

# DEPARTMENT OF SMALL BUSINESS SERVICES

Gregg Bishop, Commissioner



## WHAT WE DO

The Department of Small Business Services (SBS) makes it easier for businesses in New York City to start, grow and thrive by providing direct assistance to business owners, fostering neighborhood development in commercial districts and linking employers to a skilled and qualified workforce. SBS runs the City's NYC Business Solutions Centers, Industrial Business Solutions Providers and Workforce1 Career Centers; provides services to support the growth of local community and economic development organizations throughout the City; and administers the Minority and Women-owned Business Enterprise Program (M/WBE).

## FOCUS ON EQUITY

By focusing on three key pillars – good jobs, stronger businesses and thriving neighborhoods – SBS is committed to ensuring economic security for all New Yorkers by providing a wide range of services that help businesses, jobseekers and communities throughout the five boroughs. Through business programs such as Women Entrepreneurs NYC, the agency has committed to providing customized services to 5,000 women entrepreneurs in underserved communities. SBS is also leading Small Business First, an initiative to improve the City's regulatory environment and consolidate information that small businesses need to start, grow and thrive. The agency also oversees certification and capacity building services for Minority and Women-owned Business Enterprises (M/WBE), reaching a new high in the number of certified M/WBEs in Fiscal 2016.

SBS is investing in the future of New York City's workforce and equipping jobseekers with the skills they need to build careers in the 21st century economy. Supporting the Mayor's Career Pathways strategic plan, SBS trains New Yorkers for good-paying jobs and links jobseekers to employment in fast-growing industries with real opportunities for advancement. Connecting New Yorkers to good jobs with family-supporting wages both improves the lives of jobseekers, and makes it possible for our growing local businesses to access the world-class talent they need right here in the five boroughs. For neighborhoods, SBS has launched Neighborhood 360°, a program that identifies and develops customized, place-based commercial revitalization programs in neighborhoods across the five boroughs in partnership with local community-based organizations.

## OUR SERVICES AND GOALS

### **SERVICE 1 Help businesses start, operate and expand in New York City.**

- Goal 1a Ensure that businesses and entrepreneurs have easy access to a variety of high quality support services.
- Goal 1b Retain jobs and businesses in New York City by administering incentive programs for facility renovation and promoting retention of NYC businesses and relocation of businesses to NYC.

### **SERVICE 2 Match businesses in need of workers with qualified applicants.**

- Goal 2a Ensure that businesses have timely access to qualified job applicants.

### **SERVICE 3 Provide financial support and technical assistance for New York City's commercial districts throughout the five boroughs.**

- Goal 3a Strengthen and expand New York City's Business Improvement District (BID) program and other local economic development organizations.

### **SERVICE 4 Help minority and women-owned businesses identify and compete for City contracts.**

- Goal 4a Increase the number of Minority and Women-owned Business Enterprises (M/WBEs) that obtain City contracts.

# HOW WE PERFORMED IN FISCAL 2016

## SERVICE 1 Help businesses start, operate and expand in New York City.

**Goal 1a** Ensure that businesses and entrepreneurs have easy access to a variety of high quality support services.

In Fiscal 2016, 9,812 small businesses received free business services through NYC Business Solutions Centers and initiatives, an increase of 28 percent from Fiscal 2015. SBS continues to focus on getting business owners the capital they need to manage and grow their businesses. NYC Business Solutions helped 432 different businesses access 567 awards totaling \$44.9 million in financial assistance, including \$11.4 million in awards to businesses applying to the Hurricane Sandy Business Loan and Grant Program. The total amount of financing awarded to businesses declined by 31 percent this fiscal year, due to the fact that all disaster relief funding for Sandy-impacted businesses has now been distributed to businesses in need. SBS is now awarding funding at a rate similar to rates before the Hurricane Sandy Business Loan and Grant Program began.

