

**New York City Industrial Development Agency (the “Agency”)
Public Hearing of June 9, 2017**

**Public testimony presented and Agency response in connection with the Amendment
and Restatement of the Agency’s Uniform Tax Exemption Policy (“UTEF”)**

The hearing lasted approximately 11 minutes and was attended by approximately 7 individuals from the public. 2 individuals testified in response to the Amendment and Restatement of the Agency’s UTEP.

The Agency received the following testimony.

Comment: The Amendment and Restatement of the UTEP should include provisions to support Living Wage, Labor Peace, and safe working conditions for supermarket workers.

Josh Kellerman, Director of Public Policy at the Retail Wholesale Department Store Union (“RWDSU”)

The proposed amendment to the Uniform Tax Exemption Policy (“UTEF”) is designed to expand the Agency’s mission of supporting the creation and growth of well-paying jobs throughout New York City. Additionally, the inclusion and amendment to the Food Retail Expansion to Support Health (“FRESH”) program in the UTEF is designed to expand and memorialize the programs mission to promote the establishment and expansion of neighborhood grocery stores in underserved communities of the city. As part of our extensive due diligence process we encourage all applicants to the FRESH program to pay their employees a living wage and to comply with labor peace provisions. It is important to note; however, that Local Law No. 37 (Fair Wages for New Yorkers Act), Executive Order No. 7 (Living Wage for City Economic Development Projects) and Executive Order No. 19 (Labor Peace for Retail Establishments at City Development Projects), that also provides the compliance criteria and exemptions the foresaid laws and mayoral executive orders, were established through legislative and mayoral executive action, and are outside the scope of the UTEF.

Comment: The Food Retail Expansion to Support Health (FRESH) program needs to focus not only on expanding supermarkets to underserved areas but to support Living Wage provisions for supermarket workers.

Jessica Garcia, Deputy Political Director at RWDSU

The proposed amendment to the Uniform Tax Exemption Policy (“UTEF”) is designed to expand the Agency’s mission of supporting the creation and growth of well-paying jobs throughout New York City. Additionally, the inclusion and amendment to the Food Retail Expansion to Support Health (“FRESH”) program in the UTEF is designed to expand and memorialize the programs mission to promote the establishment and expansion of

neighborhood grocery stores in underserved communities of the city. As part of our extensive due diligence process we encourage all applicants to the FRESH program to pay their employees a living wage and to comply with labor peace provisions. It is important to note; however, that Local Law No. 37 (Fair Wages for New Yorkers Act), Executive Order No. 7 (Living Wage for City Economic Development Projects) and Executive Order No. 19 (Labor Peace for Retail Establishments at City Development Projects), that also provides the compliance criteria and exemptions the foresaid laws and mayoral executive orders, were established through legislative and mayoral executive action, and are outside the scope of the UTEP.



Stuart Appelbaum, *President*
Jack C. Wurm, Jr., *Secretary-Treasurer*
Joseph Dorismond, *Recorder*

**Testimony by Stuart Appelbaum, President of the Retail, Wholesale and Department Store Union
To the NYC Industrial Development Agency regarding the Uniform Tax Exemption Policy Amendments**

June 9, 2017

Thank you for the opportunity to testify. My name is Stuart Appelbaum, and I am the President of the Retail, Wholesale and Department Store Union (RWDSU). The RWDSU represents 45,000 workers in New York State and 100,000 workers nationwide. RWDSU members work in grocery, retail, food processing, and other low-wage sectors.

RWDSU cares deeply about ensuring that low-income communities throughout NYC have adequate access to fresh and healthy foods. For this reason, we fully support making the FRESH program permanent. At the same time, we have serious concerns that the proposed amendments to FRESH do not address the fact that unemployed local residents and workers making low wages actually can't afford to buy fresh food, even if there is a fresh food grocer in their neighborhood. The FRESH amendments should be a part of the solution to this underlying issue.

