

NORTH BROOKLYN BUSINESS ENGAGEMENT SURVEY ANALYSIS

Evergreen

Your North Brooklyn Business Exchange
2019



Introduction:

This summer, Evergreen Business Exchange set out to discover and address the changing needs of North Brooklyn's industrial community.

From June 2019 – August 2019, two dedicated Evergreen Exchange employees surveyed over 350 industrial businesses. In the end, a landmark 120 companies filled out our Business Engagement Survey. Moreover, our outreach efforts introduced us to over 130 businesses not already in our database.

What was our Methodology?

- ❖ Door Knocking;
- ❖ Emailing/Phone calls.

Evergreen employees walked door-to-door, visiting every business we possibly could by foot. In addition, efforts were made to contact **over 250 businesses by email**, while a select number of businesses were contacted by phone. Full participation from Evergreen's membership network, and non-member participants of previous surveys, was especially encouraged.

Last but not least, this year marked a new method of creating and filling out surveys. In addition to your run-of-the-mill, traditional paper survey and clipboard, an electronic survey and tablet were utilized. Ultimately, our efforts **allowed us to contact 371 total businesses**, giving us a firm grasp on the conditions of North Brooklyn's industrial business communities, while bringing awareness to the free services available to businesses who need it.

Where were our Study Areas?

- ❖ Industrial Business Zones (IBZs);
- ❖ Ombudsman Zones;
- ❖ Industrial Zones.
- ❖ Located primarily in Greenpoint, Williamsburg, East Williamsburg, and Bushwick.

Evergreen Exchange provides services to two IBZs:

- ❖ North Brooklyn (NB)
- ❖ Greenpoint/Williamsburg (GW).

Of the two, the NB IBZ is significantly the larger, stretching through Greenpoint, Williamsburg, and East Williamsburg; covering zip codes: 11222, 11211, and 11237. Overall, **80% of survey respondents** came from the NB IBZ.

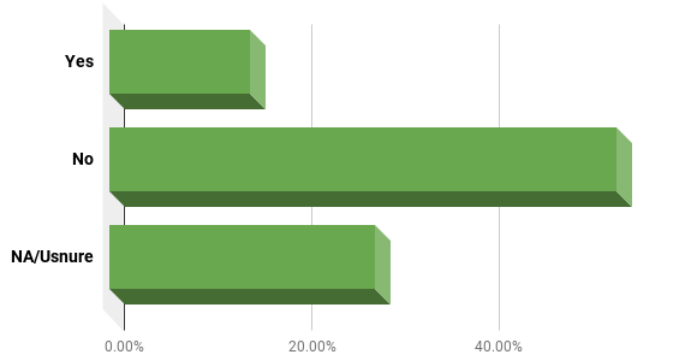
In comparison, the GW IBZ is significantly smaller, both in landmass (only covering the zip code: 11222) and in **survey respondents (14%)**. However, its impact should not be ignored. Each of the **two largest employers: Van Leeuwen Ice Cream and Acme Smoked Fish, are found in the GW IBZ. Together, they contribute to over 500 employees in North Brooklyn.** At the same time, the outskirts of the GW IBZ are becoming increasingly commercial and residential, leading many businesses to fear the future. In addition, to these two IBZs, time was also spent contacting businesses within neighboring ombudsman areas (NB OMB and GW OMB) as well as industrial zones located beyond the IBZs in Bushwick.

Response Rates

Overall, our response rate was excellent! With **32% of all businesses contacted** agreeing to fill out our survey. This means **120 out of 371 businesses** contacted (which is double the response rate of our last survey taken in 2016).

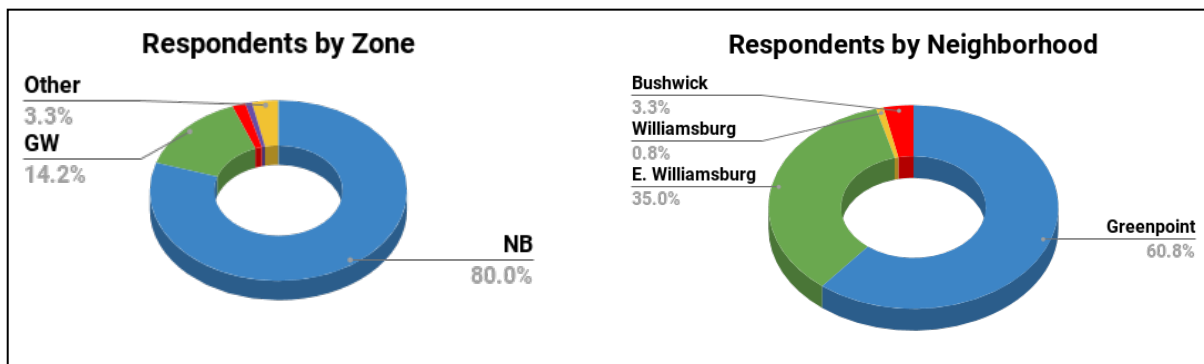
It is also worth taking note that the majority of businesses contacted this year were not familiar with Evergreen. Of the 120 responses, **only 15% of businesses had ever received services from our organization before**. Although, according to one of our surveyors, most businesses were grateful to hear of Evergreen's existence. Evergreen employees should consider how we might better our outreach efforts in the coming year to engage these businesses.