The Division of Business Acceleration provides a variety of services to help businesses navigate City government and maintain compliance with the City's health and safety regulations. These services include free client management, plan reviews, consultations with inspectors and compliance advisors, and inspections from City agencies including DOB, FDNY, DOHMH, DEP, and DCA. From Fiscal 2015 to Fiscal 2016, there was an increase in site consultation visits by inspectors and compliance advisors. SBS increased the number of businesses assisted to open by seven percent from 854 in Fiscal 2015 to 915 in Fiscal 2016 and increased the number of projected hires by such businesses by six percent, from 12,037 in Fiscal 2015 to 12,759 in Fiscal 2016.

In Fiscal 2017, the Business Development Division, which manages the NYC Business Solutions Centers, and the Division of Business Acceleration, which operates under the NYC Business Acceleration brand, will merge into a new Division of Business Services. This new division will manage all of the free services to help businesses start and start faster, operate and expand in New York City. During Fiscal 2017, performance indicators will be identified and developed for this new division.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Unique businesses served by NYC Business Solutions	8,696	11,340	8,344	7,642	9,812	*	*	Up	Neutral
★ Financing awards to businesses facilitated by NYC Business Solutions	683	1,200	518	805	567	540	540	Up	Down
★ Unique businesses receiving financing awards facilitated by NYC Business Solutions	588	1,053	440	735	432	470	470	Up	Down
Value of financing awards facilitated by NYC Business Solutions (\$000)	\$71,484	\$54,101	\$44,811	\$64,799	\$44,983	*	*	Up	Down
★ Number of businesses opened by NYC Business Acceleration	NA	563	757	854	915	↑	↑	Up	NA
Number of unique businesses served by NYC Business Acceleration	NA	4,989	6,377	5,899	5,122	*	*	Up	NA
Projected number of hires by businesses opened by NYC Business Acceleration	NA	9,280	13,090	12,037	12,759	*	*	Up	NA
Site consultations by NYC Business Acceleration inspectors	NA	215	678	1,031	1,052	*	*	Up	NA

★ Critical Indicator "NA" - means Not Available in this report ↕ shows desired direction

**Goal 1b** Retain jobs and businesses in New York City by administering incentive programs for facility renovation and promoting retention of NYC businesses and relocation of businesses to NYC.

The Energy Cost Savings Program (ECSP) and its companion program, the Lower Manhattan Energy Program (LMEP), help retain eligible NYC businesses by reducing energy costs associated with relocation or capital improvements. Lower energy costs are a significant incentive to promote business retention for firms seeking to move, modernize and/or expand. The programs save businesses up to 45 percent on eligible utility costs. Both programs were to expire at the end of Fiscal 2015, and with a timely renewal uncertain, some ECSP projects slated for approval in early Fiscal 2016 were fast-tracked and approved in Fiscal 2015 resulting in lower numbers for Fiscal 2016. Specifically for ECSP, there were 39 new businesses approved in Fiscal 2016. These firms will save an estimated \$878,000 in combined annual energy savings valued at over \$9 million for the twelve-year life of the benefits. The LMEP program is being phased out.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Value of Energy Cost Savings Program savings for businesses (\$000)	\$597	\$760	\$176	\$841	\$878	*	*	Neutral	Up
Jobs created or retained by Energy Cost Savings Program	2,521	4,122	361	5,164	1,060	*	*	Neutral	Down
Value of Lower Manhattan Energy Program savings for active commercial tenants (cumulative) (\$000)	\$25,032	\$17,418	\$14,546	\$12,433	\$10,028	*	*	Neutral	Down
Commercial tenants active in Lower Manhattan Energy Program	1,403	1,095	1,059	1,152	1,007	*	*	Neutral	Down

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## SERVICE 2 Match businesses in need of workers with qualified applicants.

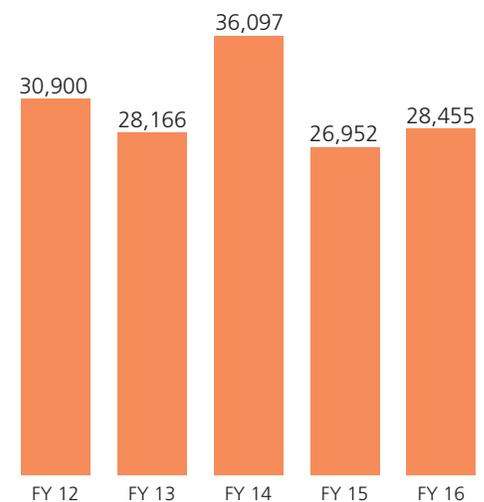
### Goal 2a

Ensure that businesses have timely access to qualified job applicants.

