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**MAYOR BLOOMBERG, GOVERNOR PATERSON AND SPEAKER QUINN ANNOUNCE COMPREHENSIVE STRATEGIES TO INCREASE AND RETAIN GROCERY STORES IN NEW YORK CITY**

*City's "Food Retail Expansion to Support Health" (FRESH) Program and State's "Healthy Food/Healthy Communities" Initiative Combine to Bring Healthy Foods to City Neighborhoods*

Mayor Michael R. Bloomberg, Governor David A. Paterson and Speaker Christine C. Quinn today announced comprehensive strategies to encourage the opening of new grocery stores and help existing operators upgrade stores in neighborhoods that need more healthy food stores. Mayor Bloomberg and Speaker Quinn introduced the Food Retail Expansion to Support Health (FRESH) program, a new initiative that provides zoning and financial incentives to property owners, developers and grocery store operators in areas of New York City currently underserved by grocery stores. While other localities have restricted unhealthy food outlets or provided funding for supermarkets on individual sites, FRESH is the first program in the nation to combine zoning and financial incentives and to offer them in multiple neighborhoods. Part of the City's *Five Borough Economic Opportunity Plan*, FRESH will help create an estimated 15 new grocery stores and upgrade 10 existing stores, creating 1,100 new jobs and retaining 400 others over 10 years. Governor Paterson introduced the Healthy Food/Healthy Communities Initiative, which includes a new \$10 million state revolving loan fund program to help finance new food markets in underserved communities throughout the State. The City and State initiatives are in part a result of the work of the New York Supermarket Commission, a coalition of representatives from the City, the State, and public health, labor and financial groups, established in 2008 to help ensure New Yorkers have access to fresh, affordable foods.

"This comprehensive package of zoning based incentives and tax benefits for grocery stores will make it more advantageous to open new stores and upgrade existing stores so that New Yorkers in underserved neighborhoods can put healthy food on the table for their families," said Mayor Bloomberg. "Facilitating investment by supermarket owners in these communities is essential to the future health of the city. These initiatives build on the work we began in November 2006 when we created the Food Policy Task Force and named a Food Policy Coordinator as part of a concerted effort to increase access to healthy foods in low-income communities."

"There are not enough healthy food options in many urban and rural communities throughout New York State. The lack of affordable, nutritious food is negatively impacting the revitalization of many communities, and the health of New Yorkers," said Governor Paterson. "The Healthy Food/Healthy Communities program combined with New York City's FRESH program provides incentives to site energy efficient food markets in underserved communities and connect food markets with New York's agriculture products."

"With too few supermarkets in neighborhoods across the five boroughs and many existing businesses shutting their doors, much of the city is being affected by supermarket shortages, and a lack of access to affordable, healthy foods," said Speaker Quinn. "Starting in 2007, the Council funded a report on supermarket development and helped organize a Supermarket Commission, to provide us with new recommendations on ways to combat this problem. Working with the Mayor and Governor, we've already begun to implement some of these recommendations, helping us bring supermarkets to underserved areas and preserve existing markets that might otherwise be lost."

The new zoning changes proposed in FRESH program areas include allowing residential buildings to be slightly larger than otherwise permitted if they have a neighborhood grocery store on the ground floor. Parking requirements will be reduced for grocery stores in certain pedestrian-oriented streets, which will reduce the supermarket development cost. Grocery stores up to 30,000 square feet in size will be allowed to locate in light manufacturing districts within FRESH program areas without store owners having to apply for a special permit. The FRESH program areas – identified by the City as underserved in a 2008 report by the Health Department, Department of City Planning and the City's Economic Development Corporation – are located in the South Bronx, Upper Manhattan, Central Brooklyn and Downtown Jamaica. The proposed zoning changes are expected to enter the City's public review process on Monday, May 18.

The new financial incentives that are part of City's FRESH program will be available to grocery store operators and

developers in low-income and underserved neighborhoods in all five boroughs. The package of incentives – to be administered by the City’s Economic Development Corporation and Industrial Development Agency – includes real estate tax abatements, mortgage recording tax waivers and sales tax exemptions on purchases of materials used to acquire property or to construct, renovate or equip grocery stores. The benefits will not only help in constructing new stores but also assist existing stores’ expansion efforts and improvement plans, such as upgrading refrigeration equipment, in order to offer a wider range of fresh food choices.

Information on the zoning and financial incentives that are part of the FRESH program is available by calling 311 or visiting [www.nyc.gov/FRESH](http://www.nyc.gov/FRESH).

In addition to the \$10 million state revolving loan fund, the Healthy Food/Healthy Communities Initiative announced by Governor Paterson includes a number of programs to support the development of grocery stores. They include Housing Finance Authority funding preference for grocery stores in New York’s All-Affordable Housing Program, Mortgage Insurance Fund low-cost project insurance, a permanent farmer’s market grant program, and financial incentives for food markets to be green and energy efficient. The State’s food market revolving loan fund will be administered by a Community Development Financing Institution chosen through a competitive bidding process.

Mayor Bloomberg, Governor Paterson and Speaker Quinn also announced that the City has received funding from the NYS Department of Health to hire a coordinator to conduct outreach, assist with marketing analyses and help with site selection for additional grocery stores.

As documented in the City’s report “[Going to Market](#)”, released in April 2008 and available at [nyc.gov](http://nyc.gov), low-income communities suffer from high rates of obesity and diabetes and from a lack of supermarkets and other sources of nutritious food. The City’s work to bring healthy food to low-income communities includes the expansion of the Greenmarket program, the Healthy Bodegas Initiative, and the Green Cart initiative. The FRESH strategy to attract and retain neighborhood grocery stores and supermarkets in underserved communities complements these programs.

“I want to applaud all parties involved in the Supermarket Commission for their leadership in addressing this issue,” said Council Member Leroy Comrie. “The Southeast Queens community recently lost three supermarkets which created an undue burden on residents who don’t drive or seniors who can’t walk the distances. It is my hope that these initiatives will encourage landlords to not price supermarkets out of the community and encourage new supermarkets to open in underserved communities like mine.”

“In a city of eight million people finding a supermarket can sometimes be an adventure,” said Council Member Joel Rivera. “Today we take a step towards closing the gap between the amount of people in our city and the number of supermarkets we have.”

“The Healthy Food/Healthy Communities and FRESH initiatives are innovative approaches to addressing the need for supermarkets, which bring healthy food and good jobs to New York’s neighborhoods,” said UFCW Local 1500 President Bruce W. Both. “We look forward to continuing our work together to build new supermarkets and retain and expand existing supermarkets.”

“The members of the Supermarket Commission applaud the City and State efforts to attract and retain supermarkets in high-need areas,” said Jennifer Jones Austin, Supermarket Commission Co-Chair. “Making healthy food options more easily accessible to poor and low-income families will go a long way in addressing the increasing rates of obesity, diabetes and heart disease in New York City and throughout New York State.”

“We applaud the City and State for recognizing that supermarkets play a vital role in the health of our communities and we are pleased to have been involved in the work of the Supermarket Commission and the subsequent development of the zoning and financial initiatives that are being announced today,” said Nicolas D’Agostino, President and COO of D’Agostino Supermarkets, Inc., Chairman of the Board of the Food Industry Alliance and Supermarket Commission Co-chair. “These incentive programs will help supermarket operators overcome some of the economic and bureaucratic challenges we face in opening new stores and keeping open our existing stores.”