um, on, on all the state issues, if you
11 can imagine. We do have our state office that deals
12 with all of our state issues and this is part of
13 their proposal as well. But, but happy to connect
14 you with, with those colleagues.

15 COUNCIL MEMBER RODRIGUEZ: OK, then.

16 Thank you.

17 CHAIRPERSON GJONAJ: Thank you,
18 Commissioner. I just want to thank you, Council
19 Member Rodriguez. You made some great points.
20 Commissioner, um, as a follow up to Council Member
21 Rodriguez's question, has the city waived the
22 commercial rent tax that's imposed in businesses in
23 Manhattan during the pandemic, in this crisis?

24 COMMISSIONER DORIS: My understanding is
25 we've not waived that tax.

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2 CHAIRPERSON GJONAJ: So let me get this
3 straight. Businesses that are suffering during this
4 pandemic and crisis are paying an excess tax because
5 they're located in Manhattan and they have no
6 business. Is that correct?

7 COMMISSIONER DORIS: Ah, my understanding
8 is, is that, that tax is, ah, is not waived, um, as
9 of now.

10 CHAIRPERSON GJONAJ: What we're doing
11 then is we're actually shutting them down, and yet we
12 say and it's great that we say we're working with
13 philanthropy, financial institutions, we're doing all
14 of this great work to reach out and help our small
15 businesses, Commissioner. But our small businesses
16 don't pay taxes to commercial banks or philanthropy.
17 They pay taxes to New York City. And again New York
18 City, instead of being there to help them, we want to
19 make sure that we put the final nail into their
20 coffin. All those businesses that are listening
21 right now are gonna walk away saying the City of New
22 York is the problem. And we're allowing them to
23 close down and relocate if they even can relocate,
24 and that's because of our own actions or our
25 interactions. And I hope when you go back, ah, and I

1
2 know that all of this is directed towards you, when
3 you go back and meet with the mayor, point by point
4 these things have to be addressed. He may have a
5 little over a year left in his administration but
6 that year requires him to pay attention to the
7 businesses and be the leader that he must be. And as
8 small business, ah, commissioner, it's up to you to
9 deliver those messages and come back with real relief
10 and solutions and answers to these problems. Do you
11 want to continue, um, Sergeant at Arms? Oh, I'm
12 sorry, please answer, Commissioner.

13 COMMISSIONER DORIS: No, I was just, I
14 was gonna say absolutely we'll get back to you. I
15 know, um, on the commercial rent taxes, yes, it's in
16 place. I mean, the fees and penalties have been
17 waived, etcetera, because of the outbreak. But I
18 hear your point, sir, and, and I certainly, ah, will,
19 will circle back with you on that particular issue.

20 COMMITTEE COUNSEL: Thank you,
21 Commissioner. Thank you, Chair Gjonaj. We will next
22 hear from Council Member Levin. As a reminder to any
23 council members who still wish to ask a question,
24 please use the Zoom raise hand function and we will

1 call on you in the order that you raised your hand.

2 Chair Levin, you may begin.

3
4 COUNCIL MEMBER LEVIN: Thank you,
5 Commissioner. Um, ah, I want to appreciate, I want
6 to let you know how much I appreciate you being here
7 today and the work that you, um, continue to do on
8 behalf of small businesses, um, in city, um, who are
9 all struggling in, in, ah, ways that were
10 incomprehensible, um, ah, before the pandemic. Um,
11 I, I spoke to a small business owner this morning,
12 um, who is, has three stores and is closing two of
13 them, um, in, in my district and, um, the, the, the
14 issue that he wrote, raised to me, is that, um, is
15 the lease payments are, as, even when they are, um,
16 even when, ah, you know, if it's personal liability
17 or even if we're able to, um, ah, extend out the time
18 in which, ah, a, an owner, a business owner can, can
19 make their lease payments, um, those lease payments
20 are still eventually due. But that was a, those,
21 those, the lease contract is entirely, um, based
22 upon, ah, businesses being able to have cash flow,
23 being able to, to take in business. How, how are we
24 looking at, the real issue is rent relief, and so how
25 can, how can we do that? How are we looking at our

1 jurisdiction, as a city? Are there state proposals
2 that we would get behind? Um, you know, obviously we
3 can't really count on the federal government for much
4 these days and I think it would be a mistake, it
5 would be at our peril to assume that they could do
6 something, or that they would do something. But, um,
7 in our own house, in New York City and New York
8 State, what do you see as possibilities, um, and what
9 are some of the limitations? What are some of the
10 hurdles that we would have to overcome, legal
11 limitations. Um, how are you looking at this big
12 picture because eventually, um, you know, these,
13 these, um, businesses have just, they're looking at
14 an immense personal liability issue after, after the
15 personal liability, um, ah, waiver that we put into
16 place expires, um, hopefully, I mean, the, one other
17 question would be how long do you think that we can
18 extend that for legally? Um, so those are a couple
19 questions I'd, I'd love your opinion on.

21 COMMISSIONER DORIS: Thank you, Council
22 Member. Um, you know, I, I think you raise, ah, a
23 significant question around rent, um, and what, what
24 is, what are we doing. Um, obviously for us, um, the
25 challenge is resources to actually have some sort of,

1
2 um, direct support or cash support, ah, to our small
3 businesses. Um, we just don't, we just don't have
4 the funding, I think. Um, along the lines of things
5 that can be explored if we are given a stimulus
6 and/or Albany, ah, grants the city to do long-term
7 borrowing, um, I think, you know, we can address or
8 begin to look at addressing some of these challenges,
9 um, in that market. So what we have is that we
10 support, of course, helping our small businesses with
11 the legal challenges as you, as you know, as
12 mentioned before, with our programs, um, making sure
13 that at least they have a representation from lawyers
14 they can actually negotiate. But, yes, we are
15 cognizant and it's real. Right, the rent will come
16 due at some point, um, and if we're not able to get
17 the economy moving at the rate that we'll make sure
18 that those business owners have the ability to repay
19 they, the challenge will continue. Um, so, yeah, you
20 know, we are, I know our, ah, colleagues are, are
21 speaking with the state constantly about these. I
22 know our colleagues in Washington are also speaking,
23 ah, to the folks, um, on the hill there concerning
24 what can be done specifically around these issues,
25 and so we're, we're definitely looking at that. I

1 think one thing that we did push, um, and that we did
2 get, ah, some relief in and we see that there's a new
3 initiative and some, ah, new, um, ah, energy around
4 doing more was around the PPP program and increasing
5 the overhead, ah, allowable, ah, expenses from um,
6 um, 15%, 25%, sorry, 40%, um, and so we are, that was
7 helpful because it was able to get some small
8 businesses the opportunity, um, to add, ah, some
9 additional dollars out of that overhead expense to
10 rent, um, and utilities, which was important for our
11 New York City businesses and so, um, I believe there,
12 there is some talk about, um, reupping that program
13 again, extending it out and doing another phase of
14 the program. There was 130 billion dollars left in
15 the program, um, unclaimed, and so new, ah, proposals
16 both from the, ah, from the House of Representatives
17 and Senate also addresses like what can be done with
18 those dollars, ah, and, and of course on there is
19 one, getting the ability to get ah, an additional,
20 ah, loan, but also, um, you know, making sure that
21 that split between, um, you know, employee retention
22 and employees and also overhead stays really balanced
23 based upon our, ah, needs here in the city. And so
24 we've been advocating for those policies, um, as they

1 roll them out and then ultimately we will have helped
2 connect those specific businesses to those
3 opportunities. So, um, in short, yes, we are looking
4 at all things. We are speaking with folks in Albany
5 here. Um, the mayor's convened, um, you know, the,
6 ah, sector advisory councils. These are issues that
7 come up on the small business committee and other
8 committees as well that we are thinking through
9 what's the best way to do that, but, um, short of
10 direct cash assistance, um, I, I think that which we
11 obviously don't have, ah, as a city, um, we have to
12 go where the funds are and so that's where a lot of
13 the activities has been around.

14
15 COUNCIL MEMBER LEVIN: Um, ah, with
16 regard to the, the personal liability waiver that's
17 due to expire, um, do you, ah, has like counsel and
18 SBS looked at this to see how, whether there's kind
19 of a time limit that puts into a legal gray area?

20 COMMISSIONER DORIS: Yeah, I know our, I
21 know our teams are, um, doing this particular, ah,
22 provision as well, um, and, and will circle back
23 when, you know, around that time. But certainly this
24 is right now everything is on the table. We're
25 looking at all these provisions to making sure that

1 we're are with the legal framework of what we can do.
2 Um, as you know, ah, certain, um, you know,
3 challenges are there, um, but we're looking at it all
4 and making sure that we are at least aligned with,
5 with our small businesses, with the administration,
6 our, our department, ah, to get to where we need to
7 be, um, as it pertains to relief for these small
8 businesses. So, so we're starting to look at that.

10 COUNCIL MEMBER LEVIN: Um, I think
11 there's, I think it's, I think it's, um, like Great
12 Britain that's doing a, that they, which small
13 businesses have, I think the government is pitching
14 in a third, the tenant pitches in a third, and the
15 landlord pitches in a third to make up for, ah, the
16 rent. Um, I mean is that a concept that, ah, that
17 could make sense so that obviously we wouldn't, you
18 know, as a city we don't have the ability to pay
19 everybody's rent, but, um, if there's an arrangement
20 where it could be reached between the city, the, the
21 landlord, and the tenant, um, during, during the
22 emergency, ah, period, um, is that, is that the kind
23 of thing that might be a workable idea?

24 COMMISSIONER DORIS: Ah, look, I, I, ah,
25 if we, again, I think that the, the lack of funds,

1
2 um, you know, is really a, a challenge for us, um,
3 when we're thinking about where we can find solutions
4 that require funds, and so this is one of them that's
5 happening there, um, but they have been able to find
6 the, the resources, um, on national scale to do so
7 and that's again, going back to our federal
8 government as a solution, as Britain and other
9 countries are actually, their federal government or
10 their national government is the one leading the way.
11 And I think that's our challenge here. Our
12 localities cannot afford this and, um, and, and
13 they're not able to, to meet that challenge. Ah, but
14 the federal governments around the world are doing it
15 and, um, you know our federal government is not. And
16 so that is, I think the quintessential part of the
17 issue that we're dealing with right now, um, and why
18 we see in how the response has been, ah, across, ah,
19 you know, from country to country. Um, so it sounds
20 great but, you know, that's, that's essentially the
21 federal response. Um, and, and then given the aid to
22 the city in order to continue that work, um, and
23 we're not getting that from our federal government.
24 So, ah, that all sounds enticing [inaudible] can get
25

1 it. Um, and so we'll be exploring all options right
2 now.
3

4 COUNCIL MEMBER LEVIN: Yeah. Um, no, I
5 remember having a conversation with our congressional
6 delegation in April and they assured us that the next
7 round of stimulus was going to be arriving in mid
8 May. It's now mid August.

9 COMMISSIONER DORIS: Mid August.

10 COUNCIL MEMBER LEVIN: And I just read a
11 report that said that the president says it's just
12 not gonna happen now. So, you know, this is, ah, you
13 know, we've, we feel very, ah, we feel absolutely
14 abandoned by the federal government right now here in
15 New York City. Um, and, um, they have the ability
16 to, um, ah, to, to, to run a deficit and to borrow
17 and to, um, print money and we don't. Um, and, um,
18 we need help. Small businesses need help in the city
19 and we need help from the federal government. So,
20 thank you, thank you Commissioner, I appreciate your
21 time.