In Fiscal 2016, 55,647 new jobseekers were registered through the Workforce1 Career Center system overall, a slight increase from 55,133 the previous year, while periodic walk-in traffic increased by three percent. The Workforce1 System facilitated 28,455 hires or promotions in Fiscal 2016, a six percent increase from Fiscal 2015. The corresponding increases from Fiscal 2015 in the new registrants, walk-in traffic and hiring figures were in line with expected performance.

SBS offers a variety of training programs to Workforce1 customers that are designed by the City's Industry Partnerships. These industry-informed programs support New Yorkers in obtaining the skills and professional experience needed to access and advance on career pathways in key sectors like healthcare, technology, manufacturing, construction, transportation and food service. These training programs include cohort-based trainings with a single provider, employer-based trainings and individual training grants. In Fiscal 2016, SBS enrolled 4,103 new customers for a total of 4,375 customers in training. The latter figure includes individuals who started training in Fiscal 2015 and continued into Fiscal 2016. SBS will continue to invest and expand successful training programs in Fiscal 2017 as well as launch new programs, such as occupational training in the media and entertainment sector and bridge programming aimed at increasing access for New Yorkers with lower levels of basic education.

**Workforce1 Career Centers  
Job Placements and Promotions**



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
★ Workforce1 systemwide job placements and promotions	30,900	28,166	36,097	26,952	28,455	25,000	25,000	Up	Neutral
New jobseekers registered through the Workforce1 Career Center system	73,518	84,515	82,619	55,133	55,647	*	*	Neutral	Down
Walk-in traffic at Workforce1 Centers	312,009	320,273	367,695	266,663	273,753	*	*	Neutral	Down
★ Customers enrolled in training	NA	NA	NA	NA	3,649	↑	↑	Up	NA
Unique customers served	NA	NA	NA	NA	104,715	*	*	Up	NA
★ Businesses awarded funding for employer-based training	NA	NA	NA	NA	57	*	*	Neutral	NA

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### SERVICE 3 Provide financial support and technical assistance for New York City's commercial districts throughout the five boroughs.

**Goal 3a** Strengthen and expand New York City's Business Improvement District (BID) program and other local economic development organizations.

In Fiscal 2016, SBS continued to build the City's Business Improvement District (BID) program by assisting local organizations and merchants' associations interested in creating a BID with the planning, outreach and legislative phases of BID formation. In Fiscal 2016, SBS oversaw the legislative approval of two BID boundary expansions (MetroTech and Central Fulton Avenue) in downtown Brooklyn. SBS also continued to provide technical assistance training, capacity building workshops, commercial revitalization grants, support and oversight to the City's 72 existing BIDs, the most comprehensive network of its kind in the country. In addition, the agency's Avenue NYC Program provided \$1.3 million to 47 local development corporations for grants and technical assistance to attract new businesses, organize merchants and promote the revitalization of commercial corridors. SBS also worked collaboratively with community-based organizations on the completion of Commercial District Needs Assessments (CDNAs) for East New York, Downtown Staten Island, Jerome Avenue, Downtown Flushing, Inwood and East Harlem as a part of the agency's new Neighborhood 360° initiative.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
★ City block faces receiving supplemental sanitation services through BIDs	1,468	1,468	1,480	3,562	3,600	3,800	3,800	Up	Up
★ Average acceptably clean BID sidewalk ratings (%)	99.0%	98.5%	96.5%	96.1%	96.8%	97.0%	97.0%	Up	Neutral
Value of AvenueNYC local development corporations funding (\$000,000)	\$1.74	\$1.50	\$1.38	\$1.38	\$1.30	*	*	Neutral	Down