Received services from Evergreen before?



The majority of the survey responders, as mentioned before, came from the NB IBZ.

In particular, **most respondents owned businesses in Greenpoint or East Williamsburg**.



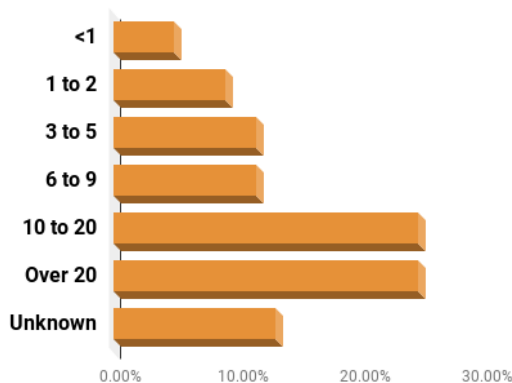
Survey Analysis:

The Business Engagement Survey consisted of approximately 50 questions covering topics from basic business and demographic information to workforce characteristics, property information, and service needs. Some qualitative components of the survey also gave respondents leeway to express their thoughts and concerns free from the constraints of a multiple-choice or fill in the blank format. The following analysis will summarize each section individually, adding additional insight and addressing any survey design shortcomings.

Business Information

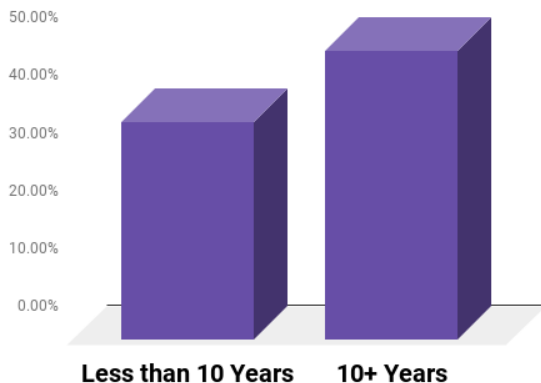
Both businesses new and old have a place in North Brooklyn's industrial zones. While there is a even spread amongst businesses younger than 10 years, the amount doubles once businesses are between 10-20 or over 20 years old.

Years of Operation



But when we place businesses in broader categories, we see that **roughly 40% of businesses have been operating under 10 years, and 50% of businesses are 10 years or older.** In other words, older businesses have a slight advantage over younger ones, but overall, there is a relatively even range of business ages.

Businesses Operating for...



When it comes to size, most businesses who responded to our survey were small, with over 70% claiming to have less than 20 employees. The median employee count? Just 7 people per firm.

In contrast, making contact with larger businesses often proved challenging for the surveyors as owners or managers were either not on site or unavailable for walk-ins. And while it is safe to say that the majority of businesses in North Brooklyn's IBZ's are small, there are, unquestionably, a few much larger waste management, food production, and oil production plants. Moreover, our surveyors were successful in garnering responses from a few of these industries including: Van Leeuwen Ice Cream, Acme Smoked Fish, United Metro Energy, and AIA Sheet Metal; **who, altogether, provide over 800 industrial jobs to North Brooklyn.** So while larger businesses may be in the minority, they are still vitally important to the area's economy as a major source of jobs.

Overall, most businesses came from one of three industries: manufacturing, wholesale trade, or car repair. Back in 2017, manufacturing was a clear leader. **64% of businesses surveyed two years ago were classified under NAICS codes 31-33 for manufacturing.** Today, that is no longer the case.