22 COMMISSIONER DORIS: Thank you, Council
23 Member.

24 COMMITTEE COUNSEL: Thank you, Council
25 Member Levin. I'll now turn it back to Chair Gjonaj.

1
2 CHAIRPERSON GJONAJ: Thank you,
3 Councilman Levin, and you hit on a couple of great
4 point, especially when it comes to rent, and we know
5 that that's a huge burden for our small businesses,
6 um, and the personal liability is one that, um, ah,
7 many of our small businesses are struggling with.
8 But asking landlords to do their part while
9 government is not willing to remove their own
10 liabilities, because if the sales tax is not paid,
11 becomes a personal liability on our small businesses
12 owner, on our small business owners. If real estate
13 taxes are not paid they become a liability through a
14 lien on those properties. And if any taxes are not
15 paid they become a direct lien that that small
16 business is responsible for. So we can't ask an
17 industry to do one or comply while we don't hold
18 ourselves accountable to the same standard.
19 Government is support to lead. Government should
20 lead. We have the ability to do so and the
21 resources. If we're not willing to do our part, or
22 what we ask private industries to do, then we have no
23 right to ask them to do anything more than government
24 is willing and capable of doing. And I keep hitting
25 back on this. Before we ask private industry to do

1 more we need to do more, um, and I know, ah, Mr.
2 Klossner has been very, ah, patient and I thank you,
3 because I have some questions for you. But,
4 Commissioner, I think we all understand what's at
5 stake, and it's the future of New York City. Every
6 small business that does not reopen, any one of those
7 230,000 businesses that do not reopen will need to a
8 net loss to our city, whether it be through
9 employment or taxes, or through a service or a
10 product that they've offered that makes our city so
11 great. Each one of them is detrimental and important
12 to our future. And if we just translate it into
13 something as simple as the smartest investment that
14 we can make today into making sure that New York City
15 remains vibrant is by investing in small business to
16 today. Instantly it will yield a return on our
17 investment. Maybe this a foreign language to
18 electeds and we don't understand perhaps what i.e.
19 means to get a return on our investment. Every
20 dollar that we put into small business will yield a
21 return on our investment. Today, not tomorrow. Um,
22 if it's OK, um, Mr. Klossner, I want to direct some
23 of the questions, ah, towards you. You mentioned
24 that not all the platforms have been completely
25

1 compliant with the fee cap. You feel that the steps
2 OSE has taken have, have been sufficient to stop the
3 illegal activity if you had not issued fines and have
4 the platforms change their actions from their current
5 enforcement model.
6

7 EXECUTIVE DIRECTOR KLOSSNER: Thank you
8 for the question. The, you know, the way the law is
9 written, um, and, and we're really glad to see these
10 changes made after the last hearing, was to create an
11 enforcement mechanism where the corporation counsel
12 is authorized to bring an injunctive action and to
13 seek all the remembers involved, including
14 restitution. Um, so I think, you know, the, the
15 point is that whatever money is illegally charged to
16 a restaurant can be returned to the restaurant,
17 whereas a fine to the company would not do that. Um,
18 that is the specific goal of our enforcement is to
19 have as light as touch on the industry as possible,
20 on the restaurant industry as possible while
21 returning the maximum amount of revenue back to the
22 restaurants. Um, it really, you know, I don't want
23 to speak too far out of turn, um, the, the company
24 that we discovered would be, um, potentially charging
25 10% per pickup. Um, they have, they have

1
2 preliminarily committed to refunding all of the
3 instances in which that's happened, um, and to
4 looking into how it happened and making sure that
5 they're in compliance with the law, so I'm very
6 confident that that, um, that that will yield cause
7 and benefit, and I do think that that is the most
8 effect way to enforce. I mean, the reality is OATH
9 shut down for months, um, and so trying to set up
10 system where the city, ah, spends enforcement
11 resources on writing thousand, \$1000 fines per day
12 per restaurant, um, would ended up costing the city
13 much, much more money and ultimately be less
14 effective because it would be focused on, on
15 violations on a per-restaurant basis instead of a
16 citywide enforcement basis, right, where we're being
17 very clever in how we're being efficient in our
18 resource deployment and trying to get relief for the
19 industries, for the restaurants industry-wide and not
20 on a restaurant by restaurant basis.

21 CHAIRPERSON GJONAJ: I'm sorry, I'm a
22 little confused. I thought the law that we've passed
23 does both, ah, forces the companies to return the
24 money to the restaurant while also being subjected to
25 fines and penalties that are imposed.

1
2 EXECUTIVE DIRECTOR KLOSSNER: And our
3 immediate focus is on getting compliance. If it,
4 where we've seen, where we've seen good faith efforts
5 and where we've seen compliance in other areas that
6 our presumption is that perhaps, you know, a) is this
7 actually happening, is this the position of the
8 company? B) Are they going to continue? If they're
9 going to continue, ah, I'm sorry, if they're going to
10 come into compliance and they're going to return the
11 money to the restaurants, um, then, you know, at that
12 point I, I don't think it is in the city's best
13 interest to then do exhaustive analysis and, you
14 know, start doing further investigation on how many
15 times this happened, right? The goal is to have the
16 money go back to the restaurants.

17 CHAIRPERSON GJONAJ: I agree with you and
18 I love the model. I wish we would apply that
19 universally across all our agencies and departments
20 because Sanitation is out there writing tickets now
21 to property owners for dirty sidewalks. Like \$50
22 ticket. And you're talking about a \$1000 fine per
23 incident. They're out there aggressively now
24 ticketing cars for \$50 a fine, issuing violations for
25 minor things, such as dirty sidewalks and a piece of

1
2 paper that may have blown in front of their
3 storefront. But yet we're not willing to go after
4 bad actors that intentionally break the law, that
5 know the requirements, know the penalty, they have
6 endless resources and attorneys that have translated
7 the laws and their requirements, but yet we hold a
8 double standard when it comes to small businesses and
9 property owners. That \$50 ticket is worth it when a
10 \$1000 ticket per incident is not worth it. I'm a bit
11 disheartened by that approach, unless we're gonna
12 apply that across the board because I know plenty of
13 small businesses that would love the opportunity to
14 correct their conditions without paying any fines.

15 EXECUTIVE DIRECTOR KLOSSNER: Yeah, I, I
16 mean, I'm happy to speak to that. I think one of the
17 things that's unique about, um, about this
18 legislation is that it focuses on an industry where
19 there's relatively few, um, entities in the universe
20 of regulated entities, right? There's, there's
21 really only six companies that we know of active in
22 New York City, um, and so, you know, we're seeking to
23 hold that company accountable for its actions, ah,
24 regardless of where those actions occur. So, I mean,
25 even in, in the Sanitation, yeah, I, I don't, I'm

1 certainly not going to speak for Sanitation, but in
2 those cases there's one place that owns that piece of
3 sidewalk. If there was one company that owned the
4 sidewalk in front of every restaurant in the city,
5 then obviously you would want Sanitation to issue the
6 fines to that company. That's not the case, right?
7 It's a little bit apples to oranges. I, I don't know
8 if that, you know, you're actually trying to draw a
9 one-to-one comparison, um, but I appreciate the, you
10 know, I appreciate your kind words that we've
11 adopted, you know, that we've pivoted, we stood up
12 very quickly a efficient and lean enforcement
13 mechanism, um, that didn't require, fortunately, it
14 required us to reshuffle some priorities, but didn't
15 require any additional resources on the city's part.
16 Um, and, you know, and let me just say, right, where,
17 where our investigation concludes that the companies
18 have, are not willing to come into compliance, um,
19 you know, if we're forced to take a company to court
20 by all means we'll be seeing, you know, we'll be
21 seeking fines up to \$1000. Um, you know, but where
22 we can get immediate compliance and get the money
23 back to the restaurants that's our, that's our
24 primary goal.
25

1
2 CHAIRPERSON GJONAJ: I agree with you,
3 getting the money back to the restaurants, but, ah,
4 I'm looking for universal, um, implementation of all
5 of our laws, ah, whether it be a sanitation ticket or
6 because they failed to put a quarter in the meter,
7 ah, or a license or a permit, there's always a
8 consequence. Which leads me to the next question.
9 Ah, has the city invested any funds or other
10 resources than corporate counsel? Have they brought
11 additional attorneys to handle, um, the necessary,
12 ah, enforcement of the laws or in the advertising to
13 OSE's role in enforcing them? Um, if you're only
14 relying on your existing capabilities and we know
15 that corporate counsel is already, um, dealing with
16 more than its fair share and under the crisis and,
17 um, OATH being, ah, closed and the methods by which,
18 ah, these actions have been brought and addressed has
19 been a tremendous workload. Have we invested anymore
20 money or resources into enforcement and into
21 resources for bad actors?

22 EXECUTIVE DIRECTOR KLOSSNER: I, we
23 didn't need to. We, the, the OSE has, you know, I,
24 I've carved out a piece of, of my time, ah, which
25 seems like I'm, I'm doing, you know, two-and-a-half

1 full-time jobs compared to one full-time job before,
2 um, we've, you know, we've had attorneys, we
3 prioritize their case loads, we have members of our
4 research team working on this, um, and, and providing
5 support. Um, you know, like I said, if, if this were
6 a different industry, if there were, you know, if
7 there were a hundred different players, um, then the
8 resource needs would have been much different. I
9 think we, you know, we identified even prior to the
10 previous law that, um, that we could accomplish the
11 goals of the legislation, that if the penalties were
12 done right and if we had access to the courts for
13 injection and for restitution then those would
14 provide powerful incentives to the industry, and
15 apparently it has, as, as we've reported, and wide
16 scale compliance, um, in that, you know, we, we've
17 seen very few, ah, outreaches from restaurants
18 claiming abuses or, or inaccurate or illegal
19 activity. Um, so I think that we've struck the right
20 balance because we largely got compliance and we're,
21 you know, we're engaged in a process where, um, the
22 two potential, um, potentially noncompliant companies
23 are taking our demands seriously, um, and working
24 with us to resolve our concerns.
25

1
2 CHAIRPERSON GJONAJ: Ah, thank you, Mr.
3 Klossner. So that then opens up the question to,
4 well, because you're doing two-and-a-half jobs now,
5 um, what languages have you made, um, this public to
6 our restaurants and the thousands of restaurants, and
7 I don't know the exact number but I'm sure, ah,
8 Robert Bookman will give us the number of restaurants
9 and eateries that we have that are, um, participating
10 in third-party delivery apps. How did you get this
11 message across if you didn't have any funding? How
12 did we inform all of these small businesses in
13 different languages in a city of 8.6 million
14 residents?

15 EXECUTIVE DIRECTOR KLOSSNER: Well,
16 again, Council Member, the, the approach we've taken
17 is that as soon as we are aware of any one action by
18 any of the companies that would constitute an illegal
19 overcharge we're going to that company. It doesn't,
20 you know, and I would say to the company if they said
21 well how many complaints have you gotten? I would
22 say it doesn't matter, right, we know what the
23 practice, you tell us what you do. Tell us if you're
24 violating the law or not.

25

1
2 CHAIRPERSON GJONAJ: That's, I'm sorry,
3 it does matter because it's per incident, ah, a
4 thousand dollars per incident per location. It
5 really does matter.

6 EXECUTIVE DIRECTOR KLOSSNER: And if we
7 get to the point where we're pursuing penalties
8 through litigation, um, then we'll get into that
9 information with them. Again, our immediate goal is
10 compliance. Compliance has been wide scale. Our
11 secondary goal, and this is the most important, is
12 making sure that the restaurants get the money back
13 if they're illegally charged. And so we have not
14 stood up, um, and did not, you know, we, we, when
15 this bill passed the first time it was with the
16 understanding there were no financial impacts. Um,
17 you know, and this came through the committee with
18 that message that there were no fiscal impacts,
19 right? I, I'm a little confused. I think you know
20 the answer to the question, which is we haven't
21 dedicated any resources. The bill passed and with
22 that understanding, um, and the reality is we didn't
23 need any additional resources. I, I've, you know,
24 you mentioned Bob Bookman. I, I welcome to hear if
25 the industry thinks that we can do more outreach or

1 that there are, you know, that feels that we aren't
2 receiving adequately, ah, or don't have our ears open
3 to the messages from restaurant owners, um, you know,
4 if there was an allegation that there was wide scale
5 noncompliance by any of these companies in, in, um,
6 communities that were targeting specifically business
7 owners, um, where English is not the primary
8 language, I think that's one we would look at
9 language access materials. But, you know, from what
10 we understand now the companies are acting in
11 complicit with the law and they're acting consistent
12 across the board and so that where we see a violation
13 in any one restaurant our assumption is that would be
14 a violation anywhere and we're gonna hold them
15 accountable for that.

17 CHAIRPERSON GJONAJ: Yeah, but Mr.
18 Klossner, and, again, I, I'm gonna harp on this for a
19 moment. You're relying on complaints and allegations
20 by restaurant owners that permits your attention.
21 Unless you have access to the books of these
22 companies to determine are the fees being charged
23 appropriate and in compliance with the laws you would
24 not know unless someone brought it to your attention.
25 And if they've done it to one restaurant and it's

1
2 been alleged and a complaint has been filed, then it
3 must be widespread. That unless there are
4 [inaudible] a single restaurant, which I would find
5 very difficult to imagine, that has happened, and if
6 that has happened then they've targeted a local
7 business, which is a whole other concern of mine, but
8 you would not know unless you have access to their
9 financial books and billing statements, and you don't
10 have that time to review those, and if you're not
11 doing that you're relying feedback and then the
12 question becomes how did you get the word out to the
13 tens of thousands of businesses individually in,
14 throughout the city, in various languages, giving
15 them the advice that they need to know on how to
16 complain and bring complaints to your attention? If
17 you found once instant or one incident by any one of
18 these companies to any one restaurant then the
19 assumption has to be it's widespread.

20 EXECUTIVE DIRECTOR KLOSSNER: Yeah, I, I
21 apologize, but I, I just, I don't agree with the
22 premise that what we need is that every affected
23 business owner notify us when, when the report of one
24 business owner is sufficient to have the city spring
25 into robust action and immediately contact the

1 companies and hold them accountable and demand both
2 explanation and restitution. I, I don't accept the
3 premise that we needed 5000 restaurant owners to take
4 time out of their day, trying to struggle, trying to
5 stand up and maintain a business in this challenging
6 environment, to then engage with us, to then have a
7 system where the city needs to, ah, spend a lot more
8 money to actually support that when it doesn't
9 actually increase our chances of victory. It doesn't
10 do as anything really to drive compliance. So I, I
11 guess, you know, I mean, I'm happy to continue this
12 conversation, and, again, I'm, I'm listening to the
13 whole hearing, right? I've, I've been in touch with
14 the Restaurant Alliance. They were our partners in
15 putting out the tip line. Um, we've been checking
16 with them to see what you are hearing in the
17 industry, right? This is part of the outreach we did
18 both before and after, and we're not hearing it. So
19 I, I'm listening to the whole hearing. If I hear any
20 other business owner raising any issues we'll be
21 following up with them, um, and I, you know, and I
22 welcome correction by member of the restaurant
23 industry that, um, that their concerns haven't been
24
25

1
2 heard. If they feel that I'll be following up with
3 them directly.

