The FRESH Food Store Area Program

Food **R**etail **E**xpansion to **S**upport **H**ealth:

Promoting Grocery Stores in Underserved Areas of New York City

New York City Department of City Planning

New York City Economic Development Corporation

NEW YORK CITY. MAKE IT HERE.

NYC Health

THE Five Borough Economic Opportunity PLAN

2008 DCP study identified a shortage of grocery stores in New York City

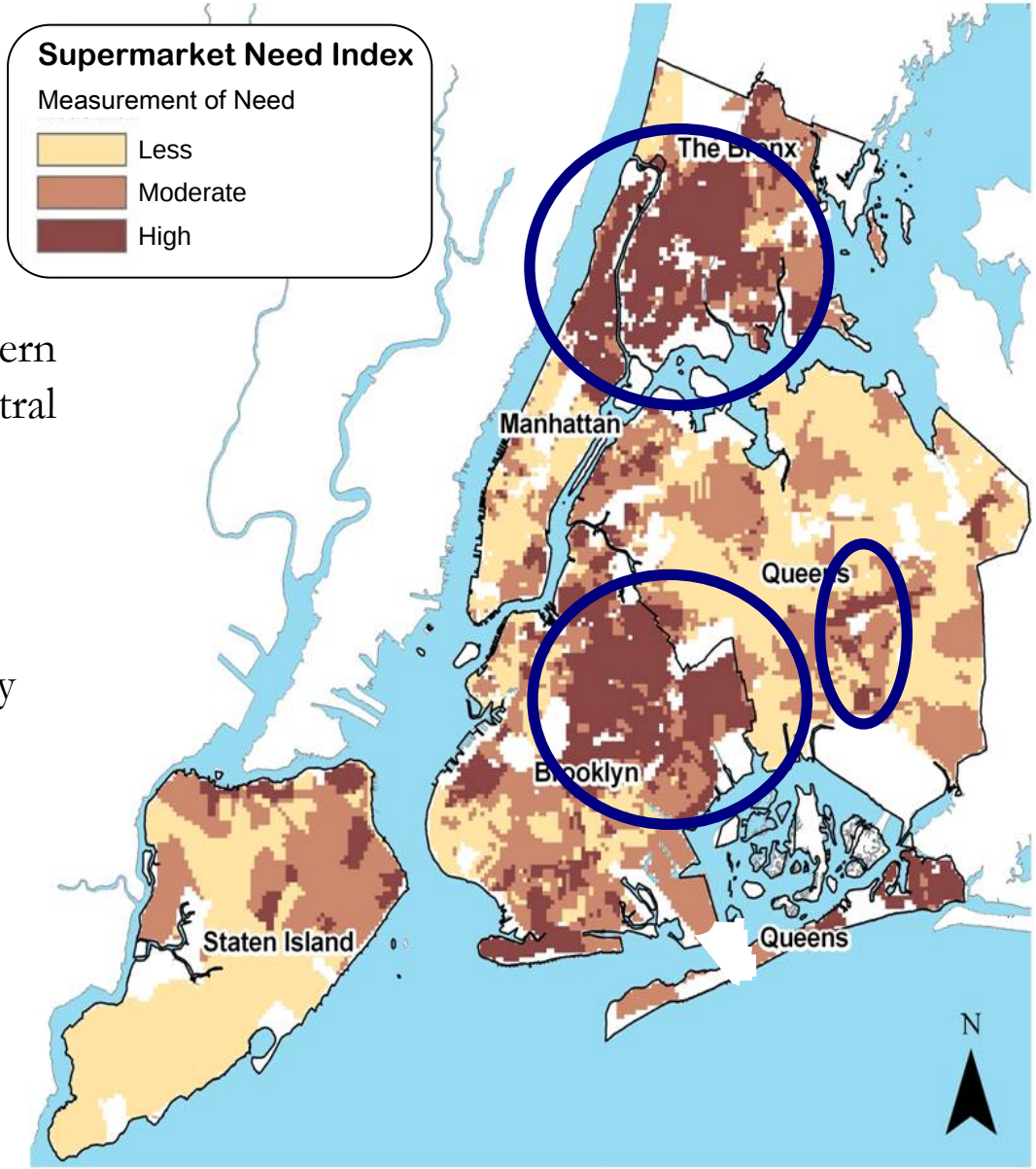
- DCP study identified areas of highest need for new full-line grocery stores. Residents in these areas have limited opportunities to purchase fresh food and have higher rates of obesity and diabetes.