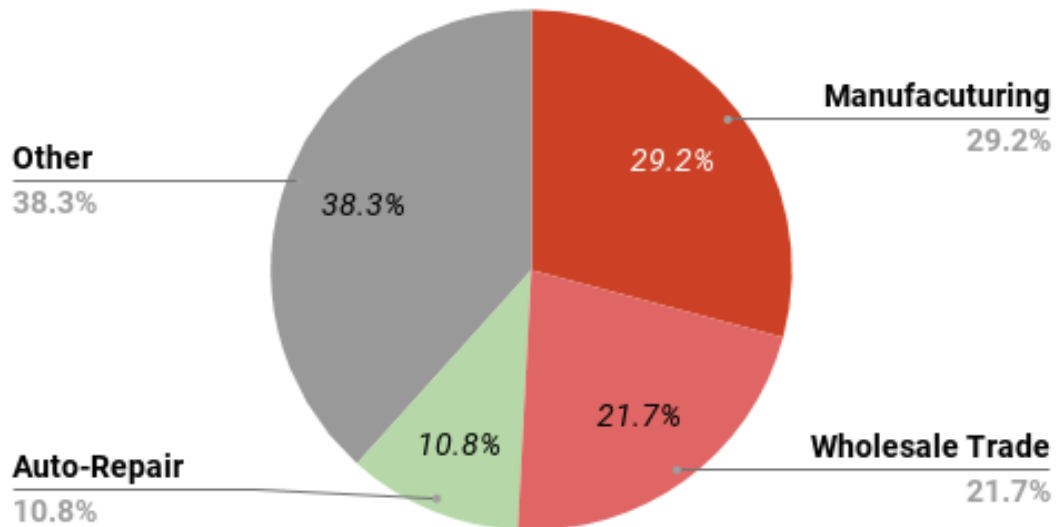
In 2019:

31-33 (Manufacturing)	–	29%
41-42 (Wholesale Trade)	–	22%
81 (Classified Other, but in this case, Car Repair)	–	11%
Everything Else	–	38%

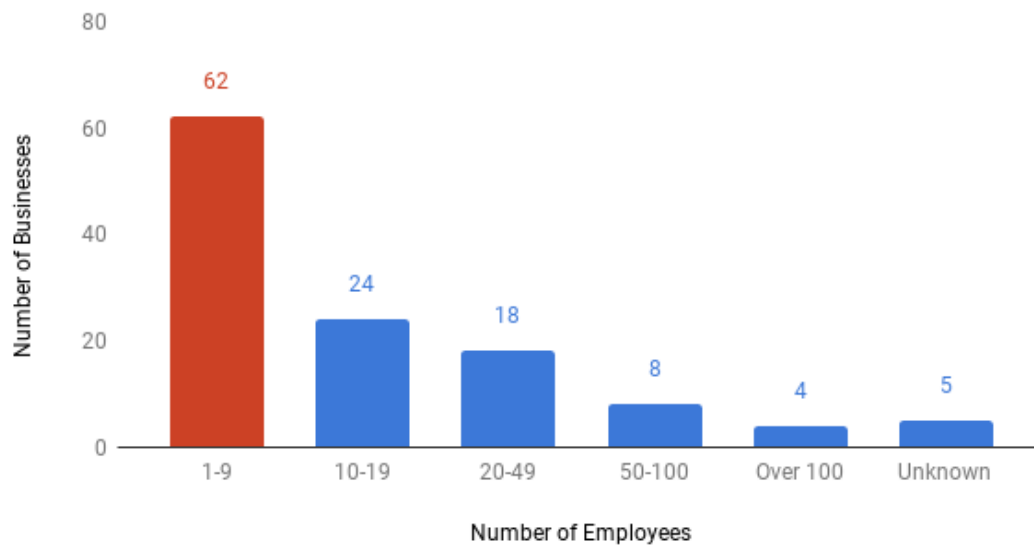
Manufacturing is still the leader, but by a *plurality*. Only together with wholesale trade, do they account for 50% of businesses.

Business Information

Business by NAICS Codes



Employment by Firm Size



Business Information

Businesses were also asked to describe the industry they were in, giving them the opportunity to more specifically label the type of business they are running. Here, again, manufacturing is the leader by around 30%.

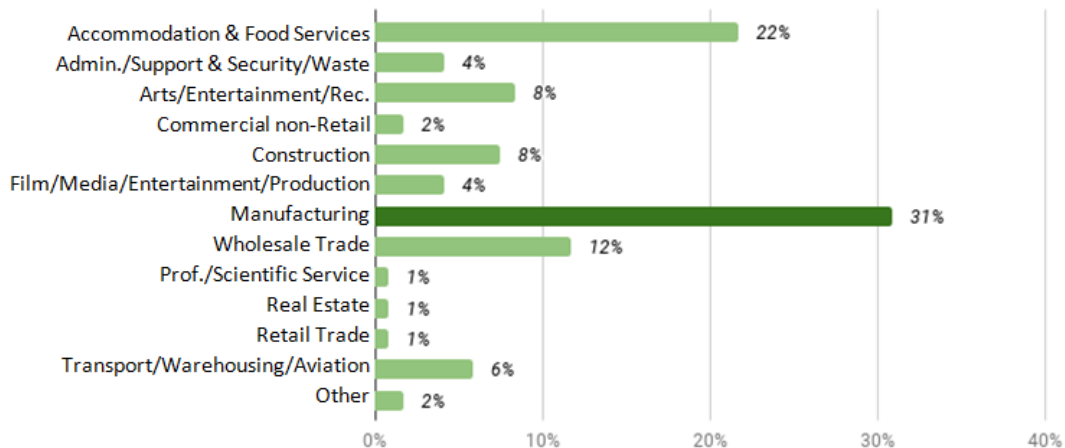
This time around, Accommodation and Food Services is second and Wholesale Trade is third. Likely this change is due to businesses within NAICS codes of wholesale trade placing themselves into different categories that more specifically reflect their work. In addition, likely a small percentage of the businesses under the category of "Arts/Entertainment/Rec." manufacture pieces of art, like sculptures.