4 CHAIRPERSON GJONAJ: Thank you, Mr.
5 Klossner, but I, you know, I agree with you. The
6 intent is to make sure that those restaurants, ah,
7 are reimbursed for any fees that they should not have
8 been charged, and that's the idea. So if that means
9 more resources to make sure that each restaurant, ah,
10 gets their money refunded, um, I'm with you. We're
11 not looking to penalize anyone more than we have to
12 it. But it's about getting the word out. And I'll
13 give it back to the committee counsel. And I, I'm
14 grateful to you for being willing to sit on this
15 hearing as we hear from the testimony and who knows
16 what will be revealed. And, Commissioner, I'm not
17 sure if you're going to be staying for the rest of
18 the hearing, but I encourage you to do so as well.

19 COMMISSIONER DORIS: Thank you, Chair...

20 EXECUTIVE DIRECTOR KLOSSNER: And I do
21 want to, go ahead.

22 COMMISSIONER DORIS: [inaudible], ah,
23 unfortunately I have to jump off of this call. But
24 our team is on, as you know, sir. We will be in
25 touch.

2 CHAIRPERSON GJONAJ: Thank you,
3 Commissioner.

4 EXECUTIVE DIRECTOR KLOSSNER: And I just
5 want to say, you know, I sat, I attended the entire
6 last hearing and, you know, and it was the, you know,
7 the words and, and quite an education of the business
8 owners and so it's, you know, I appreciate, I, I
9 really am looking forward to hearing their questions
10 and, and their testimony as well, and we find it
11 critical to understanding from the business owner's
12 perspective, um, enforcement and, and really what we
13 stood up and what we designed was with their needs in
14 mind as well as the legislation's goals.

15 CHAIRPERSON GJONAJ: Thank you.

16 COMMITTEE COUNSEL: Thank you, Chair
17 Gjonaj, Commissioner Doris, Executive Director
18 Klossner. We will now turn to public testimony. I'd
19 like to remind everyone that unlike our typical
20 council hearings we will be calling individuals one
21 by one to testify. Council members who have
22 questions for a particular panelist should use the
23 raise hand function in Zoom. We will call on you
24 after the panelist has concluded their testimony.
25 For panelists, once your name is called a member of

1
2 our staff will unmute you. Please wait for the
3 Sergeant at Arms to announce that you may begin
4 before delivering your testimony. I would like to
5 now welcome Andrew Rigie to testify, and after Andrew
6 Rigie I call upon Robert Bookman and Josh Gold to
7 testify afterwards. Mr. Rigie, you may begin your
8 testimony.

9 SERGEANT AT ARMS: Time starts now.

10 ANDREW RIGIE: Thank you, good afternoon.
11 My name is Andrew Rigie. I am the executive director
12 of the New York City Hospitality Alliance. We are a
13 not-for-profit trade association that represents, ah,
14 restaurants and nightlife establishments throughout
15 the five boroughs. I want to thank the speaker who,
16 ah, spoke earlier, Chair Gjonaj, Council Member Moya,
17 Richards, ah, Rosenthal, Levin, Powers, ah, and
18 several others who have joined us, um, today. So, as
19 you know, the city's restaurant industry has just
20 been absolutely devastated. As it pertains to third-
21 party delivery fees and other business practices, we
22 all know that this was a crisis before the crisis we
23 find ourselves in today. Um, passing the fee cap as
24 well as the bill that prohibits the, ah, practice of
25 charging bogus fees for phone call orders that never

1
2 occurred were critically important. I have heard
3 through, from restaurateurs throughout five
4 boroughs, ah, that are struggling just to survive,
5 and they have told me over and over again [inaudible]
6 help them not only try to sustain their business
7 throughout this process, but at least gave them a
8 little bit of hope that the government was going to
9 go in and help them as they had, but clearly in this
10 discussion [inaudible] there is so much more we need
11 our federal, state, and city government to do. Um,
12 we must, we absolutely must continue the cap on these
13 fees during the emergency. We are at a point where,
14 yes, indoor dining is incredibly helpful. I believe
15 nearly 10,000 restaurants are now participating in
16 it. But there's more than 25,000 eating and drinking
17 establishments in the five boroughs. And it was
18 never intended to help sustain businesses forever
19 when they're not able to operate indoors. And as it
20 is today we still do not know when we will be able to
21 start operating indoors, even though the rest of the
22 state has, under simple, most of the same health
23 metrics. Ah, we thought we were gonna open up about
24 a month ago. That clearly has not happened. We need
25 a plan for indoor dining. And we need this bill to

1
2 be passed to ensure that the fee cap is in place
3 until we are at 100% occupancy for indoor dining, but
4 we also need to look aggressively towards a permanent
5 cap, because, as I mentioned, the fees and other
6 business practices that were concerning the industry
7 were a crisis before the crisis we find ourselves in.
8 Um, and as the current bill is structured you can, or
9 a third-party delivery company, can charge two
10 different fees, one for the actual transaction and
11 another for the physical delivery of the food and
12 beverage. Ah, generally speaking, I do want to give
13 the city, um, props and commend them. They have been
14 very responsive to any restauranters we have sent
15 their way that have seen, ah, or thought there was a
16 violation. I do not think it is widespread. That's
17 not to say that it hasn't happened, but I do know the
18 city, in my experience, has had...

19 SERGEANT AT ARMS: Time expired.

20 ANDREW RIGIE: ...a visit to those
21 businesses. Um, if I can continue just for another
22 moment, one problem I have heard is that although for
23 the physical delivery cap, which is at 15%, there are
24 some restaurants pre-pandemic that were only paying
25 10%, and these companies have now gone and increased

1 their actual delivery cap to 15%, which has been
2 quite problematic. Um, they've said the restaurant
3 requested it when the restaurant did not request an
4 increase. I don't know why they would increase,
5 request an increase. Um, as I mentioned before, we
6 also need to ensure that they're not getting charged
7 for these bogus fees. And because there are so many
8 other topics touched on at this hearing, I know my
9 colleague, Robert Bookman, will speak next and he can
10 address some of the other reforms that are so
11 desperately needed. But we must continue this fee.
12 We must look for the permanent one. We must ensure
13 that businesses are not being, ah, charged bogus
14 fees, and we also need to review all the different
15 regulations on the books, look where we can implement
16 reforms, what we can do to get these restaurants a
17 plan for reopening indoors safely, and also I want to
18 speak to Council Member Richards', ah, legislation as
19 well. It is of course incredibly, incredibly
20 important that we ensure any funding from any level
21 of government or from any private entity, for the
22 that matter, is being given out in an equitable
23 manner to small businesses through the five boroughs.
24 We know all types of these businesses have been hit
25

1 hard, but particularly those small restaurants in
2 immigrant and, ah, communities of color have been hit
3 even harder because of all the systemic issues that
4 have impacted these communities for way too long. So
5 we need to ensure that, ah, they are done equitably.
6 We need to ensure that we focus on these issues and,
7 like I said before, our restaurant industry is the
8 backbone of our community and we need to ensure that
9 we have policies in place so there is a fair and
10 equitable regulatory environment with third-party
11 companies. It's good to see some of them have
12 stepped up to the plate and enacted policies to
13 really try to help these businesses, but we need to
14 ensure these regulations are in place because as
15 we've seen from the past we can't rely on them
16 voluntarily implementing these programs to help our
17 businesses. So I'm happy to answer any questions,
18 and I mentioned earlier my colleague, Rob Bookman,
19 who follows me, ah, will make some additional points
20 and is here to answer some questions as well. But I
21 want to thank you, ah, for your consideration of our
22 comments and we urge you to swiftly pass and enact
23 these bills into law. Thank you.

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2 COMMITTEE COUNSEL: Thank you, Mr. Rigie.
3 Unless there are any questions from the members we
4 will move on to the next panelist. Seeing no
5 additional questions from the members, we'll move on
6 to Robert Bookman, followed by Josh Gold, and then
7 Evan Franca. Mr. Bookman, you may begin your
8 testimony.

9 SERGEANT AT ARMS: Your time starts now.

10 ROBERT BOOKMAN: Hi, can you hear me?

11 COMMITTEE COUNSEL: Yes.

12 ROBERT BOOKMAN: Great, thank you very
13 much. Ah, thank you, Mr. Chairman. Ah, I just want
14 to start off by saying the council has done more, ah,
15 since this crisis to help our industry, the
16 restaurant industry, than the state and the federal
17 government combined. And we want to thank you for
18 that. Ah, when we originally passed Local Law 51 and
19 52 the September 30 date was chosen because it seemed
20 like a light year away. Surely we would be back to
21 something that reflected normalcy by then. We now
22 know it's not the case and we need to extend, ah, the
23 deadline on these bills until restaurants, ah, can
24 operate under normal circumstances, which means 100%
25 capacity. Ah, so these bills have been critically

1
2 important. They're a lifeline and, and they must
3 continue. Ah, since this turned into, and, and I
4 also want to say that, ah, Executive Director
5 Klossner and his office has really been an excellent
6 partner. The bills have worked. Um, there has been
7 widespread compliance. Um, perhaps a little kicking
8 and screaming from one particular company, but
9 they've been complying. He's been in regular contact
10 with the Hospitality Alliance and with me personally
11 and, ah, he's, he's an excellent partner and we look
12 forward to continuing working together on the
13 expansion of this bill. And then we need to work
14 together to look like what the permanent cap will
15 look like. It doesn't necessarily have to, ah, match
16 the language of this one, but we need to start
17 working on, on a permanent one. So at this hearing,
18 if you will, Mr. Chairman, give me a couple minutes.
19 It turned into a little bit of an oversight and, and
20 the, um, the speaker himself asked what could be
21 done. I've taken a few little notes and I want to
22 briefly go through a few items that can be done by
23 the council and by the city right now. Um, the first
24 is, ah, pass Intro 823 from 2018. There was a
25 hearing on it two years ago. It allows, even before

1
2 COVID, it's even more important now, it allows our
3 industry the do what the rest of the state can do and
4 have clearly disclosed surcharges on our menus. Um,
5 we need to stop the discrimination against New York
6 City restaurants with laws that apply to the rest,
7 only here in New York City and not the rest of the
8 state, ah, the most important one being when are we
9 going to allow our New York City restaurants to open
10 up indoors. Ah, it is now, ah, five weeks since we
11 were supposed to. It is six to seven weeks since the
12 rest of the state has done so. Ah, they've done it
13 safely without any problems. Ah, we need the mayor
14 and the council to use its bully pulpit and stand up
15 to the governor, ah, and say what are the metrics,
16 when we will be, when will a restaurant in the Bronx,
17 ah, have the same right as a restaurant in, in White
18 Plains. Ah, it's just ludicrous. It's starting to
19 look a little bit more like pique rather than
20 science. And we need to get some answers here. Ah,
21 next thing that clearly could be done is eliminate
22 the New York City tax on state liquor licenses. It's
23 not a big, it's not a big amount but it's another
24 thing that we are discriminated against. We get
25 taxed in New York City on the privilege of holding a

1 state liquid license that we pay double what they pay
2 for in the rest of the state. Ah, next, end the
3 commercial rent tax, a discrimination against
4 commercial storefronts in a portion of the city. Ah,
5 next, expand outdoor dining, ah, to contiguous next-
6 door spaces that are vacant or that the next-door,
7 ah, buildings have no objection to. There's no
8 reason why we should not be able to do that that
9 immediately. Ah, there's no legal reasons and that
10 would add more sidewalk space, ah, that is not being
11 used now for restaurants. Ah, we also need to expand
12 the winter dining and as was discussed the way to do
13 that and the main thing stopping that is heaters.
14 It's nice that we're going to have this program again
15 next year, but we are concerned that there will be
16 very few restaurants around next spring unless we
17 start doing a lot of these other things right now.
18 Um, to quote from a recent article in *Grub Street*,
19 um, we are taken as a hole it's hard to shake this
20 feeling that we are now watching the collapse of the
21 entire New York City hospitality industry in real
22 time, and that's what we're talking about here. And
23 last, but not least, fines. Ah, a lot of numbers
24 were thrown around here, but the truth of the matter
25

1
2 is there's been nothing to reduce fines, ah, since
3 COVID. There's been nothing to reduce fees since
4 COVID. From little sidewalk newsstands in midtown
5 that can't be opened 'cause there's no business and
6 yet are still paying their annual license fees, to
7 the 20-odd million dollars a year in health
8 department fines, ah, that were still being
9 collected, but we've got to go to, you know, a
10 situation where the government's job is to educate
11 first and fine second. And, ah, we're nowhere near
12 there. There are still hundreds of millions of
13 dollars in fines, ah, that are collected against
14 small business owners. We should be using this
15 opportunity. It's not rocket science to go through
16 the five or six agencies that regulate small
17 businesses, see where they fine people, and determine
18 which of those can be education opportunities and
19 warning opportunities. These are all quick things
20 that could be done to stop discrimination against
21 small businesses and restaurants in New York City.
22 And the last thing I want to say is parenthetically
23 when you discriminate against restaurants in New York
24 City, for example, not allowing us to open when the
25 rest of the state can open, we're discriminating

1
2 against minority- and women-owned businesses, 'cause
3 while I don't have the exact number it's pretty safe
4 to say anecdotally that the overwhelming majority of
5 minority- and women-owned businesses of the State of
6 New York are in New York City. And so the single
7 biggest thing you can do to help those businesses is
8 treat us the way the rest of the state gets treated.
9 Allow us to have the, you know, surcharges. Allow us
10 to open inside and stop these ridiculous taxes on us.
11 Thank you.

