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Nearly ten years in, is the FRESH bonus going stale? Has it been a success? - by Josh Lipton and Andrew Levine

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In 2009, mayor Bloomberg's administration launched the Food Retail Expansion to Support Health (FRESH) program with the ambitious and noble aim of encouraging new grocery stores to open in underserved communities (primarily Jamaica Queens, Central Brooklyn, the South Bronx and Upper Manhattan) and long-time grocers in these neighborhoods to renovate existing stores and include a healthier food selection by providing zoning and financial incentives to eligible grocery store operators and developers. The initiative was created largely to improve the eating habits of New Yorkers who had little access to fresh fruit and vegetables and reduce diet-related diseases in these neighborhoods. A study at the time determined that New York City "can support more than 100 new neighborhood grocery stores and supermarkets" and that "increased competition in underserved neighborhoods would reduce grocery costs...with more stores empowering consumers to make healthier decisions about what to buy and what to eat." After all, a balanced diet is more than a cookie in each hand.

To be eligible for the FRESH program, grocery stores must: (i) provide a minimum of 6,000 s/f of retail space (and at least 50% of the space must be used) for food and nonfood grocery products, (ii) provide at least 30% of the space for perishable goods such as dairy, fresh produce, fresh meats, poultry, fish and frozen foods and (iii) no less than 500 s/f of the space must be used for fresh produce. In exchange, developers of new retail space and existing grocers could receive breaks on

property, sales and mortgage-related taxes, as well as a zoning bonus for new projects that incorporate a supermarket.

Specifically, property taxes can be stabilized at pre-improvement levels for 25 years and land taxes abated for the same period. Furthermore, the 8.875% city and state sales tax may be waived on materials used to construct, renovate, or equip facilities while the mortgage recording tax may be reduced from 2.8% to 0.3%, lowering upfront costs. The primary zoning bonus provided by the FRESH program allows for a 1:1 s/f bonus whereby a new development can increase its permitted floor area for every s/f of grocery store space created up to a maximum of 20,000 s/f. Reductions in parking requirement and a waiver of height restrictions on new projects of up to 15 ft. are also possibilities.

After nearly a decade since the launch of the FRESH program, it's a good time to take stock in how well the program is working. In short, has it been a success? Since launching, over 20 projects have been approved and more than half have completed their construction and are open to the public, representing approximately 730,000 s/f of new or renovated space. The stores are estimated to have retained more than 600 jobs and created more than 1,000 new jobs, and represent an investment of approximately \$100 million across the city. To assess the impact of the program, FRESH staff surveyed customers about access to and consumption of fresh produce at five participating grocery stores. Respondents overwhelmingly agreed (i.e., 80.4%) that the renovation/construction of their local grocery store increased access to affordable, fresh produce, and that they buy more fruits and vegetables as a result. Additionally, 96% of customers agreed that the renovation/construction of the store made fresh produce more convenient for them.

Everything isn't peachy with the FRESH program, however. Complaints at a public hearing in 2018 included an onerous application process and insufficient incentives to help ensure the grocery stores pencil out economically. Several testified that the program's minimum square footage requirements often prevent FRESH stores from being included in NYCHA developments; disadvantaging residents who may stand to benefit most from the program.

Furthermore, the impact FRESH has had on reducing diet-related diseases has been negligible. That said, FRESH may not be to blame as the fact is, the precise connection between access to food and healthy eating choices is poorly understood. While research has shown that people who live in neighborhoods without supermarkets tend to have poorer diets, the research hasn't shown that if you put a supermarket into one of these communities, people end up with healthier diets and obesity goes down.

In the end, anecdotal evidence doesn't conclusively answer the question of whether the FRESH program is the best way the city could be spending its money to create greater access to healthier food options and to reduce diet-related diseases. Indeed, the effect of FRESH seems to have been more economic than anything else, incentivizing the building and renovation of large stores rather than investing in smaller bodegas and the pharmacies, convenience stores, and discount stores that are already serving these communities. Still, when you build a supermarket in a poor neighborhood, there's evidence that even if diet doesn't change, satisfaction does. For goals like developing and

anchoring communities, employment, and satisfaction, bolstering larger stores “gives people a belief in government, pride in place...and a lot of things may spill off of this that may be beneficial,” according to Beth Weitzman, professor of Public Health & Policy at NYU, who was quoted in an April 2016 article on the subject. By itself, the FRESH program is insufficient to provide the health benefits low income New Yorkers need, but some of the ancillary benefits might, in the end, make the program well worth the effort and resources.

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