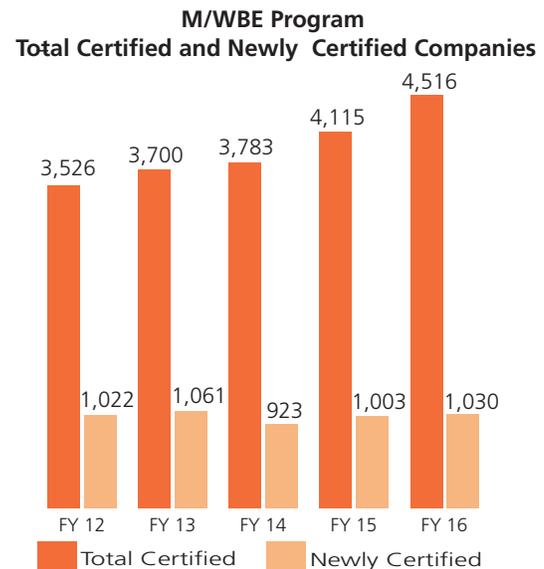
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### SERVICE 4 Help minority and women-owned businesses identify and compete for City contracts.

**Goal 4a** Increase the number of Minority and Women-owned Business Enterprises (M/WBEs) that obtain City contracts.

The Minority and Women-owned Business Enterprises Program certified and recertified 1,030 M/WBEs in Fiscal 2016, increasing the total number of City-certified M/WBEs to 4,516, an increase of 10 percent from Fiscal 2015. The M/WBE recertification rate decreased to 53 percent in Fiscal 2016 from 60 percent in Fiscal 2015 due to external factors. In Fiscal 2016, SBS is exploring ways to increase customer retention that would improve the M/WBE recertification rate.

More M/WBEs won City contracts in Fiscal 2016 than the previous year. The number of M/WBEs awarded City contracts increased 12 percent to 1,011 in Fiscal 2016 from 902 in Fiscal 2015. The number of M/WBEs awarded City contracts after receiving direct assistance from SBS rose almost 18 percent to 723 from 613 last year.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
★ Total Minority and Women-owned Business Enterprises certified	3,526	3,700	3,783	4,115	4,516	4,238	4,651	Up	Up
★ Minority and Women-owned Business Enterprises awarded City contracts	633	651	684	902	1,011	698	920	Up	Up
★ - M/WBEs awarded contracts after receiving procurement and capacity building assistance	439	447	472	613	723	482	625	Up	Up
★ Annual M/WBE recertification rate	62.5%	59.2%	60.4%	60.4%	53.4%	60.0%	60.0%	Up	Down
Newly certified and recertified businesses in M/WBE Program	1,022	1,061	923	1,003	1,030	*	*	Up	Neutral

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## AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17		
Customer Experience									
CORE facility rating	92	93	95	95	98	*	*	Up	Up
Letters responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Up	Neutral
E-mails responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Up	Neutral
Completed customer requests for interpretation	NA	NA	NA	2,351	7,281	*	*	Neutral	NA

## AGENCY RESOURCES

Resource Indicators	Actual <sup>1</sup>					Plan <sup>2</sup>		5yr Trend
	FY12	FY13	FY14	FY15	FY16	FY16	FY17	
Expenditures (\$000,000) <sup>3</sup>	\$137.6	\$150.3	\$202.3	\$273.5	\$354.2	\$397.0	\$236.4	Up
Revenues (\$000,000)	\$72.8	\$81.3	\$94.8	\$55.6	\$54.9	\$72.7	\$0.2	Down
Personnel	242	273	258	257	302	333	348	Up
Overtime paid (\$000)	\$36	\$71	\$59	\$34	\$0	\$0	\$0	Down
Human services contract budget (\$000,000)	\$24.4	\$25.9	\$27.1	\$28.6	\$35.9	\$27.3	\$19.2	Up

<sup>1</sup>Actual financial amounts for the most current fiscal year are not yet final. Final fiscal year actuals, from the Comptroller's Comprehensive Annual Financial Report, will be reported in the next PMMR. Refer to the "Indicator Definitions" at [nyc.gov/mmr](http://nyc.gov/mmr) for details. <sup>2</sup>Authorized Budget Level <sup>3</sup>Expenditures include all funds  
"NA" - Not Available in this report

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

None.

## ADDITIONAL RESOURCES

For more information on the agency, please visit: [www.nyc.gov/sbs](http://www.nyc.gov/sbs).