12 COMMITTEE COUNSEL: Thank you, Mr.
13 Bookman. I'll now turn the floor over to Chair
14 Gjonaj, followed by Chair, ah, Council Member Powers
15 for questions.

16 CHAIRPERSON GJONAJ: My question to you,
17 Robert and Andrew, thank you for your testimony and
18 your patience, um, how have, how has the industry
19 been informed, ah, about the, ah, caps? Um, have you
20 had to do this or were they aware, and are you still
21 finding restaurants that are not aware of the caps?
22 And then the follow-up to this, either one of you,
23 and Andrew, thank you, um, are you aware of any
24 restaurants that have been wrongfully charged a few
25

1 above the cap limits that we had or any of the other
2 compliance issues?

3
4 ANDREW RIGIE: Um, thank you, Chair
5 Gjonaj. Ah, so the New York City Hospitality
6 Alliance has an email distribution list that goes to
7 13,000, maybe 14,000, ah, people in the industry.
8 Ah, so we had regularly communicated information
9 about the cap and many of the different requirements,
10 ah, to the industry. Um, we have seen through a
11 handful, and I apologize, I don't have the number at
12 hand, um, of submissions from business owners who
13 believe their third-party delivery company was not,
14 ah, in compliance. However, as I think I had
15 mentioned earlier, the city did set up a, ah, email
16 address where they had been communicated that
17 information. I believe they have been very
18 responsive, um, as my colleague, Rob Bookman, said
19 earlier. So we've done it through our email. We've
20 done it through social media. Ah, I cannot speak
21 for, ah, the City of New York on what they have done.
22 But we have been very active, at least within our
23 network, to get that information out, um, both the
24 email, social media, and, ah, through the press and
25 other, um, vehicles. Um, as far as the bogus fees, I

1 did hear from a couple of restaurants early on who
2 thought they may have received bogus fees. Um, they
3 were following up in the case with Grub Hub Seamless.
4 They may have submitted it to the city as well. Um,
5 but when I did not hear back from them, and I would
6 say maybe it was three of, you know, three of these
7 complaints, um, you know, it was my understanding
8 that they had, had been resolved.

10 ROBERT BOOKMAN: Yeah, that, that tips
11 was, ah, hotline was really our idea and they
12 immediately agreed and adopted it. Um, and Christian
13 has really been, you know, hounding me on a regular
14 basis, you know, to say have you heard anything new,
15 have you heard anything new, and so we have really,
16 you know, we're happy to report, ah, they acted on
17 anything that we got to them immediately and, ah,
18 from what we could tell, ah, you know, they're making
19 good progress. You know, they're acting, the way I
20 would explain it, Mr. Chairman, is they're looking at
21 it kind of like a class action lawyer looks at stuff,
22 you know, um, if there's one there may be a thousand,
23 and so they act on that one right away. But my
24 understanding with my conversation with Christian is
25 he knows if there's one there's others, he's going to

1
2 demand the data from them to make sure that everybody
3 in that class gets the appropriate refunds.

4 ANDREW RIGIE: I would just add to that,
5 I know there are a few restaurateurs that have
6 scheduled the time to testify. Ah, you know, they
7 may be able to share their, um, direct experience. I
8 will say, and I have not yet been able to get to the
9 bottom of it, but it is interesting if you read some
10 of the news reports where there have been other fees
11 enacted, I believe maybe Portland or elsewhere, where
12 there seems to be a lot of noncompliance, at least in
13 reporting, when it comes to these caps and for one
14 reason or another I don't think we've seen that type
15 of widespread noncompliance here in the City of New
16 York. Ah, perhaps it was because of the good work of
17 the council and others on, you know, drafting the
18 reg, the, the law in a stronger way. Um, but
19 generally speaking when there are big problems in
20 noncompliance, um, we hear about them day in and day
21 out, like Rob had mentioned before. We continue to
22 hear why can't I do a surcharge? When are we going
23 to have a plan to reopen New York dining? What about
24 the taxes? Frustration over various different types
25 of inspections. So, um, again, while it's not

1
2 scientific the fact that we have not heard about
3 widespread noncompliance other than issues here and
4 there, ah, we need to [inaudible] that generally, ah,
5 there has been pretty good compliance. There has
6 been, as mentioned in one of the comments earlier,
7 ah, perhaps issues about the credit card fee being
8 charged in addition to the five cent, 5% fee. Um,
9 but I do hope that that's been sorted out, at least
10 with one or two of those companies that were charging
11 in that manner.

12 CHAIRPERSON GJONAJ: Thank you, Andrew.
13 Ah, you say you have a list of 13,000 to 14,000. I
14 would imagine that's statewide?

15 ANDREW RIGIE: Just citywide. I mean,
16 there may be some people, ah, outside of, ah, the
17 city in it, but.

18 CHAIRPERSON GJONAJ: What's, what's the
19 total number of restaurants in the City of New York?

20 ANDREW RIGIE: Well, there is, oh...

21 CHAIRPERSON GJONAJ: Restaurants and
22 [inaudible].

23 ANDREW RIGIE: so there's more than
24 25,000 [inaudible], yep. More than 25,000 eating and
25 drinking establishments, and I'd also note that

1 [inaudible] there could be multiple people, um, on
2 the list, you know, one establishment.

3
4 CHAIRPERSON GJONAJ: On one. My point
5 being is that, that, just do the math, that's half of
6 the total establishments of the City of New York and
7 not even taking into consideration multiple email
8 addresses for one establishment. So meaning that we
9 have not reached every, ah, establishment out there.

10 ANDREW RIGIE: Yeah, I can only speak on
11 behalf of the Hospitality Alliance. That's correct.

12 CHAIRPERSON GJONAJ: And then my question
13 to Mr. Klossner would be, based on the, ah, three,
14 ah, identified complaints from Andrew Rigie of bogus
15 charges, has your investigation into those charges
16 resulted in a violation of the law? Were they
17 founded or unfounded allegations?

18 EXECUTIVE DIRECTOR KLOSSNER: Um, I, I
19 did touch on this briefly in my testimony. Um, the,
20 the company that is asserting, I mean, this gets to
21 the drafting of the, of the legislation, um, which
22 speaks to charges for their services, um, the company
23 that we've engaged with and, and attempting to
24 resolving this credit card fee, um, reads the statute
25 that the credit card processing fee is not their

1 service but in fact the service of the third party,
2 which is the credit card transaction processing
3 company. Um, we have not reached a conclusion.
4 Those talks are ongoing. Um, we, we are
5 investigating and, you know, seeking to understand
6 wastewater treatment very, very specific, ah,
7 understanding on how, how these credit card fees are
8 being charged and whether there's any markup. I, I
9 will say that one thing that, you know, our office
10 has understood and researching is that the companies,
11 um, are using third-party credit card transactions,
12 they do, they do get a discount based on bulk, and so
13 there does appear to be, and I think the [inaudible]
14 council noticed that larger companies are actually
15 getting a lower credit card transaction processing
16 fee as available because they have more customers.
17 You know, the council can, can do with this
18 information whatever it wishes. I think, you know,
19 it's an important thing to understand, um, as these
20 proceed continues and as calls for long-term
21 attention are, are heard.

23 CHAIRPERSON GJONAJ: I want to thank you
24 for that, 'cause I, I think some of the prior
25 hearings that we've had, some of our third-party food

1
2 delivery apps said no, no, there's no markup, this is
3 direct pass-through. So I'm really interested and
4 concerned, ah, to hear more about that. And I'm not
5 saying that's all of them. Ah, some have admitted
6 that they bump them up just for the administrative
7 end. Um, but I'm looking forward to hearing the
8 results of your investigation into this and as you
9 negotiate. Thank you and I'll turn it back to...

10 EXECUTIVE DIRECTOR KLOSSNER: Sure, and I
11 do, I was just going to say that our, our view is
12 that, um, you know, even if, even if that credit card
13 fee passed through wasn't that, that any additional
14 markup above, ah, what they're being charged by
15 third party, ah, would constitute a fee under the 5%
16 no matter what.

17 CHAIRPERSON GJONAJ: Thank you. Thank
18 you, Mr. Klossner.

19 EXECUTIVE DIRECTOR KLOSSNER: You're
20 welcome.

21 COMMITTEE COUNSEL: Thank you, Chair
22 Gjonaj. Ah, we will next hear from Josh Gold,
23 followed by Evan Franca and Kathleen Reilly. Mr.
24 Gold, you may begin your testimony.

25 SERGEANT AT ARMS: Your time starts now.

1
2 JOSH GOLD: Thank you, um, thank you,
3 Chair Gjonaj, Council Members. Thank you for having
4 me today. Uber Eats welcomes a continued
5 conversation with the council on the topic of food
6 delivery platforms. When I last appeared before the
7 committee in April many of us held out hope that
8 face-borne dining reopening was possible this summer.
9 Unfortunately it looks like that may not happen at
10 full capacity for quite a while longer. Let me start
11 by being clear. Restaurants are not only
12 collectively one of the largest employers in the
13 city, they are part of what makes living in New York
14 City great and as such are essential to the city's
15 recovery and continued success. As I'm sure many
16 listening here do, I unfortunately share news of
17 restaurants I love closing almost daily with friends.
18 The city must continue to take steps to ensure that
19 more restaurants survive and can thrive in the
20 future. I believe that one reason we finally saw
21 outdoor dining take the place of some street parking
22 was the work by this body and members of this
23 committee in particular to consistently push the
24 administration to take steps that other cities were
25 taking already. I'm hopeful that the council will

1
2 continue to call out and reimagine other areas to
3 make owning and operating a restaurant in New York
4 City less difficult in good times and in these
5 difficult times. Like New York City, Uber Eats would
6 be fundamentally different if it would exist at all
7 without a vibrant restaurant community made up of
8 thousands of small and large establishments. And
9 there's no question that unlike many of our city's
10 small restaurants we have a much greater ability to
11 sustain losses. So I'm not here to oppose this bill,
12 only to ask you to consider a small change. Uber
13 Eats operates two different models in New York City.
14 One model is the two-party marketplace, where we
15 connect restaurants to consumers. Those restaurants
16 employ their own delivery personnel or use another
17 survey like Relay to deliver food. Earlier this
18 summer we temporarily dropped the fee for restaurants
19 who only wished to use this type of marketplace from
20 the 5% cap to 0% and that runs through the end of
21 October. Other restaurants participate in a three-
22 party model, where they choose to have Uber Eats
23 facilitate the delivery for them because it means not
24 having to pay upfront for a delivery worker by the
25 hour all day to wait for orders to come in. They can

1 choose to pay a bit more on the individual order to
2 have Uber Eats facilitate the delivery only when the
3 order comes in. This offering is more important now
4 than ever because restaurants are cash strapped and
5 many can't afford to pay workers to be on call all
6 day. With Uber Eats they only have to pay for
7 delivery logistics when the order comes in. While
8 the losses on that first model are real, they are
9 easier to sustain for a long period of time. That's
10 why we've been able to lower the fee to 0% because
11 we're not facilitating the delivery where a worker
12 needs to earn a fair amount as well. Because of
13 long-term uncertainty in order to limit the losses on
14 the three-party delivery model we are asking the
15 council to consider raising the 15% portion of the
16 cap to 17.5%, not right now, or next money, or even
17 three months from now, but 60 days after restaurants
18 are allowed to open for indoor dining. A small
19 increase on just the delivery portion of the cap
20 would be more sustainable to maintain for a long
21 period of time given how uncertain 100% capacity is
22 at this time. Thank you, and I look forward to any
23 questions.
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COMMITTEE COUNSEL: Thank you, Mr. Gold.

Ah, I will call on Council Member Powers for questions.

COUNCIL MEMBER POWERS: Thank you, thanks for the testimony. Um, I just want to ask a question on that point you just made right here, which is so you, you have, ah, Uber Eats in this case, has, is not charging for a company to be listed, I guess, do the marketing on your app, but you are currently charging a 15% fee for providing delivery, is that correct?

JOSH GOLD: We're not charging the 5% if you only use us for, ah, ah, processing the order, the marketing or listing. Ah, we also are not passing through the credit card charges. So we're, we're taking a loss on the, ah, the processing of credit cards. If you're losing for, if you're using us for the facilitated delivery we are charging the 5% plus the 15% because there, the losses are much greater on that.