- Increasing access to full-line grocery stores is essential to improving the health of City residents and quality of life in the City's neighborhoods.

- Mayor's Office, Departments of Health, City Planning and Housing Preservation and Development, and the NYC Economic Development Corporation developed a program of incentives to support existing grocery stores and promote the development of new stores.

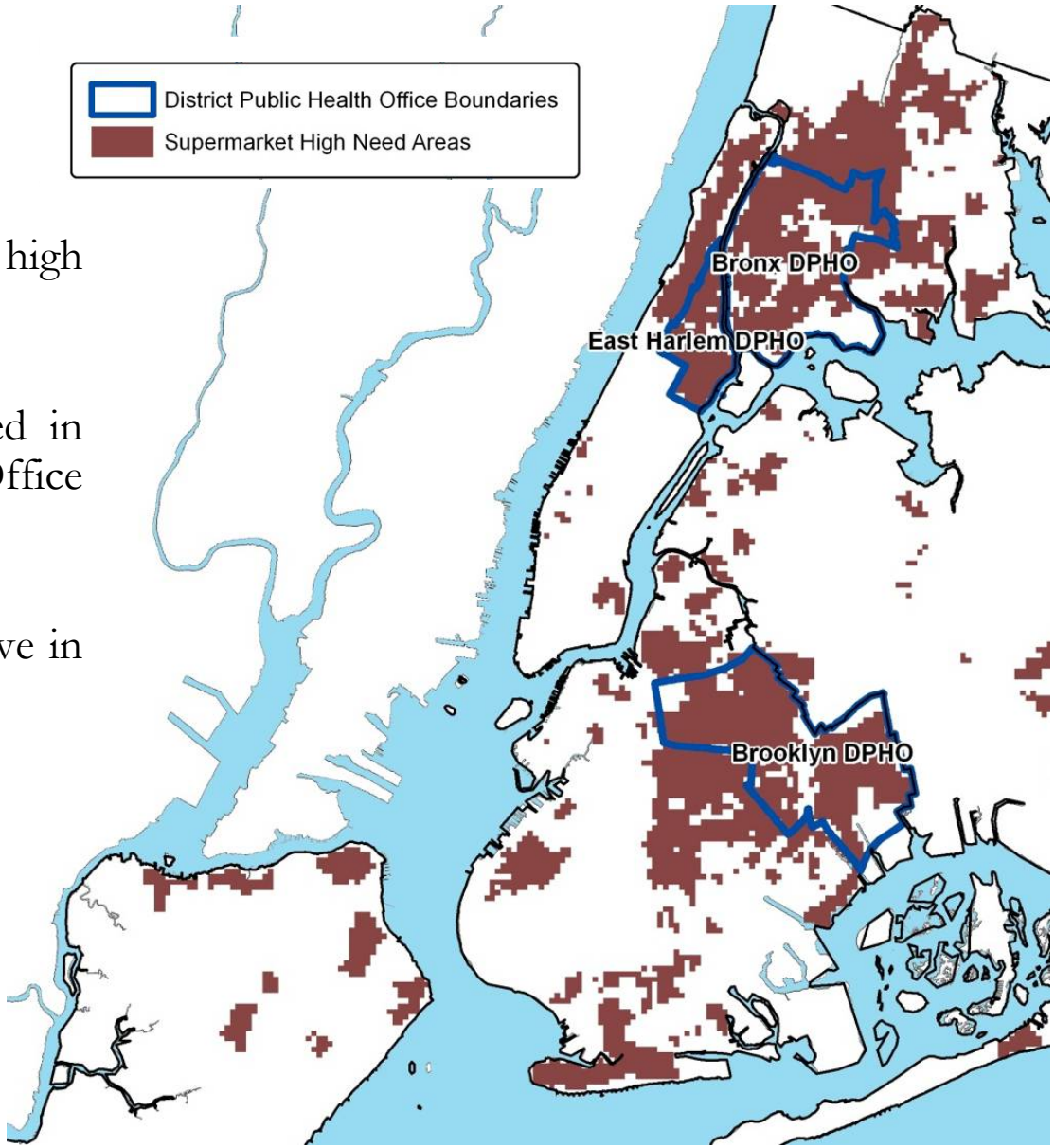
Findings:

- Highest need exists in northern Manhattan, the South Bronx, Central Brooklyn, and Jamaica, Queens.
- More supermarkets are needed citywide. EDC estimated approximately $1 Billion in lost City grocery sales to suburban stores.



Findings:

- 3 million New Yorkers live in high need areas.
- High need areas are concentrated in the District Public Health Office (DPHO) areas.
- Over one million New Yorkers live in the three DPHO areas.



1. Create new and preserve existing neighborhood grocery stores to improve New Yorkers' quality of life and health. More grocery stores will:

- Increase the opportunity to buy fresh, nutritious food, which is essential to preparing healthy meals;
- Increase selection of fresh food retail options; and
- Offer convenience and save time on grocery shopping for New Yorkers living in underserved areas.

2. Create new and preserve existing grocery stores to improve economic conditions in New York City neighborhoods.

- The introduction of new neighborhood grocery stores increases property values, expands the city's tax base and creates jobs.
- Full-line food stores are high-value magnets that attract complementary stores and services, creating opportunities for additional private sector investment.
- New stores contribute to the physical revitalization of communities.

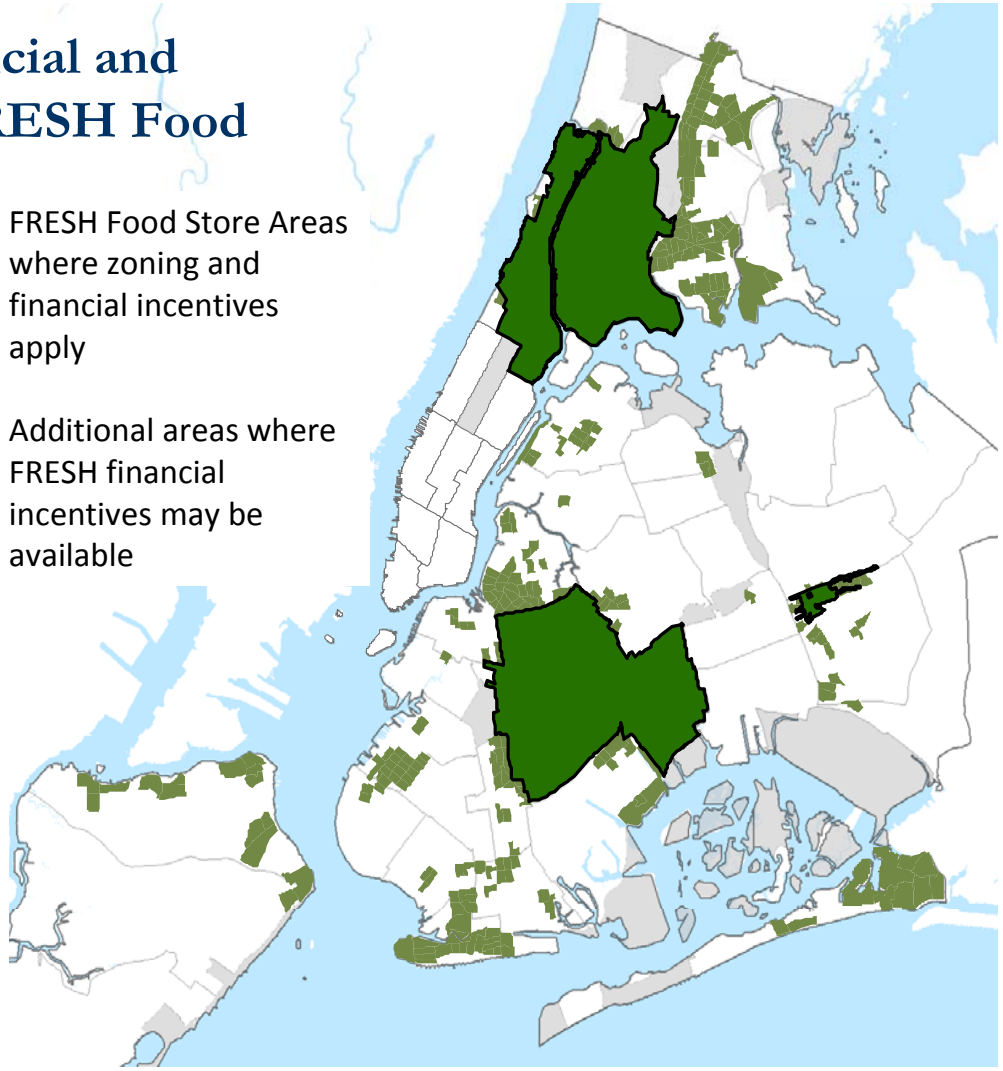
What broad policy can be implemented to improve access to neighborhood grocery stores?