Altogether, the numbers point to the same story: that the influence of manufacturing is waning.

This is not to say that the business of manufacturing is unimportant.

There are a diverse set of thriving businesses manufacturing everything from jewelry to coffee, cabinets, baked goods, television sets, and more. However, they share their industrial communities with many warehouses as well as a significant number of vehicle repair shops, with roughly 8% of businesses falling specifically under code 811111, General Automotive Repair. What these overall changes in industrial sectors mean for the future of the IBZ's however, remains to be seen.

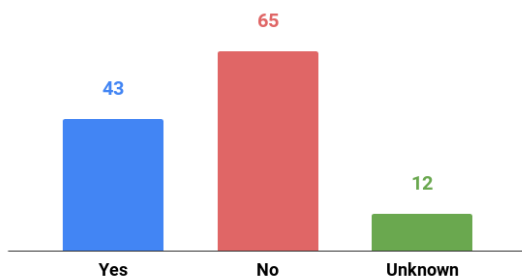
Respondents by Sector



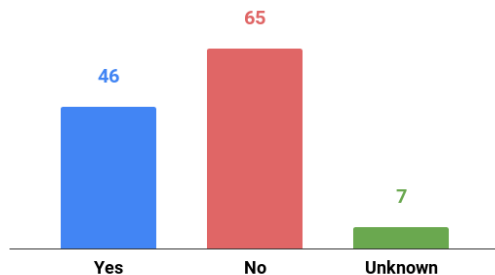
Workforce Information

Businesses were also asked about future hires, training, and employee commuting patterns. Most businesses were neither hiring new employees nor training anyone. Of the 120 businesses surveyed, only **36% said they were hiring new employees**; and a similar **38% said they were training new or existing employees**

Hiring New Employees?



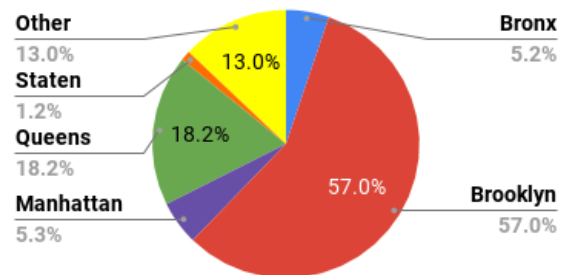
Training New / Existing Employees?



It causes one to wonder why more businesses aren't hiring. According to one surveyor, of the businesses that were hiring, many complained that it was difficult to find qualified and responsible candidates. In addition, a small percentage of responses were answered as "unknown" for both questions; perhaps due to business uncertainty around the future.

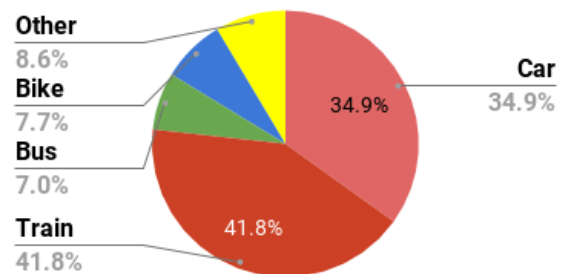
The largest share of industrial employees (57%) call Brooklyn their home at the end of the workday, though an additional 18% reside in neighboring Queens. The remaining 27%, combined, come from Manhattan, the Bronx, Staten Island, and elsewhere. Employees who come from outside New York City are mainly from New Jersey, Long Island, and neighborhoods north of the Bronx (Westchester, Yonkers, etc.).

Employment by Borough



As to employee commuting methods, the overwhelming majority of workers, 77%, travel by train or car. In contrast, only 23%, or the rest of workers, travel by bus, bike, or foot.

Employee Commuting Methods



Workforce Information

Several evaluations can be made from this chart. As mentioned earlier, most workers commute by train or car. This is interesting, considering there is both a lack of public transit, especially trains, and a lack of parking, within North Brooklyn, and especially in Greenpoint.

Despite these concerns, workers still continue to find a way into work. It makes one question whether or not the future of the industrial business zones can be empowered or stymied by parking or public transit additions.