COUNCIL MEMBER POWERS: So you're, so if I, ah, own Keith's Pizza in, ah, Stuyvesant Town, I put my pizza place on your app, I don't, I have my own delivery people, I'm just, I'm getting no fee for

1 listing. If I utilize Uber Eats' delivery service to
2 be delivering for me I'm paying the 5 for listing and
3 the 15 for the actual delivery service, is that
4 correct?
5

6 JOSH GOLD: That's correct.

7 COUNCIL MEMBER POWERS: OK, gotcha. And
8 the 17.5 would be that you're asking for, you're
9 recommending as an amendment for the future, that
10 would be the same setup? You would still be
11 charging, would you still be charging zero under that
12 circumstance?

13 JOSH GOLD: You know, right now the 0% is
14 through the end of October and, you know, it's
15 something that we did, um, both, ah, ah, for
16 restaurants but also, you know, quite frankly, to
17 distinguish ourselves from some of our competition,
18 um, getting more people to, to sign up for,
19 restaurants to sign up for our service. Ah, right
20 now it's running through the end of October. Um, I
21 don't know if that's going to, ah, ah, continue in
22 the future. That may go back to the 5% that's
23 required under the cap. Um, but we wouldn't go, you
24 know, we're not recommending to go above the 5%
25 because the, again, the losses when you're just

1 providing the, the quote unquote marketing or
2 listing, um, you know, is, is much more contained.
3 It has to do with the credit card processing,
4 especially if you aren't passing those through. It
5 seems to me that they can be passed through, um, or
6 there, there's some disagreement there. Um, the, the
7 losses are, are, um, much more limited, and then you
8 have to make sure a delivery person has to be, ah,
9 ah, compensated as well.

11 COUNCIL MEMBER POWERS: OK, and the 17.5%
12 proposal would be, can you just remind me the
13 timeline you're talking about in terms of what that
14 would, when that would be in effect?

15 JOSH GOLD: Yeah, look, I think, ah, um,
16 the, the concern we have with the draft here is that
17 100% in person capacity may be a very long time away,
18 um, and we're, we're, you know, willing to live with
19 the cap, um, until that, ah, and face that
20 uncertainty. Um, we are just worried about
21 maintaining, um, that on the delivery side, where we
22 have to, ah, ah, ah, pay the delivery worker, um, or
23 have to make sure the delivery worker is paid, um,
24 for, you know, a, an uncertain period going forward,
25 and so the ask would be when indoor dining does start

1
2 to have a clock run 60 days, and so maybe you have
3 50% capacity or 25% dining capacity indoor, you know,
4 60 days from that start, um, to then, to then have it
5 step up to 17.5%. That make sense?

6 COUNCIL MEMBER POWERS: Yeah, yeah, I get
7 you. Um, and then I'm paying, I'm a restaurant, I'm
8 paying, I don't, ah, you know, [inaudible]
9 hypothetical situation here. Ah, Keith's Pizza does
10 not have a delivery person. I use Uber Eats, I rely
11 on you to help me with delivery. How much of that
12 money that I pay towards Uber Eats, I'll ask the
13 others, too, goes to the actual person making the
14 delivery?

15 JOSH GOLD: I, I may be the only person,
16 industry representative of the [inaudible] but, um,
17 hopefully not but, um, ah, you know, from our
18 perspective, look, um, you know, it depends on the
19 order. If it's a \$10 order, all of it is going to go
20 to the delivery worker and then we're going to have
21 cover more, ah, as well. Um, if it's a larger order,
22 um, because it's a percentage-based fee, ah, it may
23 be, ah, ah, a little bit less but, um, you know, if
24 you looked at our, our, our earnings that came out on
25 Monday, um, we lost hundreds of millions of dollars

1
2 in, in the food delivery business, and so more money
3 is going out to the delivery workers than we're
4 kicking in.

5 COUNCIL MEMBER POWERS: But what is the
6 answer to my question, which is the, how much of that
7 is going to the delivery person?

8 JOSH GOLD: Well, it depends on, so if
9 it's a \$10 order and we're kicking \$1.50, then all of
10 it's going. If it's a \$100 order and there's \$15,
11 then it depends on, you know, how, how the time and
12 distance, ah, between, ah, ah, the restaurant and
13 where the food is going. So if you're delivering
14 something for five, you're, you're paid as a delivery
15 person, um, part of what factors into your pay is
16 based on how long you're taking to deliver the food,
17 ah, and it's two miles away and it takes you 30
18 minutes you're gonna get paid more than if it's, ah,
19 you know, next door and takes three minutes.

20 COUNCIL MEMBER POWERS: So is it, is it a
21 formula? It's a formula that I get paid on, I'm a
22 independent contractor, I think, in this case, so I'm
23 gonna, I get paid on a formula around how long the
24 order takes to deliver, is that?

1 COMMITTEE ON SMALL BUSINESS 168
2 JOSH GOLD: Correct, and how many
3 delivery people are out there.

4 COUNCIL MEMBER POWERS: Oh, OK, OK.

5 JOSH GOLD: If there's a low supply,
6 which we've seen over the, ah, ah, if there's a low
7 amount of delivery workers out, which we've seen over
8 the past couple of, ah, ah, months, um, then, ah,
9 there's more, the, the pay goes up.

10 COUNCIL MEMBER POWERS: And, OK. Um,
11 and, I asked this question earlier, but what are
12 other jurisdictions doing? What is Los Angeles
13 doing? I think that came up earlier. Um, what are
14 cities, other major cities, Houston, Chicago, Boston,
15 Philadelphia, what is [inaudible] utilizing? Have
16 any picked up our legislation and [inaudible] or what
17 are the other models being used?

18 JOSH GOLD: Yeah, so, when, when this
19 first started, ah, I think it was San Francisco went
20 first, ah, it was a straight 15% cap. So they didn't
21 factor in, um, if you were facilitating the delivery
22 or if you, you know, if the restaurant was, was
23 taking all that cost on their own in facilitating the
24 delivery. So San Francisco, Seattle, Washington,
25 D.C. went before New York and they all did a straight

1
2 15%. Um, New York, ah, led the way in thinking about
3 this in a more sophisticated way, um, in saying, you
4 know, if you're facilitating the delivery you
5 probably need more of a revenue coming in than if
6 you're providing a transaction, an opportunity for a
7 transaction, and after New York did that we saw Santa
8 Monica, LA, Philadelphia, um, and others copy that
9 model. There are still a few, like Oakland and, and,
10 um, Clark County in Nevada that went with the, the
11 San Francisco model, um, but even the State of New
12 Jersey, um, it's a little bit higher, it's a 10 and
13 15 rather than a, a 5 and, ah, 15. Um, but the State
14 of New Jersey moved to 10 and 10. Um, also a copy of
15 the, the New York model.

16 COUNCIL MEMBER POWERS: So some are doing
17 like a here's your fee, whether you're doing
18 delivery, you're doing marketing, whatever it is,
19 here's a straight cap, you can't do more than that.
20 Others are doing a model where it says based on what
21 service you are selecting or what modeling our is, a
22 5 and 15, I think, so it's like a 20% cap, ah, what
23 others are doing, um, others are doing, ah, so just a
24 hard cap at 15% or something like that?

1
2 JOSH GOLD: Yeah, that's correct. I
3 think, ah, some jurisdictions are recognizing that,
4 ah, it is more costly to deliver, to facilitate the
5 delivery, than just to process the transaction and
6 some are not.

7 COUNCIL MEMBER POWERS: OK. Um, OK, I'll
8 leave my questions at that. Thanks for, thanks for,
9 ah, the answers and testimony.

10 COMMITTEE COUNSEL: Thank you, Council
11 Member Powers. I'm going to turn it back to Chair
12 Gjonaj for additional questions.

13 CHAIRPERSON GJONAJ: Ah, thank you, and
14 great questions, ah, Council Member. Hey, Josh, ah,
15 [inaudible] refer to the relationship that, ah,
16 third-party food delivery apps have with restaurants
17 as a real partnership, am I correct, that one
18 couldn't coexist without the other?

19 JOSH GOLD: Yeah, I did in the testimony
20 today. I think that's, ah, um, you know, something
21 that, ah, is important, yes.

22 CHAIRPERSON GJONAJ: So then let me throw
23 something out there. If collectively you have a
24 common interest why isn't the industry working or the
25 third-party food delivery apps working with the

1 industry to have them reopen sooner than later? The
2 resources that these third-party food delivery apps
3 have, ah, and I'm talking about the legal teams and
4 the login efforts and the expertise that exists, why
5 aren't you championing this issue collectively for
6 our small businesses, whether it be at a city level
7 or a state level? Think the sooner we get these
8 restaurants to reopen the more, ah, the better
9 percentage they'll be able to survive, the more
10 business that will come through that door, the more
11 willing, ah, we're able to do our part and show our
12 responsibility. Is this a foreign concept or am I
13 out of my mind?

15 JOSH GOLD: No, I think that's something
16 that's worth considering and I'm happy to, to talk to
17 Andrew and, and Robert and others who, who lead those
18 efforts after. Ah, we have joined them in lobbying
19 for, ah, um, ah, food programs that, ah, so you have
20 in, in, ah, for food stamp programs, ah, both
21 California and Illinois allow, ah, ah, take-out food,
22 um, restaurant-prepared meals. New York is not a
23 state that does that. We've lobbied the state, um,
24 because that's an opportunity for restaurants, um, to
25 get some more, ah, income, so we jointly lobbied the

1
2 state and the federal government on that and, you
3 know, I think it would be, ah, ah, important to hear
4 from them if, if we could be an added voice to that
5 conversation, if that's something that, ah, they
6 think would be impactful on the state level. It's
7 something that, that, ah, we're willing to explore.

8 CHAIRPERSON GJONAJ: Well, Josh, from the
9 interactions I've had with all the small business, in
10 particular the restaurant industry, this is what they
11 need, a champion. Take this to, ah, the state or the
12 city level and begin the conversation. What will it
13 take? And you should bring in all your other, ah,
14 competitors to understand that a real partner and
15 then a real partnership this is what you do. You
16 fight the battles for your partner. And I'll leave
17 it to you to translate.

18 JOSH GOLD: Thank you, Council Member,
19 I'll, I'll definitely reach out to, ah, ah, Andrew
20 and Robert and see where we can be helpful in, in
21 fighting with them to make sure that restaurants are
22 [inaudible], 'cause as you said we won't exist the
23 same way, if at all, without, ah, ah, a thriving
24 restaurant industry and if that's what they need we
25 need to be there for them.

2 CHAIRPERSON GJONAJ: So, great, when can
3 we expect a class action lawsuit against the State of
4 New York?

5 JOSH GOLD: [laughs]

6 CHAIRPERSON GJONAJ: Don't answer.

7 JOSH GOLD: OK.

8 COMMITTEE COUNSEL: Thank you, Mr. Gold.
9 Ah, we will now hear from Evan Franca, followed by
10 Kathleen Reilly, followed by Andrew Ding. Mr. Franca,
11 you may begin your testimony.

12 SERGEANT AT ARMS: Your time starts now.

13 UNIDENTIFIED: Evan, you're having audio
14 issues.

15 COMMITTEE COUNSEL: I think Mr. Franca is
16 having some technical difficulties. We will return
17 to him after the next panelist. So [inaudible] Kathy
18 Reilly and then we'll try to return to Evan Franca
19 afterwards.

20 CHAIRPERSON GJONAJ: And then Mr. Franca,
21 when you do, just interrupt and this way we know we
22 can call on you.

23 COMMITTEE COUNSEL: Ms. Reilly, you may
24 begin.

25 SERGEANT AT ARMS: Time starts now.

1
2 KATHLEEN REILLY: Thank you. Good
3 afternoon, everybody. My name is Kathleen Reilly and
4 I'm the New York City Government Affairs Coordinator
5 for the New York State Restaurant Association. We're
6 a trade group that represents food and beverage
7 establishments in the city and state, and our members
8 represent a large and highly regulated constituency
9 in New York City. Ah, but more importantly, nearly
10 five months to the day since stay-at-home orders were
11 imposed in response to COVID-19 they represent one of
12 the industries hardest hit by this pandemic. For
13 five months these business operators have been
14 prevented from running their dining rooms. They have
15 been by and large still expected to pay rent and
16 other expenses they cannot afford. They've applied
17 for PPP loans. Some have gotten them, others have
18 not, and most of the money has run out either way.
19 While outdoor dining has become an opportunity for
20 some, others have not been able to participate. In a
21 summer of regular thunderstorms and one tropical
22 storm has put a damper on the most optimistic goals
23 for the revenue this program could generate. We are
24 strong advocates for following the reopening
25 guidelines and we've taken great pains to educate

1 operators about how to comply. But some restaurants
2 have lost their liquor licenses as a result of
3 customer behavior that is extremely difficult for
4 operators to control on their own. Worst of all, the
5 [inaudible] following winter is particularly
6 uncertain and many are staring down the real
7 possibility of having to close permanently with no
8 federal compromise on the horizon and no timeline
9 available for when indoor dining can resume. In this
10 atmosphere we've come today to applaud Council
11 Members Gjonaj and Moya and the Small Business
12 Committee for introducing and considering these
13 proposals to extend the controls on third-party
14 delivery platforms. To be brief, NYSRA
15 wholeheartedly supports these proposals and
16 especially the change that would tie fee caps to any
17 limitation on indoor on-premise dining. When the
18 initial fee caps were passed I don't think anyone
19 predicted that New York City would not be allowed to
20 fully follow the phased opening process that the rest
21 of the state was able to follow, and therefore no one
22 predicted that lasting bans on indoor dining would be
23 a problem for New York City restaurants to confront.
24 While outdoor dining is absolutely an improvement
25

1 compared to no on-premise dining at all and we are so
2 appreciative to City Council for making the Open
3 Restaurants Program a reality and extending that
4 program into the fall, granted some certainty about
5 October 31 would be appreciated, it is also a limited
6 opportunity for so many reasons. Between weather,
7 street features that limit eligible space, narrow
8 store fronts, nightly curfews for outdoor seating,
9 and more, it's safe to say that outdoor dining alone
10 cannot make up for the other enormous losses
11 restaurants have suffered at the hands of COVID-19.
12 As long as indoor dining is limited, restaurants
13 continue to suffer. Take-out and delivery continue
14 to be critical business segments for restaurants
15 hoping to survive. For that reason it's only right
16 to continue the fee caps on the platforms that
17 facilitate this business segment so long as indoor
18 on-premise dining is limited and for a 90-day
19 transition period thereafter. This is the
20 appropriate indicator to use as a benchmark,
21 especially when we consider the coming autumn and
22 winter months when take-out and delivery will become
23 even more central to business. NYSRA also supports
24
25

1 extending the law punishing food delivery platforms
2 that charge fees...

