

# FOOD RETAIL EXPANSION to SUPPORT HEALTH

A study conducted for the Mayor's Food Policy Taskforce by the New York City Departments of Health and City Planning and New York City Economic Development Corporation showed that many low-income neighborhoods across the city are underserved by neighborhood grocery stores. The resulting lack of nutritious, affordable fresh food in these neighborhoods has been linked to higher rates of diet-related diseases, including heart disease, diabetes and obesity.

In response, the City, in partnership with the City Council, has established the Food Retail Expansion to Support Health, or **FRESH** program. **FRESH**, an initiative of Mayor Bloomberg's **Five-Borough Economic Opportunity Plan**, promotes the establishment and retention of neighborhood grocery stores in underserved communities by providing zoning and financial incentives.



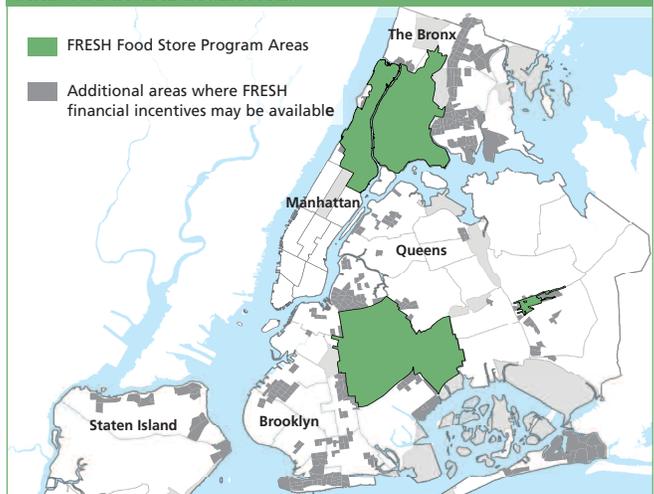
## Eligible Grocery Stores

The program is open to grocery store operators renovating existing retail space, or developers seeking to construct or renovate retail space that will be leased by a full-line grocery store operator. Stores that benefit from the program must meet the following criteria:

- (a) Provide a minimum of 6,000 square feet of retail space for a general line of food and nonfood grocery products intended for home preparation, consumption and utilization;
- (b) Provide at least 50 percent of retail space for a general line of food products intended for home preparation, consumption and utilization;
- (c) Provide at least 30 percent of retail space for perishable goods that may include dairy, fresh produce, fresh meats, poultry, fish and frozen foods; and
- (d) Provide at least 500 square feet of retail space for fresh produce.

All grocery store site plans must demonstrate that they are in compliance with the above criteria.

## FRESH FOOD STORE PROGRAM AREAS ELIGIBLE FOR ZONING AND FINANCIAL INCENTIVES



FRESH incentives will be targeted in the above program areas, which are among the most underserved in the city. Since 2000, these areas have experienced sizeable growth: nearly 100,000 new housing units have been constructed and the population has grown by more than 200,000 people.

Although these areas are underserved by food retail, they are experiencing a resurgence in new commercial investment. East River Plaza and Harlem Center in Upper Manhattan, Gateway Center at the Bronx Terminal Market and Gateway Center in Brooklyn are creating new and exciting retail magnets in the program areas.

## NYCIDA FINANCIAL INCENTIVES\*

### Real Estate Tax Reductions

- **Land taxes**
  - Abatement equal to \$500 multiplied by each full-time employee or part-time equivalent at time of application may be abated for 25 years, or
  - Abatement equal to full value of land tax for project sites located within Empire and Empowerment Zones.
  - A phase-out of the benefit begins in year 22 and continues through year 25 at 20 percent each year. In year 26, land taxes increase to full amount.
- **Building taxes**
  - Stabilization of building taxes based on pre-improvement assessed value for 25 years.
  - A phase-out of the benefit begins in year 22 and continues through year 25 at 20 percent each year. In year 26, building taxes increase to full amount.

### Sales Tax Exemption

- An exemption from the 8.875 percent sales tax on materials to construct, renovate or equip facilities.

### Mortgage Recording Tax Deferral

- A deferral of mortgage recording tax relating to the project's financing, equal to 2.05 percent of the mortgage amount for mortgages of \$500,000 or less, and 2.80 percent for mortgages greater than \$500,000.

## DCP ZONING INCENTIVES

### Additional Development Rights

- One additional square foot of floor area in mixed residential development and commercial buildings for every square foot provided for a grocery store, up to a 20,000 square foot limit.

### Reduction in Required Parking

- Stores up to 40,000 square feet in commercial districts that permit residential buildings with ground floor retail will not be required to provide parking.
- First 15,000 square feet exempt from parking in other Commercial and Light Manufacturing districts.

### Larger-As-Of-Right Stores in Light Manufacturing Districts

- Grocery stores up to 30,000 square feet permitted in M1 districts.

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\* All NYCIDA benefits are discretionary. Companies requesting assistance from the NYCIDA will be evaluated by NYCIDA staff individually to determine specific eligibility. All benefits are, by statute, subject to the approval of the NYCIDA's Board of Directors. Companies must request NYCIDA assistance prior to entering into any property lease, acquisition or renovation contracts, unless such contracts are contingent upon NYCIDA assistance.

## OTHER INCENTIVES

Grocery store operators and developers can independently access energy efficiency benefits through programs offered by the New York State Energy Research and Development Authority (NYSERDA). Such programs include:

- Existing Facilities Program: Benefits for energy-efficiency retrofitting and equipment purchases.
- New Construction Program: A combination of assistance and incentives to incorporate energy-efficiency measures into design, including a peak-load reduction program.
- Energy Audit Program: For businesses with electric utility bills less than \$75,000 annually, a low-cost walk through energy audit.
- FlexTech/Technical Assistance Program: For larger businesses a fifty-fifty cost-sharing with NYSERDA, for a detailed energy study.

## CONTACT US

For full program details, eligibility requirements and application information, please call 311 or visit us at [www.nyc.gov/fresh](http://www.nyc.gov/fresh).