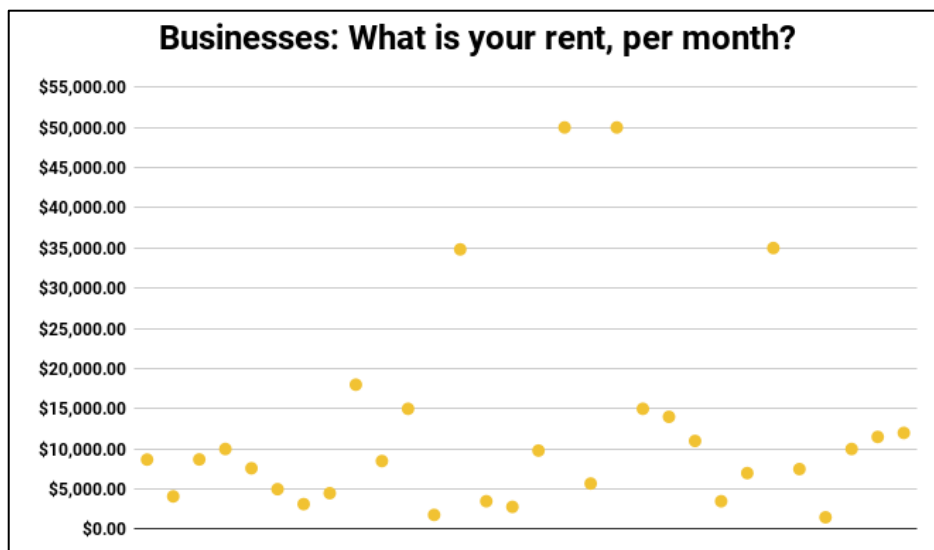
It is also important to note that many businesses listed “walking” as a preferred method of transportation.

However, on the digital version of the survey, there was no specific category for walking or for “other.” There was a category for “ferry,” however, and not a single business listed this as a commuting method. Future surveys should look to add “walking” as a commuting method, as many of the workers and business owners live locally.

Property Information

In the IBZ’s of North Brooklyn, it is safe to say that most people “rent.” Of the 120 businesses we surveyed, **81 companies (67%) said they are currently renting their location of business.** When given a choice to either list their rent price to surveyors or mark whether or not they considered their rent affordable (without disclosing the amount), **30 businesses chose to disclose their rental costs** and **55 preferred instead** to state whether or not it was affordable, moderately affordable, or barely affordable.

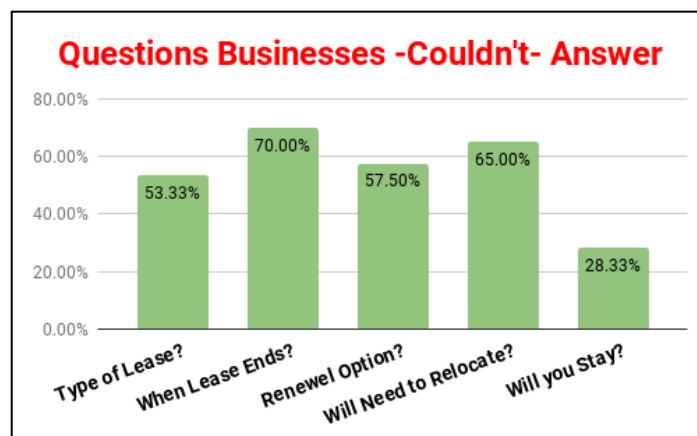
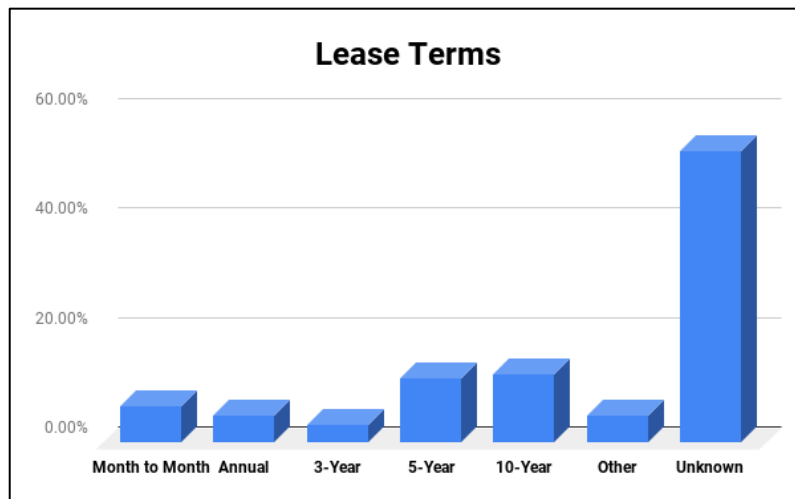
A little over 80% of businesses believe their rent to be either “affordable” or “moderately affordable.” In addition, the **median rental cost of respondents was \$8,691/month** and **over 60% of businesses are paying \$10,000 or less/month for rent.**



Property Information

The average business has about **4 years left on its lease**. In addition, there is a wide swath of lease terms for businesses, however the **plurality are 5 or 10 year leases**, after which time, a small percentage (**about 6%**) don't have a renewal option and, **overall, 10% of businesses** will need to relocate.