3
4 SERGEANT AT ARMS: Time expired.

5 KATHLEEN REILLY: ...for phone calls,
6 thank you, that never resulted in orders. For this
7 particular proposal we actually think the business
8 practice in question is inappropriate and
9 exploitative all the times, even beyond the
10 circumstances of COVID-19. You have our support for
11 this extension. We would even more strongly support
12 making the behavior permanently illegal. Ah, in
13 conclusion, we're so appreciative that you have been
14 monitoring the ongoing situation and the changing
15 circumstances and that you're submitting this
16 appropriate adjustment to the previously passed fee
17 caps. We look forward to being an ongoing partner in
18 this effort with you, and thank you for hearing us
19 today.

20 COMMITTEE COUNSEL: Thank you, Ms.

21 Reilly. Seeing no council member hands raised, we
22 are going to move to Andrew Ding and then followed by
23 Andrew Schnippers. Um, again, if Evan Franca is able
24 to get his technical systems working he will come
25

1 back in, ah, when he is able to do so. Mr. Ding, you
2 may begin your testimony.

3
4 SERGEANT AT ARMS: Time starts now.

5 ANDREW DING: Hi, everyone. Um, my name
6 is Andrew Ding. I'm the owner of the Expat. We're a
7 bar in Morningside Heights uptown. Um, I wanted to
8 thank, um, Chair Gjonaj and all council members who
9 have helped passed these bills to help out businesses
10 like my own. Our survival was most definitely due to
11 that intervention. I'm going to echo a lot of what
12 the previous speaker said. Um, in regards to outdoor
13 dining, it helped us regain about 20%, 20% to 25% of
14 our pre-COVID revenue. So we really are, are just,
15 um, operating in a baseline survival mode, and
16 there's no profit to speak of. That revenue has
17 allowed us to rehire two servers back. Um, it's
18 contributed to our ability to pay back a little bit
19 of our, um, deferred rents, as well as a lot of
20 utility bills we put a pause on paying during the
21 past few months. Um, so our biggest concern is about
22 what's going to happen when winter comes and, you
23 know, we have to wait until, I think it was next May,
24 for that outdoor dining component to come back. And
25 to echo, um, Council Member Rosenthal's point about

1 prior notice, um, we as, as a bar, we actually chose
2 not to build out on the curb simply because of the
3 absolutely cost-prohibitive nature of that project.
4 It would have cost us about \$12,000 to build that
5 curb out and knowing that we had only until October
6 31 it made no sense. Um, so if we had more prior
7 notice we could definitely plan more accordingly.
8 Um, so, yeah, anything that can happen to, to push
9 that kind of notice would be amazing. Um, I
10 definitely want to, ah, put my support for the cap on
11 delivery charges. I know that that model is possible
12 and can be executed with a fair structure, because I
13 know Relay does it very, very elegantly and you
14 should probably look at how Relay prices their, um,
15 business model to get a sense of where they're
16 actually doing it right, and I have a feeling it has
17 to do with the ability for the restaurant to
18 recapture some of that, um, cost by keeping some of
19 the delivery fees that they charge the customer,
20 where, whereas Grub Hub, um, doesn't give you that
21 ability to offset that cost. In relation to the
22 phone order fees, I can confirm that I do and
23 continue to receive these, um, these charges and the
24 error margin, margin of error continues to be around
25

1
2 85%. It definitely has dropped in the past three
3 months since June 2, but, um, just by a very cursory
4 look, um, I, I got probably 13 orders, and also the
5 fees associated has dropped. It used to be around \$6
6 to \$7, now it's about \$1.70. Um, so really prior to
7 today, having the time to sit here and also look at
8 my screen, I didn't really have the ability or the
9 bandwidth to even look into this. Um, to again echo
10 the previous speaker...

11 SERGEANT AT ARMS: Time expired.

12 ANDREW DING: ...[inaudible] there's no
13 reason for it. Their current, um, metrics and their
14 current statistical model is clearly, um, faulty
15 beyond repair. Um, so it just, why, why is it still
16 even happening? Why, why, let's just get rid of it.
17 Anyway, thank you again. Thank you for hearing me
18 out. Um, I look forward to, you know, your continued
19 support.

20 COMMITTEE COUNSEL: Thank you, Mr. Ding.
21 I'll now turn to Chair Gjonaj for questions.

22 CHAIRPERSON GJONAJ: Thank you. Um,
23 Andrew, thank you for your testimony and thank you
24 for your patience. So you're saying you're still
25

1 receiving charges for erroneous phone charge orders
2 that should not have yielded a charge?

3
4 ANDREW DING: Yep. I just did a quick
5 survey while I've been sitting here listening to
6 everyone else's testimony. Um, for the past, I think
7 since June, June 2, which is when I believe these
8 bills went into effect, I received 13, um,
9 [inaudible] charges that were not orders, resulting
10 in a \$1.60 charge, and two calls that were
11 [inaudible]. So, I mean, this is a great
12 improvement, you know, like [inaudible] dollars, you
13 know, very, just pocket change, right? But it's
14 still happening.

15 CHAIRPERSON GJONAJ: Well, thank you,
16 Andrew, and I, and I believe Christian is still with
17 us on the phone, ah, following this, so OSE I'm sure
18 is going to be interested in hearing more from you.
19 Have you brought to their attention?

20 ANDREW DING: Actually, you know, I,
21 maybe it was because I missed a, an email from the
22 Restaurant Alliance, but I didn't really know about
23 these, this tip line until today, so I will
24 definitely like spend the time to download these
25 recordings, put everything in a drive, and send it to

1 Christian. Um, I've actually worked with Christian
2 previously. He reached out to me, um, and I helped
3 him with some, um, information about how to
4 determine, like how to read the, the statements from
5 Grub Hub.
6

7 CHAIRPERSON GJONAJ: Andrew, I, I'm going
8 to ask you to do two things.

9 ANDREW DING: Yep.

10 CHAIRPERSON GJONAJ: One, contact my
11 office. I'd like to know more about these and
12 Reggie, my chief of staff, can be reached at 718-
13 93...

14 ANDREW DING: Oh, sorry, 718.

15 CHAIRPERSON GJONAJ: 931-1721. And I'm
16 going to also make sure that you know the tip, ah,
17 hotline is foodservicetips@ose.nyc.gov. And that's
18 foodservicetips@ose.nyc.gov. I really want to see
19 this followed through. Thank you, Andrew. Oh, last
20 question. Did you receive a small business loan or
21 grant from SBS? Have you applied?

22 ANDREW DING: Ah, so I applied for the
23 PPP and we got, ah, we got a little bit of something.
24 Um, my business has only been open since June of last
25 year so the data that we were able to provide for a

1
2 tax return was only for a few months' worth of data,
3 and so that grant was contingent upon that data. So
4 it was, yeah.

5 CHAIRPERSON GJONAJ: Andrew, survive,
6 brother.

7 ANDREW DING: Thank you.

8 CHAIRPERSON GJONAJ: We're gonna have,
9 you know, if you survive now we can talk about
10 prosperity later, and we're here for you.

11 ANDREW DING: Very much.

12 COMMITTEE COUNSEL: Thank you, Mr. Ding.

13 EXECUTIVE DIRECTOR KLOSSNER: Chairman, I
14 just, ah, I heard you call my name so I, I turned my
15 video back on and unmuted that. Ah, Mr. Ding, you
16 don't need to email the tips line, I've already
17 emailed you.

18 ANDREW DING: Oh.

19 EXECUTIVE DIRECTOR KLOSSNER: Please send
20 the information directly to my inbox and we will
21 follow up with you on these charges. I'm distressed
22 to hear this, but we'll get right on it.

23 ANDREW DING: Got it.

24 EXECUTIVE DIRECTOR KLOSSNER: And Chair
25 Gjonaj, I apologize. I have a staff meeting. I'll

1
2 be gone for a half hour. I'll come back. I think
3 the meeting will still be going on and I'll be sure
4 to watch anything I miss.

5 COMMITTEE COUNSEL: Thank you, Mr.
6 Klossner. Ah, we'll now turn to Evan Franca for
7 testimony.

8 SERGEANT AT ARMS: Your time starts now.

9 EVAN FRANCA: Can everybody hear me now?

10 COMMITTEE COUNSEL: Yes.

11 EVAN FRANCA: OK, great. Just switching
12 over to the iPhone, so if the audio is a little shaky
13 I apologize. Ah, thank you, Chair Gjonaj, for
14 inviting me back to speak on behalf of the
15 beleaguered restaurants in our city. Ah, first of
16 all, I'd like to personally thank the council for
17 stepping up and implementing the third-party delivery
18 caps back in May. Ah, this legislation has been
19 critical in keeping Brooklyn Crepe alive and my
20 employees working. Ah, over the past three months
21 I've been able to save approximately \$7500 as a
22 direct result of this program, which for a small
23 operation like mine has allowed us to keep the lights
24 on for now. And while the outdoor dining has been
25 helpful to many businesses, unfortunately we haven't

1
2 been able to participate, ah, since we're located on
3 a major traffic thoroughfare, Flatbush Avenue, and
4 there's also a fire hydrant directly in front of my
5 business so, um, unfortunately we can't participate
6 in that. Now while we've been scrambling to pay our
7 bills, our delivery partners have been lining their
8 pockets. At last council meeting we heard from some
9 delivery companies saying that this fee cap would
10 crush their business models. Well, in fact Grub
11 Hub's stock has nearly doubled since the pandemic and
12 they were just acquired for over 7 billion dollars,
13 and Door Dash just acquired Caviar for over 400
14 million dollars, consolidating more and more power to
15 these companies and giving us fewer options with less
16 competition. Now, keeping third-party fees at
17 current levels for the foreseeable future until we're
18 allowed 100% indoor dining capacity is crucial to the
19 survival of our industry. Although COVID cases have
20 dropped considerably in our city, ah, thanks in part
21 to sacrifices we've made to suspend indoor dining
22 indefinitely, ah, we're still basically operating
23 under emergency orders with no relief in sight. Even
24 after we're allowed 100% capacity to our dining
25 rooms, customers aren't guaranteed to come back en

1 mass and we will continue to have increased off-
2 premises dining. So before the pandemic off-premises
3 dining was approximately 16% of all meals eaten in
4 this country. Last week that number was 37%, so well
5 over double. Ah, returning to the previous 30-plus
6 percent commissions is just not going to be possible.
7 Ah, revenue for us may take years to recover to pre-
8 pandemic levels, if it ever does, and even if it does
9 the previous system was never a sustainable model for
10 us. We need long-term caps if we're going to bring
11 this industry back. I'd like to close with one
12 statistic. Ah, last week New York restaurants were
13 the worst affected out of any city in the country,
14 ah, operating at 79% less revenue, ah, from the
15 previous year, according to [inaudible], ah, point of
16 sale data, and I think that number says it all.
17 Affordable third-party fees are the last hope for me
18 and many of my peers. If these companies are able to
19 go back to their old ways then we're going to see a
20 lot more for-rent signs in our neighborhoods. I'm
21 asking the council to not only extend the current
22 caps, but put in place long-term legislation that
23 stands up for small businesses and encourages our
24 entrepreneurs and restaurateurs on this difficult
25

1 path forward. As Speaker Johnson mentioned, we need
2 drastic intervention if we are to survive. Thank you
3 for your time, and I'll take any questions.

4 COMMITTEE COUNSEL: Thank you, Mr.
5 Franca. Seeing no council member hands raised, we'll
6 now move on to our next panelist. Ah, we will next
7 hear from Andrew Schnippers, followed by George
8 Constantino, followed by Maria Diaz. Mr. Schnippers,
9 you may begin your testimony.

