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Trying to find a new formula to tame the spread of chains

By Patrick Hedlund

Astor Place has always acted as a gateway to the East Village, but the tiny stretch also marks a nexus of another kind: where a trio of Starbucks coffee shops sit within a few hundred feet of the intersection. This proliferation of the international chain counts for only three of about 170 Starbucks across Manhattan. But to some concerned East Villagers, the coffee shops' presence signifies the beginning of the end for local independent business.

To address the encroachment of chain stores, some members of the East Village Community Coalition have taken the first steps toward what they hope will be a "formula retail" zoning plan for the neighborhood that could limit or change the character of chain stores opening in the area.

The concept — initiated by Michael Rosen, E.V.C.C.'s co-founder and a 19-year East Village resident — seeks to eventually implement changes to the city's Zoning Resolution that would prevent so-called formula chain establishments such as Starbucks from displacing local businesses or appearing out of context with the neighborhood.

The organization has only just begun to investigate the idea, after publishing its second annual pocket guidebook featuring hundreds of independently owned shops in the East Village to encourage locally based commerce. E.V.C.C. also recently enlisted the help of the Pratt Center for Community Development to research possible solutions in the increasingly gentrified area, which Rosen worries could become like "your basic strip mall" if preventive action is not taken.

"As economic circumstances allow, as the area becomes more affluent, you're going to find more and more chain stores," said Rosen, citing establishments like Starbucks and Dunkin' Donuts threatening independent operations like MUD Coffee on E. Ninth St. "My personal preference is that no chain stores are in this community," he said.

E.V.C.C. has chosen to focus on the area between 13th and Houston Sts. and between Third Ave. and the East River for possible formula retailing restrictions, which could either discourage large retailers through size caps or special-permit obligations specific to chains — or ban them outright.

While retail corridors along the East Village's western edge have already absorbed the big-box crush into formerly mom-and-pop store areas, much of Alphabet City still retains a smaller-neighborhood feel with boutiques, cafes and specialty shops run by local residents.

Tales of hardship

Dominique Camacho, who was the driving force behind E.V.C.C.'s "Get Local" guide, has owned the custom T-shirt shop Tees on Avenue A near E. 10th St. for the past two-and-half years. During the course of gathering information on 384 local shops for the guidebook, she heard tales of hardship from other owners coping with rent increases. She said it's the neighborhood's longest-tenured tenants that face the greatest threat.

"It's the unique, original boutiques of the East Village, who've been around the longest [and] are responsible for making the area what it is, who are maybe the ones having the hardest time," Camacho said of the funkier shops that add a distinctive flavor to the neighborhood. Rosen noted that, as well as providing a record of the myriad East Village stores, publishing the guidebook has allowed E.V.C.C. to study the problems posed by gentrification throughout the neighborhood.

The organization then decided to reach out to Vicki Weiner, director of planning and preservation at the Pratt Center for Community Development, who recently presented an initial study of local retail preservation to the Municipal Art Society. She agreed to lead a class of graduate students this upcoming semester who will study the area between 10th and Sixth Sts. and Third and First Aves., identifying its existing retail nature, then working to provide possible solutions to protect its character.

"I don't think I would have wanted to work in this neighborhood if I didn't think, A — there was a lot of local neighborhood culture and character to be preserved in the East Village, and B — with the right set of strategies that it would be possible to pull it off," said Weiner. She said a comprehensive survey could produce a number of possible "offensive" and "defensive" strategies.

These strategies include requirements stipulating that chain stores cap their size or must possess a special permit, but could go as far as a total moratorium on franchise operations. Another idea is to require chains to have facades and signage that are both contextual with the neighborhood and unique. Some strategies also seek to incentivize the cost of independent owners' doing business, including tax breaks or commercial rent control.

The severity of the formula retail prohibitions will depend on a number of factors specific to the community, as well as local political support, but Weiner believes a full-on ban might prove difficult.

"I think it's hard to go to the East Village today and say, 'Let's get no chains,'" she added, noting that chain stores sometimes benefit lower-income neighborhoods by offering more goods. Plus, she added, "They're already there."

Parts of San Francisco adopted formula retail legislation more than three years ago that stated any retail business operating more than 11 stores worldwide could not open a new location in the city.

The vote by San Francisco's Board of Supervisors — the city and county's version of New York's City Council — was 8 for and 3 against the measure.

One supervisor who voted then in favor of the legislation recently took it a step further in his district, where he will seek a total ban on formula retail establishments in his lower-income community at an upcoming board vote.