Markedly, a number of those answering survey questions, did not know/remember lease information, with a total **70% of businesses** not knowing when their lease was up. This was true both for employees answering questions as well as owners.



But while rental cost might be in the affordable range for most, this may be due to businesses leasing spaces smaller than needed. **About 22 of respondents (18%)** said that their space did not fit their business needs. Most cited the location being "too small."

Some of the auto body shops, in particular, often had to park cars they were repairing out on the sidewalk because there just wasn't enough space on premises, leading to increased lack of parking and road congestion.

Property Information

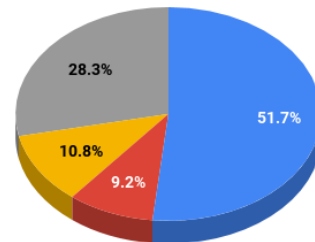
However, despite space being a clear issue, over **70% of businesses believed** that their location fit their needs, although, even amongst this majority, many businesses agreed that when it comes to space, they could always use more.

A large percentage of businesses **have renovated (26%), purchased new equipment (41%), or improved energy efficiency (41%)** in the past year.

The large amount of energy improvement is likely due in part to Con Edison, who has offered to upgrade the lighting in many businesses around North Brooklyn for free.

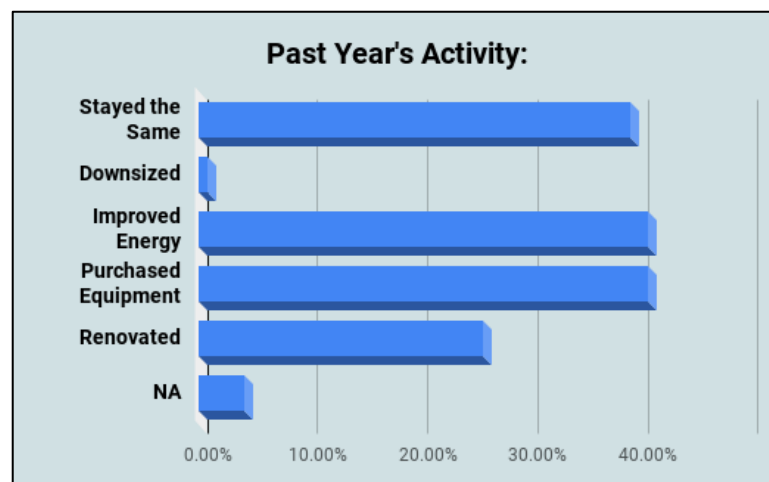
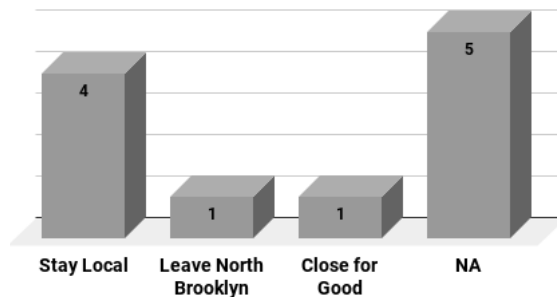
Businesses were also asked to predict their future year's activity. Notably, whether they would stay, relocate, or expand their business. Most businesses (**about 62%**) planned on staying at their current location, with a little under 20% of these same businesses also planning to expand. Planned revocation and expansions included: gas line extensions for cooking, door installations, lighting, fish tank installation, and the creation of a rooftop community garden.

● Stay ● Relocate ● Expand ● NA



Of the 11 businesses planning to relocate, at least 36% (or 4 businesses) plan to stay in North Brooklyn. However, an almost equal amount of businesses did not answer where they would be going.

Where will they go?



Demographic Information

While the large majority of businesses who responded spoke fluent English, surveyors had difficulty obtaining surveys from a few Spanish and Mandarin-speaking business-owners; and, in some cases, were actually turned away due to language barriers. Turning away was most frequent in the case of Chinese businesses. This issue could, in part, be resolved by surveyors carrying alternative copies of surveys in Mandarin and Spanish; making surveys more accessible to North Brooklyn's diverse cultural business community.

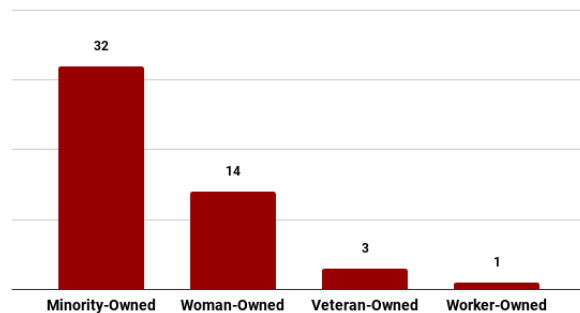
Of the **56 businesses** who agreed to divulge their owner's country of birth, about **18% were foreign-born**. Again, this number may, in reality, be higher due to our sample size being disproportionately English-speaking. Of those foreign born, most owners were either from Europe or Central and South America; with Poland, Romania, Chile, Mexico, and Ecuador being a few of the named countries of origin.

