Name of Vendor: Arverne by the Sea
Federal Stimulus Program: Recovery Zone Facility Bonds
Administered By: New York City Economic Development Corporation

To help jumpstart stalled retail and commercial development projects, the Federal government authorized approximately $122 million in allocations for tax-exempt financing to New York City under the American Recovery and Reinvestment Act (ARRA) in February 2009. Stimulating private lending would provide critical support for local projects and, more importantly, thousands of new jobs for unemployed workers.

Since the $25 billion federal Recovery Zone bond program was new, and no other city in the country had disbursed their funds, which meant a selection and allocation process essentially did not exist. New York City Capital Resource Corporation (NYCCRC), which is staffed by New York City Economic Development Corporation, went to work developing the Recover NYC Program even before the allocation was received in June 2009 and creating the parameters to distribute the financing equitably and efficiently to neighborhoods that needed it most.

The Recover NYC Program provides selected project teams with the ability to borrow money at reduced rates over longer periods of time than traditional commercial lending. By mid-July 2009, NYCCRC had received and reviewed 30 applications requesting more than 10 times the City's total bond allocation. In September 2009, NYCCRC administered the initial $35 million in allocations, making New York City the first municipality in the country to do so.

In fact, the city has issued half of the Recovery Zone bonds disbursed across the country to-date, prompting the U.S. Treasury to recognize New York as a national leader in the program. The first of New York City's projects to open is a new major supermarket in the southern Queens oceanfront community, Arverne by the Sea. The project received $5.5 million in tax-exempt financing, one of two Recovery Zone projects developed by Arverne by the Sea LLC.

"Without Recovery Zone bonds, the Stop & Shop would not have been built, and there is now a supermarket in the Rockaways where there was none before, for miles," said Gerry Romski, Arverne by the Sea project executive.

The neighborhood was found to have a high need for more supermarkets as part of the City's 2008 "Going to Market" study. Today, the new $23 million, 55,000-square-foot Stop & Shop provides access to fresh groceries for local residents. The project has also been a job-generator, creating 200 construction jobs and another 100 permanent jobs. Additionally, the supermarket has many eco-conscious design features, including an Energy Star-rated reflective white roof and daylight harvesting from skylights and windows.

With successes such as these, New York City has become a model for other regions nationwide and is on track to make use of the full nearly $122 million before the program expires at the end of the year.