10 CHAIRPERSON GJONAJ: Before Mr.
11 Schnippers continues, Evan, I just had one question
12 for you. Did you apply for the loan and grant
13 program through SBS? Did you receive anything?

14 EVAN FRANCA: Yeah, I did. I actually
15 did receive, um, both an EIDL loan as well as a, as
16 well as a PPP loan, and those have been also very,
17 very helpful, so that's also appreciated.

18 CHAIRPERSON GJONAJ: Perfect, thank you,
19 Evan. And you continue to fight.

20 EVAN FRANCA: Thank you.

21 COMMITTEE COUNSEL: Thank you. Mr.
22 Schnippers, you may begin.

23 SERGEANT AT ARMS: Your time starts now.
24
25

1
2 ANDREW SCHNIPPERS: Thank, thank you, ah,
3 Chairman, um, Gjonaj and council members for having
4 me. I'm happy to be here today to talk about what's
5 going on with deliveries and sort of our business
6 and, you know, we, we started the pandemic with four
7 restaurants. It's a family business, my brother and
8 I. We have closed two, one permanently due to an
9 issue with, ah, without being able to resolve an
10 issue with a landlord, which was discussed today and
11 I do think rent, as a side note, is, is one of the
12 biggest issues we have. We're still having to
13 [inaudible] conversations with you. With the two
14 restaurants that we currently have open, the two
15 restaurants that we have open we never closed. We
16 stayed open throughout the pandemic. I was actually,
17 um, touched, ah, and I really, you know, it struck a
18 cord when, um, Speaker Johnson mentioned how when
19 grocery shelves were bare there were restaurants that
20 were open, serving the community, feeding people, and
21 it's, you know, it's myself, my brother, my workers
22 willing to come in, in the height of the pandemic,
23 but we were losing money every single day, especially
24 before you passed the original, um, ah, delivery cap.
25 We kind of took a look at our numbers. When the

1 front-line workers needed to be fed, we looked at
2 that and said between that and feeding our community
3 and offering our, our employees a paycheck, even if
4 we lost money no matter what it took we decided to
5 stay open. And, um, you know, now, now going many
6 months into it after we've been able to, um, have the
7 delivery fees reduced, that helped tremendously. I
8 noticed, I'm a resident of New York City, I live in
9 Manhattan, I noticed many restaurants that tried to
10 stay open and convert to deliveries closed very
11 quickly. In talking to colleagues and friends of
12 mine that were in the business they realized soon
13 after, you know, they, they moved their business into
14 the delivery realm and focused primarily on that,
15 that the fees were so high that it became impossible
16 to do it. So it, you know, you're now seeing a lot
17 more restaurants opening up. Part of it is certainly
18 due to the wonderful work you guys have done with
19 outdoor dining, um, and that has helped quite a bit.
20 But I do think deliveries are an important part of
21 the businesses. Our business happens to be a fast
22 casual business. We're not a full-service
23 restaurant. We have quite a bit of seating, but the
24 most, most of our business is office workers. Um,

1 and, you know, without them coming back our business
2 is off 85%. We went from doing 25% of our business
3 as delivery and 90% of businesses being delivery at,
4 you know, 15% to 30% in delivery fees, there's just
5 no way we could possibly, you know, stay in business.
6 It is our expectation, I follow the industry very
7 carefully, that deliveries will continue to be a big
8 part of the business in many months to come as we
9 recover, which I don't even really believe we're
10 there just yet, you're seeing more and more ghost
11 kitchens open up. Ah, there's a large company,
12 Brinker International, which is running, um, a wing
13 business out of their, ah, Chili's restaurants, and
14 expect to do 150 million dollars in virtual, you
15 know, just deliveries this year, in the first year
16 alone. The, the one last point that I, so I think
17 it's critical that we keep the fees tight and keep
18 them where they've been. We will, we will, you will
19 see many more restaurants close if we do not...

21 SERGEANT AT ARMS: Time expired.

22 ANDREW SCHNIPPERS: ... [inaudible] cap,
23 and the last thing I just want to point out
24 something, Chairman Gjonaj, that came up before
25 regarding the credit card and the processing fees,

1
2 one thing I don't think I've heard mentioned is that,
3 unless I'm mistaken, a lot of the business that we
4 get through Grub Hub in particular, but I'm sure some
5 of the other ones, are contract business, meaning
6 Goldman Sachs has contracted orders with them. I'm
7 going to be very shocked that Goldman Sachs pays Grub
8 Hub with a credit card for their employee fee, for
9 their employee bills, which must equalize tens of
10 thousands, if not hundreds of thousands of dollars in
11 a month. So if the fees are really meant to be the
12 actual fees that they, that they, um, get or they're
13 charged by the credit cards, you know, I'd be shocked
14 if that's really what it is. And I also, at 4.7%,
15 which is what I think we're roughly paying when I
16 take a look at it, boy, they must really negotiate
17 poorly, because we pay 2%, you know, roughly in
18 credit cards, maybe 3% for AmEx, and we're a tiny
19 little restaurant. So I just want to put that out
20 there, um, in my closing statement, and I'm happy to
21 answer any questions.

22 COMMITTEE COUNSEL: Thank you, Mr.
23 Schnippers. Seeing no council member hands raised,
24 we will now move on to the next panelist. Ah, George
25 Constantino, followed by Maria Diaz, followed by Adam

1 Farbiage. Mr. Constantino, you may begin your
2 testimony.

3 SERGEANT AT ARMS: Time starts now.

4 GEORGE CONSTANTINO: Ah, can everyone
5 hear me? OK, great. Ah, thank you to the New York
6 City Council for the opportunity to speak today. Um,
7 my name is George Constantino and I own four
8 restaurants. Ah, three of them are full-service
9 restaurants in Park Slope, Brooklyn. Bogota Latin
10 Bistro has been open for 16 years. We have 140 seats
11 on the inside. Ah, Miti Miti Modern Mexican has been
12 open for six years. We have 70 seats on the inside.
13 And Medusa Greek Taverna unfortunately just opened up
14 eight months ago and we have about 50 seats inside.
15 Before the pandemic hit us, um, as of February 2020,
16 I employed 130 employees in Brooklyn. Once the
17 pandemic hit I had to lay off 100 employees. That
18 was one of the worst, ah, days of my life as an
19 entrepreneur. Um, we were able to stay open with
20 take-out delivery only with just 30 employees. Um,
21 because of the cap of the delivery fees and the
22 addition of outdoor diner we are now up to about 70
23 employees. Um, it's still not to our original 130.
24 Um, the third-party delivery cap that was passed in
25

1
2 May, ah, has been very helpful to my business and all
3 businesses. Ah, it's allowed me to keep revenue in
4 my company, um, and it's also allowed me to hire more
5 employees back, um, continue paying the same pre-
6 COVID rent to my landlords, because I do understand
7 they're a business also. Um, and, you know, tenants
8 and landlords have a tricky relationship and that's
9 like the last thing that I want to be, you know,
10 messing with. But at the time being I'm still paying
11 that full rent. Um, I've been able to pay vendors
12 money that I owed them, ah, business insurance,
13 health insurance, and also not to mention business
14 loans. You know, running restaurants in New York
15 City you do need loans, and, you know, something
16 that's not discussed is outstanding loans that's,
17 that's out there, that I needed this revenue. Um,
18 so, continuing to pay the 15% to 30% that was
19 originally charged, ah, in fees by Grub Hub,
20 Seamless, Uber, George Ash, and Caviar really is not
21 sustainable to any business, let alone restaurants,
22 and will quickly results in more restaurants closing
23 down. Ah, the third-party caps needs to be extended
24 till the pandemic is officially over and, and indoor
25 dining goes back to 100%. Um, I would even urge that

1 this becomes the new norm and this becomes a
2 permanent cap to help all restaurants. Um, when more
3 revenue stays in New York City restaurants, um, that
4 money is actually used to boom the local economy.
5 You know, I don't think that these other apps really
6 are booming the local economy as much as the local
7 restaurants are and that's by hiring more employees
8 back, and even, um, you know, paying vendors, the
9 local vendors. Um, I can tell you, um, you know,
10 with this cap, you know, with my three restaurants,
11 you know, we probably provide, I'll use at least Grub
12 Hub, \$30,000 a week in revenue, just to Grub Hub. So
13 this cap has allowed, um, you know, my fees would
14 have normally about \$6000 and change.

15
16 SERGEANT AT ARMS: Time expired.

17 GEORGE CONSTANTINO: OK, sorry, I'll wrap
18 up. My fees would have normally been around \$6000
19 and change, and that's been reduced to around \$1500
20 and change. Um, just like the other gentleman
21 mentioned, Andrew, you know, I was looking on this
22 call, um, and, you know, I do still see some phone,
23 um, charges happening and, you know, I noticed
24 there's no recording like there usually is, um, you
25 know, but that's something I definitely want to look

1
2 into more. Um, another thing I think that's not
3 being discussed, you know, yes, there's the fee cap,
4 there's bogus charges, but what other, and I don't
5 know if the council knows this, but there are just
6 random refunds that are issued. So let's say like a
7 customer, maybe their food arrived five, 10 minutes
8 late. They'll call Grub Hub and complain, and Grub
9 Hub will issue a refund to that customer, but not let
10 the restaurant know. And the next day when we get
11 our daily summaries we'll see refund of like \$150,
12 and I'll ask my manger, my team, hey, what happened?
13 I thought we had a flawless service. And then it
14 turns out that Grub Hub, um, and other third-party
15 apps, just to appease their customers, will issue
16 these refunds but not run it by the restaurant. The
17 restaurant owner has to be on top of the refunds and
18 call and challenge them. And if you actually call
19 and challenge them, then they give you the money
20 back. But that's like another step that you have to
21 do.

22 CHAIRPERSON GJONAJ: George.

23 GEORGE CONSTANTINO: Um, yes?

24

25

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2 CHAIRPERSON GJONAJ: It's Council Member
3 Gjonaj. Please elaborate here. Is that when you're
4 doing deliveries?

5 GEORGE CONSTANTINO: That, so I have my
6 own delivery guy, so I'm paying the 5% fee for my
7 restaurants. So what happens is when, let's say a
8 customer is upset, maybe they didn't get a rice or
9 their meal was an extra 10 minutes late, they call to
10 complain to Grub Hub and Grub Hub issues them a
11 refund without letting us know until the next day,
12 when we get a summary of our, of our sales for the
13 previous day. And at that point we have to call up.
14 It used to be within 24 hours, but they have since
15 expanded that to seven days. We have to call up to
16 say, hey, why is there an \$80 refund here? We had no
17 issues no last night. And they'll say, oh, really?
18 Oh, OK, we'll give you that money back. So it's like
19 another step that's put in there. And, you know,
20 I...

21 CHAIRPERSON GJONAJ: And this only
22 happens, and I'm not, you're saying all your
23 restaurants you do your own delivery.

24 GEORGE CONSTANTINO: Yeah.

25 CHAIRPERSON GJONAJ: You're not using...

1
2 GEORGE CONSTANTINO: [inaudible] actually
3 happens, so two of my three restaurants in Brooklyn I
4 use my own delivery drivers. One restaurant I use
5 like the third-party delivery drivers. It happens on
6 all of them. I think basically these third-party
7 delivery apps don't want to spend the time to call
8 the restaurant owner or the manager to say hey, what
9 happened here, this customer's complaining. They
10 just automatically issue them a refund or a credit
11 that may not be correct. So then it's up to the
12 restaurant owner to then go back and say hey, why was
13 there a refund? A lot of times if we have our, if we
14 are using Uber Eats or, or Grub Hub's delivery
15 drivers, their delivery drivers may take an hour,
16 hour 15, to pick up something so therefore that's why
17 the food is arriving cold. So, you know, it's just a
18 lot of issues. That's just something on top of the
19 caps and, um, you know, the bogus phone fees that are
20 there.

21 CHAIRPERSON GJONAJ: George, I want to
22 talk more about this with you.

23 GEORGE CONSTANTINO: Yep, yep.

24 CHAIRPERSON GJONAJ: I'm going to give
25 you my phone number as well, please.

2 GEORGE CONSTANTINO: Sure.

3 CHAIRPERSON GJONAJ: Because I want, I'm
4 concerned as how this is being applied.

5 GEORGE CONSTANTINO: Yes.

6 CHAIRPERSON GJONAJ: 718-931-1721.

7 GEORGE CONSTANTINO: 1721, right.

8 CHAIRPERSON GJONAJ: And you're saying,
9 because I want to make sure that we get this on the
10 record. You are also believing that you're receiving
11 erroneous orders, ah, charges for orders that never
12 took place, whether they be phone or ah?

13 GEORGE CONSTANTINO: Correct. So before
14 the cap happened I, I would say I had about, you
15 know, five to 10 phone orders a week, and I noticed
16 when I would listen to them it was my voice on my
17 phone system. You know, when [inaudible] restaurant
18 we had a fancy phone system. You know, press one for
19 directions, press one for hours, press three for
20 catering. And I realized since most of these phone
21 calls were my voice and my answering system, I
22 decided to cut that out so it calls the restaurant
23 directly. I've noticed those, ah, phone charges have
24 dropped. But they're still there and they're not
25 legitimate. You know, there's no way [inaudible].

