City Promotes Grocery Store Development

By JENNIFER 8. LEE

Todd Heisler/The New York Times

Grocery stores have been closing at a rapid rate across the city. One once stood on the vacant lot across the street in this 2008 photo, on Myrtle Avenue in Fort Greene, Brooklyn.

In an effort to combat obesity and poor nutrition, the Bloomberg administration has announced a proposal to encourage the development of grocery stores in low-income, poor-nutrition neighborhoods.

Across the city, supermarkets and grocery stores have been driven out by slim margins, restrictive zoning requirements and high rents in recent years. But the new program — called Fresh, for Food Retail Expansion to Support Health — will use a novel combination of zoning changes and financial breaks to bring neighborhood grocery stores to 45 neighborhoods largely in northern Manhattan; the Bronx; Jamaica, Queens; and central Brooklyn.

Those neighborhoods, which encompass two million residents in 38 square miles, were selected based on health, income and density of grocery stores.

In addition, other high-need neighborhoods — including a section of Staten Island — will be eligible for tax benefits and energy savings through the city’s Economic Development Corporation.

While other states and communities, including Pennsylvania, have used financing incentives to encourage supermarkets, New York City officials believe they are the first to combine zoning changes with financing. “I know this is the most comprehensive and aggressive program in the country,” said Amanda M. Burden, the director of the Department of City Planning. “It is a groundbreaking initiative.”

The city hopes to bring in at least 15 grocery stores in the next 10 years. “I hope it will be a lot faster than that,” Ms. Burden said. The proposal still has to be reviewed and voted upon by the City Planning Commission and the City Council, and Ms. Burden estimates that it will be passed in seven months.

A 2008 city study estimated that about three million New Yorkers live in areas in high need of supermarkets and grocery stores, as defined by the poor level of health and the availability of fresh food options. A 2006 study published in the American Journal of Preventative Medicine found that supermarkets and grocery stores reduced the incidence of obese and overweight residents in a neighborhood. About 1.1 million New Yorkers are considered obese and an additional two million are considered overweight; many of them are concentrated in communities with few supermarkets.

“That exact same neighborhoods that had lost neighborhood grocery stores were the ones with high incidence of diabetes and obesity,” Ms. Burden said. “Many people were spending their grocery dollars in drugstores, buying chips and soda.”

However, the dense, high-rent pedestrian-oriented neighborhoods of New York City make it more...
difficult for supermarkets with fresh foods to operate profitably. For one thing, supermarket owners have a hard time competing with more profitable retailers like banks and drugstores because, in part, of expensive requirements like refrigeration. In addition, the cost of selling fresh produce and other perishable foods is much higher than that of other food products like canned goods.

To be eligible, grocery stores will have to meet several criteria: 30 percent of the area must be used to sell perishables like dairy, fresh fruits, fresh meats; a minimum of 500 square feet must be devoted to the sales of fresh produce; the stores must have a minimum size of 6,000 square feet.

The zoning changes include allowing a reduction of minimum parking requirements for supermarkets in northern Manhattan and the boroughs outside Manhattan. In addition, it will not count the first 20,000 square feet of a grocery store against the zoning space quotas. “That’s about 20 more apartments,” Ms. Burden said.