Minorities and woman are also key players in North Brooklyn, together comprising almost **40% of total business ownership**.

Needless to say, the demographic analysis reveals an industrial business community that is shaped by a diversity of peoples from different backgrounds and origins.

Heterogeneity within the industrial community should continue to be embraced as a means of cultivating an even more robust exchange of ideas and knowledge that will help the sector evolve as a whole.

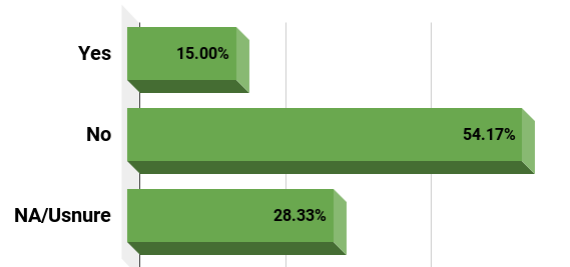
M/W/DBE Status



Business Assistance

Over half of the survey respondents had never received services through Evergreen before (65 businesses). There were an **additional 34 businesses who were either unsure whether they had received help from Evergreen in the past or did not answer**; and, according to surveyors, in many cases, the employees being surveyed had not heard of Evergreen at all.

Received services from Evergreen before?



Business Assistance

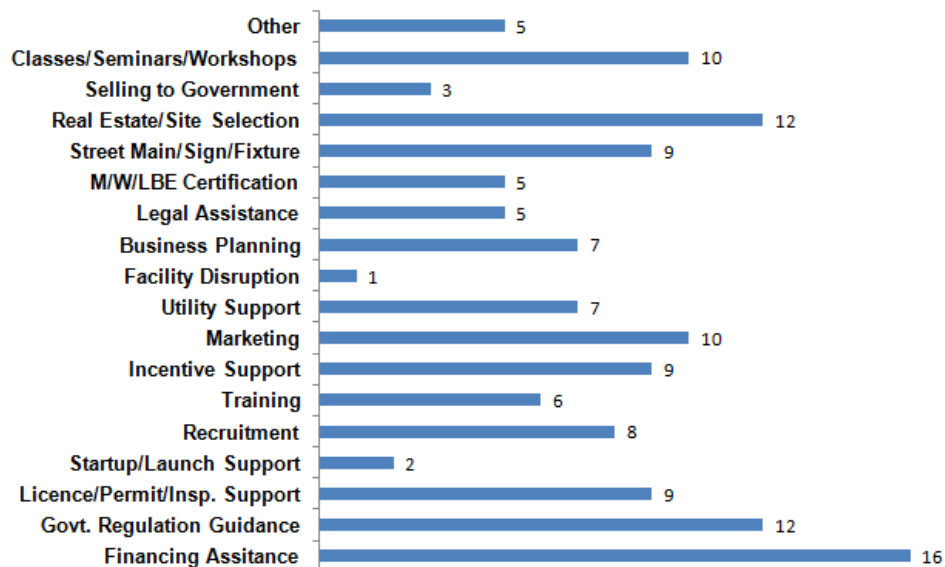
While surveyors should be celebrated for their ability to canvass businesses unfamiliar with Evergreen and their ability to educate these businesses on Evergreen's behalf; concern should be noted at the overall unfamiliarity with Evergreen in the North Brooklyn industrial community. Based on this data, perhaps more effort should be made to reach out and inform businesses about Evergreen and its mission.

In addition, there was no question on the survey, directly asking businesses whether or not they had heard of Evergreen. Future surveys may want to include this in order to estimate overall business familiarity.

Of those businesses who had received services in the past from Evergreen, most were optimistic about the organization, and cited help with moving, grant financing, real estate, classes, and mixers.

Of those who were familiar with Evergreen but had not received services, opinions on the organization were generally good, but somewhat mixed; with some businesses thinking positively about the organization but not understanding what exactly we do. Others felt pessimistic about the future of the IBZ, overall, regardless of Evergreen's presence.

Desired Services



Financing Assistance was the top most desired service (**roughly 13% of all respondents** listed it). Government Regulation Guidance and Real Estate/Site Selection were close selections at a **tied 10%**.

"Other" services not listed included reducing "filth" on the street, helping with zoning, sending newsletters, and helping mediate between difficult neighboring businesses. In this challenging environment, industrial businesses in particular will continue to need access to information about what services and assistance are available to them.