2 CHAIRPERSON GJONAJ: George, you heard
3 OSE...

4 GEORGE CONSTANTINO: I did.

5 CHAIRPERSON GJONAJ: ... give out that, I
6 really want to know more about this and you're gonna
7 let me know and you're gonna put that, did you get
8 the, um, tips, ah, email address?

9 GEORGE CONSTANTINO: I do, yeah. I've
10 actually spoken with Christian in the past before, so
11 um.

12 CHAIRPERSON GJONAJ: I need you to bring
13 this to their attention and we have to make sure that
14 we address it, and I asked the other, ah,
15 individuals, did you receive, and we have to clarify
16 between the SBA loan and SBS loans and grants, did
17 you...

18 GEORGE CONSTANTINO: I, I only applied
19 for PPP, which was an SBA loan.

20 CHAIRPERSON GJONAJ: OK.

21 GEORGE CONSTANTINO: I did not apply for
22 SBS. Yes, no.

23 CHAIRPERSON GJONAJ: Thank you, George.
24 Survive, my dear friend, survive.

1 GEORGE CONSTANTINO: Thank you, thank
2 you, thank you everyone.

3 COMMITTEE COUNSEL: Thank you, Chair
4 Gjonaj, and Mr. Constantino. Ah, we'll next hear
5 from Maria Diaz, followed by Adam Farbiage. Ms.
6 Diaz, you may begin your testimony.

7 SERGEANT AT ARMS: Time starts now.

8 MARIA DIAZ: Thank you. My name is Maria
9 Diaz. I'm speaking in my capacity as executive
10 director of the Greenwich Village Chelsea Chamber of
11 Commerce. Our organization has been representing
12 hundreds of businesses in lower Manhattan for over 70
13 years. Chambers of commerce like ours are one of the
14 first levels of support the local community receives.
15 The pandemic has hit New York City small businesses
16 especially hard. At every sector of life the city
17 continues to come closer to the new normal. We
18 cannot forget that for many restaurants who have lost
19 months of revenue or even been forced to shut down
20 entirely the economy they face today continues to be
21 incredibly challenging. With restaurants still
22 unable to fully open, the bills in front of Committee
23 on Small Businesses, which would extend limitations
24 on delivery fees [inaudible] giving to businesses and
25

1
2 eliminate charges to restaurants for calls that do
3 not result in orders are incredibly needed. Through,
4 though New York City is not on stage 4 and many
5 industry are open, our restaurants are still unable
6 to have indoor seating and are incredibly limited in
7 the revenue they can make. Though the open
8 restaurants program has allowed more than 8000
9 restaurants to open, New York City is home to more
10 than 25,000 restaurants, many, or a vast majority,
11 outdoor seating is still not an option. For these
12 restaurants and even for those who have outdoor
13 capacity they rely on deliveries. When businesses
14 are charged exorbitant fees for deliveries, it makes
15 one of their few means of doing business
16 unprofitable. Similarly, when our restaurants are
17 charged for phone calls that don't result in
18 deliveries their means of income are once again
19 limited. Without this proposed legislation
20 restaurants receiving calls that do not result in
21 orders will continue to lose money. Additionally,
22 the publishing of listing, the list of businesses
23 that received grants from SBS will continue to ensure
24 that the city is moving towards having a more
25 equitable playing field for our city's businesses.

1
2 In these turbulent times our businesses deserve and
3 need transparency and more clear understanding of
4 where SBS grants are going. With so few ways to make
5 revenue compared to the months prior to the pandemic,
6 we call on the committee to listen to our restaurants
7 and businesses and help them in whatever way
8 possible. Even while on this call today, um, we
9 received notice that three of our businesses have
10 closed, um, on just one street, or will be closed by
11 the end of the month, one of them being, um, a bar.
12 Beyond just these bills we call on the committee to
13 pass citywide rent relief that works with businesses
14 and landlords to keep New York City businesses in
15 place. From speaking with our business members, we
16 know that paying rent is a huge concern for many
17 businesses who are already struggling to stay afloat.
18 Though we know the eviction moratorium is due to
19 expire soon as a state senate bill, we are asking
20 Council to consider New York City-specific
21 legislation in order to help stop the growing number
22 of vacancies in the city. While we are hopeful for
23 these bills, we believe in limiting third-party
24 delivery fees, eliminating charges, um, etcetera, I'm
25 [inaudible] actions that must become permanent laws.

1
2 Even prior to COVID-19 restaurants have struggled to
3 make money with the high delivery fees they faced.

4 In this time and in the future we must support our
5 businesses in more ways, um, than have been proposed
6 already. Um, other potential recommendations have
7 been to, for the committee to consider easing
8 regulations...

9 SERGEANT AT ARMS: Time expired.

10 MARIA DIAZ: ...[inaudible], thank you,
11 and, um, what has been mentioned before is to allow
12 restaurants to receive, um, SNAP benefits for, um,
13 ah, restaurant-goers. Thank you for your
14 consideration and allowing me to testify on this
15 crucial matter, and we hope to work with you to, um,
16 ease all this burden on our small businesses. Thank
17 you.

18 COMMITTEE COUNSEL: Thank you, Ms. Diaz.
19 Seeing no council member hands raised we'll now turn
20 to Adam Farbiage for his testimony. As a reminder,
21 if you are a member of the public and you wish to
22 testify still please raise your hand. Mr. Farbiage,
23 you may begin.

24 SERGEANT AT ARMS: Your time starts now.
25

1
2 ADAM FARBIAGE: Thank you to the council,
3 thank you to chair. Um, my name is Adam Farbiage. I
4 founded, ah, last year with two of my fellow New
5 Yorkers a business called DeliverZero. Um, we saw
6 that there was a problem in the restaurant space,
7 particularly in the take-out and delivery space with
8 all the waste, um, that was generated when you make a
9 delivery order. We had an idea, ah, an idea that was
10 unique in the city and the country and frankly in the
11 world that we would outfit restaurants. We would
12 work with restaurants to give them reusable packaging
13 for the restaurant, for their delivery orders. Um,
14 the packaging looks like this. You can see me on
15 camera. This is very, very sturdy, ah, take-out ware
16 that a restaurant can package its, its, its take-out
17 orders in. This is stuff that goes in a commercial
18 dishwasher, um, and it's very strong, and it's just
19 like a dish. Um, we currently work with 27
20 restaurants, primarily in Brooklyn, a little bit in
21 Manhattan, and we're growing. We give our restaurant
22 partners this, um, ah, food service ware, this
23 reusable take-out stuff for free. We publish the
24 restaurant's menus on our website, just like Grub Hub
25 and Uber Eats and all those other companies, and

1 customers order from those websites, ah, the
2 restaurants food, just like they would order, ah,
3 from Grub Hub or Uber Eats or Caviar or whatever.
4 The twist is the restaurant deliveries the food in
5 this reusable packing, this reusable food service
6 ware. So this is not wasted. This gets reused, not
7 recycled, reused, like a dish. Um, again, like I
8 said, the, the packaging is for free. We give it to
9 restaurants for free. They stock it in their
10 kitchen. We take a commission. Our commission is
11 typically 10% of, of the food sale, plus we pass on
12 the credit card fee. Or I should say that's what we
13 did before Local Law 52, before the coronavirus
14 legislation, which I commend, which I think is
15 wonderful legislation. Um, but I think we have been,
16 um, a casualty, ah, you know, of that law. Um, like
17 I said, we're extremely small. We have 27
18 restaurants, it will be 30 maybe in a couple of
19 weeks. We're very, very small. I was looking at an
20 order that I got a couple of days ago. It was a \$17
21 order with a \$3 tip, \$1.50 in tax, for an Indian
22 restaurant in Greenpoint in Brooklyn. Before
23 coronavirus I would have made \$1.70 off that order
24 and I would have passed on the credit card fee to the
25

1 restaurant operator. Under Local Law 52 I make 85
2 cents. That's my 5 cents of the \$17 food subtotal.
3 Plus I eat the credit card fee, which is about 93, 94
4 cents. So I lost 8 cents on the order. Which is not
5 a huge loss. I, I can stomach a little bit of that
6 pain. It hurts to lose money on an order. But I'm
7 also not only investing in a technology, I give my
8 restaurants tablets for free to take the orders, I
9 have server costs, this stuff is extremely expensive.
10 So my technology tracks the stuff, but the restaurant
11 used four of my boxes to fill that order that I lost
12 8 cents on.
13

14 SERGEANT AT ARMS: Time expired.

15 ADAM FARBIAGE: Those four boxes cost
16 \$25. So I want this experiment, this DeliverZero
17 experiment, to grow and solve a tremendous problem
18 that we have in the city with waste. But it's very
19 hard for me to sustain this business if not only do
20 I, really can't make any money, um, but the, the huge
21 investment that I make in this reusable stuff, which
22 is basically, it costs me about \$3.50 each of these
23 units, and the restaurants can use however they see
24 fit. But under the law as written I'm a food, ah,
25 food delivery app, or whatever the law says, a food

1
2 delivery service. I'm not really a food delivery
3 service. I'm providing the restaurants with this
4 incredibly expensive hardware for free that they can
5 use, and I track it for them. So what I would ask
6 the council is, you know, it's, the law as applied to
7 me has a couple problems. First of all, it's not
8 equitable, it's not fair. I'm not just like Grub Hub
9 that gives a bunch of technology and says here's an
10 order. I'm actually supplying them with this
11 extremely valuable stuff, this is NSF-certified
12 restaurant equipment, um, that they couldn't do
13 themselves, right? All the restaurants in network
14 share this stuff. So it's not, the law is a
15 tremendous burden on me as a small business. Second
16 of all, unlike the other, the six big ones, Caviar,
17 Door Dash, Uber Eats, I have no market power. If one
18 of these restaurants says I'm done with DeliverZero,
19 I don't want to work with you, it doesn't matter to
20 them. They're still gonna do deliveries. Unlike
21 Uber Eats, unlike Grub Hub, I can't say deal with me
22 or you're screwed, right? The restaurants can easily
23 not deal with me. In fact, most restaurants don't
24 deal with me. I only have 27 restaurants. So I
25 would ask that when Local Law 52 is, is, is passed

1 again or the, the time limit is extended on the cap,
2 ideally I would say that it doesn't apply to a food
3 delivery service, which is what I am, technically,
4 that provides its restaurant partners with reusable
5 containers, which is what I do, or if that's too
6 complicated, I ask that, you know, there's a limit of
7 maybe, as drafted it says if a company like mine has
8 20 restaurants I'm stuck with the legislation. If we
9 could bump that to, say, 200 restaurants so I could
10 actually grow and [inaudible] this business during
11 this terrible time, that would be extremely
12 beneficial to my business and frankly to the city,
13 because this solution of having reuse saves my
14 restaurant partners money on packaging. It saves
15 them on, on, on, ah, commissions, because my
16 commissions are lower than my competitors. So during
17 this period I, I would love it if the legislation
18 recognize that not all these delivery services are
19 like the big six. There's, there's at least one
20 weird one like me that provides a different kind of
21 service that unfortunately got swept up in this
22 legislation, that frankly I need, I need relief from
23 so I can, so I can grow my business. Thank you very
24 much.
25

2 CHAIRPERSON GJONAJ: Thank you, Adam.
3 But I, I just want to point out the, you're charging
4 10%. This law allows you to charge up to 15% for
5 delivery.

6 ADAM FABRIAGE: No, so, so that's true.
7 The 27 restaurants I work with right now I do not
8 provide courier services to. So I can only charge
9 the 5%. So in my example I can only charge, you
10 know, the \$17...

11 CHAIRPERSON GJONAJ: I got it, I got it.

12 ADAM FABRIAGE: I'm only charging 85
13 cents.

14 CHAIRPERSON GJONAJ: So, Adam, you're
15 trying to build a better mousetrap and it sounds like
16 you're onto something and, um, we'll see where it
17 goes from there. But, ah, thank you for your
18 testimony, Adam.

19 ADAM FABRIAGE: Thank you.

20 COMMITTEE COUNSEL: At this time, if your
21 name has not been called and you still wish to
22 testify please raise your hand. Seeing no additional
23 members of the public looking to testify, I'll turn
24 it back to Chair Gjonaj for closing remarks.

25

1
2 CHAIRPERSON GJONAJ: I want to thank all
3 of you for your patience and your testimony, and
4 certainly we're going to take everything into
5 consideration, um, as we move forward. Ah, we have a
6 lot of work to do, and I keep all of you in my
7 prayers and my thoughts, ah, from a health, ah,
8 perspective to a business, um, that is, ah, being,
9 that is an industry that is under attack. I'm going
10 to do whatever I can, ah, to make sure that we give
11 you all a chance to survive. I'm not here to pick
12 winners and losers, ah, and my objective is to make
13 sure that every business in New York City reopens,
14 and that's going to require a partnership, ah, at all
15 levels of government, ah, city, state, and federal,
16 and I look at myself first and what I can do. I'll
17 be working closely with the commissioner, which I'm
18 very fond of, and OSE to make sure that, ah, our
19 current laws are followed and adhered to. Um, with
20 that, thank you, folks. This will conclude our
21 hearing and we're grateful to you. [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date September 13, 2020