

SBS IN THE NEWS



Queens fire hits vulnerable retailers Few have funds to rebuild their stores on retail strip where space is at a premium

By Hilary Potkewitz
Crain's NY
February 21, 2010 5:59 AM

Fed by its rich mix of immigrant entrepreneurs, Jackson Heights has long boasted one of the city's most vibrant retail strips. Even today, in the midst of the recession, the bustling Queens neighborhood still commands the highest retail asking rents in the borough.

That's one reason the four-alarm fire that destroyed nine businesses over Presidents Day weekend, leaving a charred hole in the middle of the 37th Avenue shopping strip, has upset so many people. The fire destroyed a large furniture store, a beauty parlor, a barbershop, a party store, a liquor store and a shoemaker—all immigrant-owned businesses.

"We have thriving immigrant business owners in this community, and there are hardly ever any vacancies," says City Councilman Daniel Dromm, who represents Jackson Heights. "I think the community is somewhat devastated by this."

Adding to the despair, the conflagration came just one week after the loss, after a 30-year run, of the popular Cavalier Restaurant down the street. The restaurant closed after the new owners of its building, which covers most of the block, reportedly doubled the rent. A butcher, a shoe store and a beauty parlor will all reportedly vacate the building in coming months because their leases were not renewed.

"What's happening here?"
As a result, two blocks along 37th Avenue, between 84th and 86th streets, will soon be

missing half of their businesses.

"You see the empty storefronts and you think to yourself, 'What is happening here?'" Mr. Dromm says.

Jackson Heights has one of the fastest-growing business communities in the city, according to a 2007 study by the think tank Center for an Urban Future. The neighborhood's tightly packed mix of South Asians, South Americans and Koreans provides much of the clientele for the myriad small businesses along its commercial strips. But the downside is that these immigrant businesses are more vulnerable than most to catastrophic events such as fires.

"Many of the business owners we're talking about here put most of their life savings up to start the business," explains Jonathan Bowles, executive director of the Center for an Urban Future. "They often can't rely on traditional bank financing, and don't have a lot of options when it comes to paying to rebuild."

The owner of Lalita's Party Supply, Maria Solano, for example, is a Peruvian immigrant who invested her life savings. The barber shop had been owned by a Dominican, the liquor store by Russian immigrants, Acme furniture by South Asians; and Thomas the Shoemaker, whose full name is Thomas Kourakos, is Greek.

The city's Department of Small Business Services had an emergency outreach team on the scene within hours of the fire, trying to help business owners retrieve goods and equipment if possible. A few were able to retrieve safes.

"But unfortunately, most of them suffered a total

SBS IN THE NEWS

CRAIN'S **NEW YORK BUSINESS**

**Danny Meyer serves new business course
Restaurateur to share secrets of great service
with industries that could really use the help.**

loss,” says Bernadette Nation, the director of the department’s Emergency Response Unit.

Ms. Nation thinks that only two of the nine businesses were uninsured, so she is hopeful that the agency will be able to assist in recovering some losses.

Rebuilding paper trails

Next week, Ms. Nation’s unit will hold a business recovery meeting that she says will include representatives from the state’s Department of Insurance, pro bono legal advisers and local microlenders, while the Department of Small Business Services will help merchants obtain copies of or reapply for permits and licenses that may have been destroyed in the fire.

But given the total destruction of their stores, and the stiff competition for retail space in Jackson Heights, it is unclear how many will be up and running anytime soon.

“The tough thing about all of this is that there are probably 10 businesses waiting to go into these spaces, once they’re rebuilt, that are willing to pay more money,” says Mr. Bowles. “Many of these businesses are run by brilliant immigrants who are incredibly hardworking, but they don’t tend to have large nest eggs to fall back on.”