

**Testimony of Tara Colton  
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**New York City Council Committee on Government Operations Oversight Hearing:**

**The Mayor's Community Assistance Unit's Issuance of Street Activity Permits**

**September 18, 2007**

Good afternoon. Thank you for inviting me to testify today. My name is Tara Colton and I am the associate research director of the Center for an Urban Future, a non-partisan policy institute that studies economic development, workforce development and other issues that are important to New York City's future. I want to start by thanking Councilmember Felder and the members of the Government Operations Committee for holding this hearing, and for inviting me to testify. Today's hearing shines a light on an important issue: how are the city's street fairs organized and regulated, and how can the city diversify the mix of vendors by helping more local businesses and artists get involved with the fairs?

Last year, the Center for an Urban Future released a report titled "Rethinking New York's Street Fairs," which found that the city plays host to more than 350 street fairs each year, but the events are bland and generic, and do little to showcase the thousands of unique businesses, artists and entrepreneurs found throughout the five boroughs. By analyzing licensing data, our study confirmed what most people who go to the fairs already know: the events are dominated by a handful of the same vendors selling items like tube socks, knockoff purses and funnel cakes. At one Manhattan fair, we counted more than 20 vendors hawking inexpensive purses over a nine block span. Another fair had four gyro vendors on just two blocks. There's a reason the fairs feature the

same vendors block after block, weekend after weekend: in 2005, just 20 vendors held 46 percent of all the permits to sell food at the fairs, and seven vendors each had more than 200 food permits.

Street fairs were developed in the 1970s as a way to benefit local communities – but today’s fairs often do just the opposite. Many of the fairs just clog up traffic, drive down business at local establishments and leave piles of trash in their wake. The city’s fairs still attract millions of visitors each year and bring in revenue for the vendors that sell their wares – but New York City businesses often aren’t the ones reaping the benefits. Our study found that nine of the 20 vendors with the most food permits and a quarter of all merchandise vendors were based outside of the five boroughs. The three large companies that run most of the street fairs have no incentive to work with local vendors, and city business owners and artists who do want to participate in the fairs typically don’t know how to go about it. Even if they do know what steps to take, they often face maddening bureaucratic obstacles. This is a huge missed opportunity for a city that has such an incredible diversity of businesses and artists, all of whom are eager for new outlets to promote their products.

As critical as our report was, the Center does not recommend getting rid of street fairs. In fact, there is much to like about street fairs: they showcase neighborhoods and local merchants, attract visitors and shoppers to new areas, bring communities together and help local nonprofit organization raise funds. When done right, they also provide vital street life, something so many New Yorkers enjoy.

But New York’s street fairs could—and should—be so much better. A significant overhaul of the city’s street fair system is long overdue.

There are several specific problems with street fairs, from the dizzying number of fairs held in the five boroughs every year to the fact that a small handful of neighborhoods seem to host a disproportionate number of these events. However, we think the most pressing challenge is to restore the unique New York flavor to street fairs, by involving more local entrepreneurs and artists.

Luckily, there are several things the city can do to improve the street fairs that fill New York's neighborhoods nearly every weekend between April and November. There are a handful of fairs that can serve as good models – for example, Brooklyn's Atlantic Antic and the Bedford Barrow-Commerce Block Association Fair in the West Village are proof that street fairs can be vibrant events that show off all New York has to offer. The city should work to make the other bland street fairs more like these bustling events, which are full of local vendors, great food and satisfied shoppers buying up everything from hand-crafted jewelry to homemade empanadas.

The city should do more to inform local businesses and artists about the opportunities that street fairs present, the schedule of events and how to participate. The Department of Small Business Services, which of all city agencies has the best relationships with merchants, local development corporations and business improvement districts, should include this information on its website, newsletters and at the Business Solutions Centers it runs in each borough. The agency could also conduct an outreach campaign about street fairs each spring, as the events begin to take shape. Local development corporations, chambers of commerce, the Mayor's Office of Industrial and Manufacturing Businesses and the Department of Cultural Affairs should be partners in these outreach efforts.

The city should step up its commitment to promote locally-made goods, and could create a "Made in NYC" booth at each street fair that would feature a mix of locally-produced items.

The city also needs to make it easier for entrepreneurs and artists to get involved with the fairs and simplify the application process. Vendors ought to be able to apply for street fair permits online, eliminating the need for business owners to waste hours waiting in line at a licensing office.

Over the long run, the city should consider reexamining its entire approach to street fairs. Currently, the city has no creative control over the types of businesses that spill onto dozens of New York streets every weekend. Instead, they yield all decision-making power about the mix of vendors

and businesses to the production companies and nonprofit sponsors. The private companies have no incentive to reach out to local merchants and artists – some even offer lower prices for vendors that sign up for multiple fairs, which virtually guarantees that the same vendors will appear week after week. The Community Assistance Unit showed that it could flex its oversight muscles when it imposed a cap on the number of street fair permits it would issue each year. Going forward, the city might consider negotiating with the production companies to charge lower fees for vendors from the five boroughs or limit the number of non-city-based vendors. Other reforms worth exploring include consolidating the fairs into larger, less frequent events, requiring a more prominent role for the nonprofit sponsors, and increasing the power of community boards in the permitting process.

Thank you for the opportunity to testify today. I'd be happy to answer any questions you might have.