- The FRESH Food Store Area program aims to create, preserve and incentivize expansions of full-line grocery stores in underserved areas.

- The FRESH Food Store Area program will combine financial and zoning incentives to encourage the development of new stores, as well as upgrades and expansions in existing stores.

FRESH combines a package of financial and zoning incentives in the following FRESH Food Store Areas:

- **Northern Manhattan:**
  Generally CDs 9-12
- **South Bronx:**
  Generally CDs 1-7
- **Central Brooklyn:**
  Generally CDs 3, 4, 5, 8, 9, 16, 17
- **Jamaica, Queens:**
  Special Downtown Jamaica District



Financial incentives may be available in broader areas of the City that are underserved, including the north shore of Staten Island and in other neighborhoods in the Bronx, Brooklyn and Queens.

What food stores qualify for FRESH?

A store whose **primary business is the sale of a general line of food products intended for home preparation and consumption**, including a healthful selection of fresh fruits and vegetables; fresh and prepared meats, fish, and poultry; canned and frozen foods; dairy; and nonfood grocery products.

(1) the total store selling area occupies a minimum of 6,000 sq. ft.;

(2) a minimum of 30 percent of total store selling area is devoted to the sale of perishable products that includes dairy; fresh produce; fresh meats, poultry, and fish; and frozen foods; and

(3) a minimum of 500 sq. ft of selling area is devoted to fresh produce (fruits and vegetables).

1. Additional floor area in a residential building with a ground floor FRESH food store

- One additional square foot of residential floor area would be allowed for every square foot provided for an FRESH food store up to 20,000 sq. ft.

- Where contextual envelopes apply, buildings would be required to abide by height limits and other bulk regulations.

- By City Planning Commission Authorization, the development could apply to exceed the height limit by a maximum of one story if the contextual envelope prevents them from achieving the full development potential.

If this new building in Manhattan included a 15,000 sq. ft. FRESH food store, it could provide approximately 15 additional dwelling units. This site is more than a ¼ mile from the nearest existing grocery store.

2. Reduction in required parking

- In commercial districts that require parking, except for C8- districts, FRESH food stores up to 40,000 sq. ft. would **not** be required to provide parking. These areas are dense and pedestrian-oriented, and current parking requirements are unnecessarily high
- In C8- and M1- districts, the first 15,000 sq. ft. of grocery store would have a low parking requirement. After the first 15,000 sq. ft. underlying parking requirements would apply. These areas are generally adjacent to residential areas, where some parking is necessary but where current requirements are unnecessarily high.
- Reduced parking requirements will decrease costs associated with parking for FRESH food stores along pedestrian-oriented retail streets in the FRESH Food Store Areas.

A 15,000 sq ft grocery store built on this site in Brooklyn under current zoning would have 75 parking spaces required, more than are needed. Under the proposal, a FRESH food store would not be required to provide parking. This site is more than a ¼ mile from the nearest existing grocery store.

REDUCED PARKING CARVE-OUT AREAS

- Lower-density neighborhoods and zoning districts where shoppers are likely to arrive by automobile are excluded from the reduced parking requirements for FRESH food stores

- In other selected shopping center districts, where people tend to arrive by car, park, and then walk to multiple stores, FRESH food stores would have the same parking requirements as other retailers, rather than higher requirements as under current zoning.

