



The Food Retail Expansion to Support Health (FRESH) program promotes the establishment and retention of neighborhood grocery stores in underserved communities by providing zoning and financial incentives to eligible grocery store operators and developers.

The program is an interagency effort, catalyzed by the “Going to Market Study,” which showed that many low-income areas across the city were 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.

ELIGIBILITY

The FRESH 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 be located within a designated eligible area (see map) and must 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.
- At least 50% of retail space for a general line of food products intended for home preparation, consumption, and utilization.
- At least 30% of retail space for perishable goods that may include dairy, fresh produce, fresh meats, poultry, fish, and frozen foods.
- At least 500 square feet of retail space for fresh produce.

FINANCIAL INCENTIVES*

The following financial incentives are available to eligible grocery store operators and developers through the New York City Industrial Development Agency (NYCIDA):

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% 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% each year. In year 26, building taxes increase to full amount.

Sales Tax Exemption

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

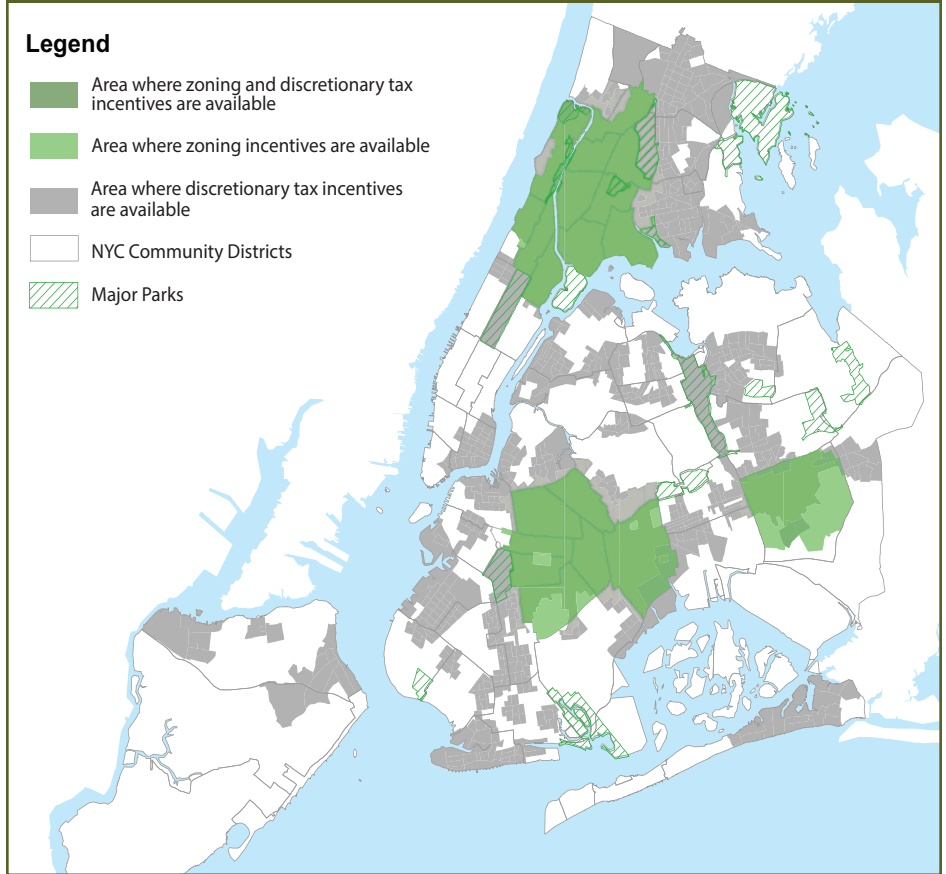
Mortgage Recording Tax Deferral

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

FRESH Program Eligibility Areas

Legend

- Area where zoning and discretionary tax incentives are available
- Area where zoning incentives are available
- Area where discretionary tax incentives are available
- NYC Community Districts
- Major Parks



ZONING INCENTIVES

The following zoning incentives are available to eligible grocery store developers through the New York City Department of City Planning:

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.

*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 acquisition or renovation contracts or property leases unless such contracts are contingent upon NYCIDA assistance. Learn more about NYCIDA at nycidc.com/nycida.

For more information, please visit us at www.nycidc.com/fresh or contact fresh@nycidc.com