Qualitative Assessment

The SBS/Evergreen Business Engagement Survey also entailed a qualitative concluding segment that allowed respondents to give more detailed information about their needs and challenges. The following assessment will include a summary of these responses as well as our surveyors' observations from the field and notes from conversations with business owners who may not have participated in the survey.

The Rise of Movie Studios

North Brooklyn is experiencing a renaissance in film production. As our surveyors walked through the Greenpoint neighborhood, especially south of Greenpoint Avenue, it was impossible not to notice the medium's newfound presence. Vast studios span entire streets; bustling with carpenters, set designers, and a slew of other independent contractors in the cast and crew.

And while the surveyors did their best to walk into studios and talk to crew about our survey; their efforts were primarily in vain. This is because our current survey does not sufficiently address questions related to film production as a business. Nor does it account for the difficulty in reaching someone higher up, who could accurately business information.

Our current survey is catered, especially, towards small businesses intending to do business in Brooklyn in the long term. In contrast, the majority of film producers are leasing their current studio lots for less than a year. They hire an enormous amount of private contractors, primarily full-time, who live both in and outside of NYC. Therefore, to answer questions pertaining to employment, a surveyor would need to talk to someone higher up.

A recommendation should be made to Evergreen when conducting surveys in the future to handle film studios particularly, in a different manner. First, it would be prudent to set up a meeting, in advance, with the largest film production studio in the area: Broadway Stages. Windmill Studios NYC is another smaller film

production company worth reaching out to.

It would also be prudent to create an alternative survey suited, specifically, towards the film industry. This survey would take account of the numerous sets film studios rent out to production companies in a given period of time—with a section for money grossed from various projects.

All in all, North Brooklyn is bustling with film production and in coming years, it will be exciting to document this growth and progress over time.

The Race for Space: Automotive Repair and Parking

While not as prominent as the film studios in square footage, the automotive repair shop is a clear contender in North Brooklyn IBZs, making up almost 11% of survey respondents. From Angel Auto Repair and Transmission, south of the Brooklyn Queens Expressway, to Triborough Motorcycles near the Pulaski Bridge; these shops are an intrinsic part of North Brooklyn's industrial businesses.

Like all businesses, automotive repair comes with its own sets of needs and requirements. One such need, however, is shared by many around: space. As mentioned earlier, some automotive repair shops look towards street parking as a means of storing the cars they are working on. This is due to the increase real estate prices leading larger garages to be unaffordable. Unfortunately, street parking is a rare commodity these days in Brooklyn IBZs.

Qualitative Assessment

In fact, the single largest complaint posed towards our surveyors was not rising rent or government regulations. It was quite clear: parking. Almost every business posed the lack of “parking” as a consistent and worsening issue in their neighborhood. Several business owners admitted that either they, themselves, and their workers were frequently late due to a shortage of parking. This issue is exacerbated by the lack of train service in the three IBZs. As the area becomes increasingly residential, and automotive companies continue to flourish, the fight for parking spots may become worse than better.

Community and Character in the IBZs

While many businesses complained of the IBZ's shrinking continuously from year-to-year, there were a few areas which continued to show a strong industrial presence and community.

The first was in the GW IBZ around Dobbin Street. The small street is home to over 30 industrial businesses including the Van Leeuwen Ice Cream factory and MotorGrrl motorcycle repair shop.

The majority of properties on Dobbin Street, remained industrial, and bustling. The sounds of large-scale industrial tools at work, ever-constant renovation, and workers permeated the area.

While Dobbin Street continues to be predominantly industrial, there were some small signs of change.

Three new businesses on Dobbin Street were not industrial, including two commercial clothing shops and an event space called Dobbin St. As these new companies arrive, and compete for space with the existing industrial businesses, the character of the street may start to change. However, as of now, despite complaints between the event space and the industrial businesses, Dobbin Street remains almost entirely true to its industrial heritage.

The other street of interest was India Street, located in the North Brooklyn IBZ, couched between McGuinness Boulevard and Provost Street. It is home to nearly a century's worth of Brooklyn's industrial businesses, from family run Bedi Makky Art Foundry Corporation founded in the 1920s to Tri-Lox, a sustainable wood mill, fabrication, and design studio opened in 2009 by three close friends.

On India Street, there was an obvious feeling of community and comradery between each and every business. A Tri-Lox employee described the street as a space where everyone knew each other. According to our surveyors, India Street felt like a neighborhood, with one business after the next greeting each other and introducing our Evergreen surveyors to their neighbors.

In Conclusion...

North Brooklyn's industrial businesses are very much alive. While Evergreen's catchment area is becoming increasingly commercial and residential, this shift in business composition does not negate the influence of pre-existing industrial businesses. In addition, our survey demonstrates that new industrial businesses are moving in every day. As our IBZs continue to grow and change, it is important that groups like Evergreen actively support and strengthen these industrial communities, providing a bright future for industrial businesses big and small.