- Reduced parking requirements for grocery stores have already been applied in the Special Downtown Jamaica District

FRESH Food Store Area

Areas where parking requirements are not reduced

Parking for FRESH stores equalized with other types of retail

3. Modified light manufacturing use regulations

- Permit FRESH food stores as-of-right up to 30,000 sq. ft. from 10,000 sq. ft. in all M1 districts within FRESH Food Store Areas
- Eliminates the need for a special permit and its costly and lengthy land use and environmental review for stores up to 30,000 sq. ft.

Current zoning would only allow a 10,000 sq ft grocery store to be built on this site in the Bronx. Under the proposal, a FRESH food store up to 30,000 sq. ft. would be permitted as-of-right. This site is more than a ¼ mile from the nearest existing grocery store in a Mixed Use District.

FRESH food stores will be required to adhere to special design regulations

- Must display sign declaring participation in FRESH
- Urban design rules would require 70 percent glazing on ground floor, 50 percent of which must be transparent
- All security gates must permit visibility of at least 75 percent of area covered by gate when viewed from street

Certain districts will be excluded from the FRESH Food Store Areas

FRESH will not be applicable in special zoning districts where modified rules for grocery stores already exist, or where its provisions would be inconsistent with the objectives of the special district. The Special Districts include:

- Special Hunts Point District
- Special Manhattanville Mixed Use District
- Special Madison Avenue Preservation District
- Special Park Improvement District

Buildings receiving any zoning incentives must:

- Have FRESH food store certified by the City Planning Commission Chair;
- Demonstrate a commitment, through lease or MOU, to continually tenant a FRESH store in the building that meets the floor area requirements; and
- Record declaration of restrictions on the deed to the property specifying this commitment to retain an FRESH food store.

Buildings receiving additional floor area must:

- Have grocery store Temporary Certificate of Occupancy (TCO) issued before a TCO can be issued for increased residential floor area in the building.

A package of discretionary financial incentives for developers and operators of qualifying FRESH food stores can help bridge the gap in market rents and the rents that operators can pay.

- **Sales Tax Exemption** on materials used to construct, renovate or equip facilities
- **Mortgage Recording Tax Waiver** on tax associated with recorded mortgages
- **Property Tax Exemption** on increased assessed value resulting from new construction/renovations

Incentives that reduce energy costs can be paired with the financial incentives offered by the City.

- **New York State Energy Research and Development Authority (NYSERDA)**:
  - Funding for energy-efficiency and conservation measures
  - Energy Smart Loan Fund
  - Energy efficiency audit assistance

Clauses for non-compliance and release from program

- It is the responsibility of the Department of Buildings to enforce the declaration of restrictions on FRESH food store.
- If, under very limited circumstances, a FRESH food store is not viable despite the FRESH Food Store Area incentives, stringent rules for being released from the continuing commitment to operate a FRESH food store exist:

1. Change of use permitted by a City Planning Commission (CPC) Chair Certification only if proposed alternative use meets all zoning regulations for the zoning lot; or
2. Change of use permitted only by a CPC Authorization if alternative use does not meet all zoning regulations for the zoning lot. Applicant must demonstrate that market conditions are unable to support a grocery store at that location, and such conditions were not created by the applicant or a prior tenant.

The FRESH Food Store Areas will complement other healthy retail initiatives in New York City

NYC Green Carts

- Green Carts are mobile food carts that sell fresh produce in specific New York City areas with the least access to fresh produce and where community profiles show the lowest consumption.

- Permits for Green Carts are offered by NYC DOHMH to vendors with mobile food vending licenses. Vendors must sell only fresh, whole produce in these designated, underserved areas. Frozen or processed produce is not allowed.

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Healthy Bodegas Initiative: increasing healthy foods in corner stores

- NYC DOHMH has worked with more than 1000 bodegas in the District Public Health Office Neighborhoods of the South Bronx, East and Central Harlem, South and Central Brooklyn to increase the availability of healthier foods such as low-fat milk, fresh fruits and vegetables and whole grains.

- The initiative includes community outreach and education to increase demand for these healthy foods.