Tom Ammiano claimed that the largely Latino district he represents mirrors the East Village, in that it still retains a smaller-neighborhood feel filled with locally owned businesses.

"The stores have a folksy atmosphere," Ammiano said of the primarily Puerto Rican-, Salvadoran- and Nicaraguan-owned shops that comprise the 15-block retail corridor he wants to preserve. "There's just not that familiarity" with chain retailers, he said.

He added that while efforts to prevent formula retail stores in more well-to-do districts have only encouraged higher-end boutiques there, his measure would protect establishments like his neighborhood's ethnic eateries, clothing and supply stores — all the way down to the smoke shops.

"It's populist, and sometimes that sells and sometimes that doesn't. I definitely think it's going to be a big challenge for people [in the East Village] to get it done," said Ammiano, who is originally from New Jersey.

Positive chain reaction

But Michela Alioto-Pier, one of the supervisors who opposed the legislation, said chain stores played an important role in recovery after the Loma Prieta Earthquake struck the Bay Area in 1989. Businesses in some of the city's more fashionable neighborhoods suffered in the quake, she noted. Tenants like the Gap and Pottery Barn were brought in to reinvigorate certain districts, resulting in an overall boon to business that also included the smaller establishments, she said.

"It wasn't the formula retail stores getting the most attention [from shoppers]," said Alioto-Pier of the chain stores. But the smaller stores "needed some kind of economic generator to bring people in," she said.

She acknowledged, though, that saturation by chain stores does pose a risk to small businesses. But she said that formula retail restrictions' economic impacts are hard to predict and could result in fewer job opportunities or retail properties languishing while chains try to fight their way into the community.

“The problem is that it is a little about how cities grow, change and develop,” said Alioto-Pier, who represents some of San Francisco’s more upscale neighborhoods. “Part of what formula retail is all about is to retain the quaintness and sweetness of these communities. [But] ultimately that’s going to be very hard to do.”

The San Francisco supervisor even championed Starbucks’ business model and record for giving back to the local community through contributions and job creation.

However, retailers like Starbucks should have no place in the historically countercultural East Village, historic home to artists like Allen Ginsberg and activists like Abbie Hoffman, said Reverend Billy, an anti-consumerist activist. Reverend Billy, real name Bill Talen, has performed “exorcisms” of Starbucks cash registers and vehemently criticizes the chain in frequent protests. He sounded a veiled threat that the corporate coffee giant should not try to move any further east into the neighborhood than the Astor Place locations and another nearby on Second Ave. near Ninth St. — the latter which lies across the intersection from independently owned MUD Coffee.

To that end, the performance-artist preacher and his acolytes are prepared to go to prison in protest of incoming chains, he said, and “will put their bodies on the line to keep Starbucks out of the East Village.” Defending the neighborhood’s history as a bastion of diversity and revolutionary activity is paramount, as ubiquitous chains continue to crop up across all of Manhattan, Talen added.

“It’s the home of original culture,” he said of the East Village, noting he fully supports E.V.C.C.’s efforts at resisting “the influx of the demon monoculture.”

The East Village, he said, is “edgy and scary and human and funny, and that’s all the things that chain stores are not.”

MUD Coffee has become a symbol of what the formula retail advocates are endorsing. The cafe’s Web site says this mantle was partly its own doing:

“Were we chosen to be the anti-establishment coffee machine of N.Y.C.’s East Village or did we plan it? A little of both. Sure it was a bit of a right time, right place story, but it was also a fundamental philosophy. See, the generic coffee monster already was. Then it was again. Directly across from each other and up the avenue down the street. Nothing but green logos and upscale prices.

“Then came the orange [MUD] truck and it parked directly in the middle shining like the sun. It served everybody with a smile and it had fair prices. It made the best cup of coffee in New York City and it didn’t discriminate. The smokers smoked, the dogs had bones, and it played sweet soul music. And the chain was broken.”

The question remains, however, beyond the individual successes of small merchants like MUD, can the city pass a sweeping formula retail zoning that would give the little guy a better chance?

Tony Avella, chairperson of the City's Zoning Committee, said he supports any local planning efforts that lean toward preservation rather than development. He had not yet been apprised of formula retailing, but agreed with the idea that local residents and tenants should have more of a say in their own community planning.

"These big-box stores have a tendency to destroy the mom-'n'-pop shopping districts," said Avella, who plans to run for mayor in the next election. He offered to help E.V.C.C. in its quest by passing along his knowledge of city planning, but did not express optimism that a preservation-based process could move forward under the current administration.

"It will be hard to do, but that shouldn't be a reason for them not to proceed further," he said.