Fortunately, amending the NYCIDA's Uniform Tax Exemption Policy (UTEP), and making the FRESH program permanent, offers an opportunity to address this concern. To do this, the NYCIDA should consider expanding the policy objective of the FRESH program from simply opening grocery stores in distressed communities, to also creating good, local jobs so residents can actually afford to buy fresh food.

The IDA already has a policy guideline to evaluate projects based on the extent to which they will create or retain permanent, private-sector jobs. Thus, expanding the FRESH program's policy objective to address jobs should not be a stretch. At the same time, the IDA should consider redefining what access to affordable and nutritious foods really means. "Access" means not just availability of fresh food, but the ability to buy it when it's available. The IDA, through a few simple amendments to the proposed UTEP, can address the issue of access.

That said, I want to highlight a major concern that we have with this UTEP amendment process. RWDSU has advocated for years around the FRESH program, and through Local 338 we represent thousands of grocery store workers throughout the city. Despite this, the IDA never reached out directly to RWDSU about this reform effort.

In addition, the timing of this public hearing is problematic. The IDA Board is meeting this Tuesday to vote on these amendments, leaving practically no time for the IDA to incorporate any feedback offered today. By all appearances this is an inadequate public process. Given that, we strongly urge the Board to postpone the Tuesday vote on the UTEP amendment until the following IDA Board meeting to give adequate time for consultation.

We do have specific recommendations for the UTEP amendment. The Recapture policy, for example, should incorporate language around wage and benefit levels, and workplace health and safety violations, rather than just job creation numbers. This would ensure that if a subsidized project cuts



Stuart Appelbaum, *President*
Jack C. Wurm, Jr., *Secretary-Treasurer*
Joseph Dorismond, *Recorder*

wages and benefits, or creates unsafe conditions for their workers, they are held accountable. It is an important policy orientation that the NYCIDA uses public funds to create and retain good jobs. This is because taxpayers pay twice when we fund low-wage jobs: once for the tax subsidy and again for social services to support underpaid workers. This is unfair to taxpayers and unfair to hardworking New Yorkers.

In addition, the IDA should incorporate labor peace provisions where appropriate to ensure that these vital job creation projects that are publicly funded are not hindered by work stoppages and other similar delays.

I want to reiterate that given the timing of this public hearing on Friday and the Board vote on Tuesday, there is insufficient time for meaningful engagement and dialogue between RWDSU, our locals, the broader public, and the NYCIDA. We urge you to delay this vote until the following Board meeting, and embark on a process to engage us in creating a FRESH program that provides true access to fresh food for underserved communities.

Thank you for your consideration,

Stuart Appelbaum



Local 338

RWDSU/UFCW

JOHN R. DURSO
President

JOSEPH FONTANO
Secretary-Treasurer

NEIL GONZALVO
Executive Vice President

DEBRA BOLLBACH
Recorder

Testimony from Local 338 RWDSU/UFCW to the New York City Industrial Development Agency Regarding the Proposal for Food Retail Expansion to Support Health (FRESH) Program

June 9, 2017

Good Morning and thank you for the opportunity to testify today on exemptions for grocery stores from the commercial rent tax. My name is Nikki Kateman and I am here on behalf of Local 338 RWDSU/UFCW, a labor union that represents over 15,000 men and women employed at supermarkets, grocery stores, specialty food stores, retail drug stores and pharmacies across New York City, Long Island, and the Hudson Valley. Currently, Local 338 represents approximately 7,500 members who reside in and pay taxes to the City of New York. Many of these men and women work in over 130 food retail establishments, including Gristedes, Morton Williams, Stop & Shop, Zabar's, Associated, Food Town and other smaller specialty or gourmet shops.

Grocery stores and supermarkets are essential components of New York City's neighborhoods and the daily lives of its residents. We likely frequent and rely on these businesses more often than we even realize. For all too many New Yorkers, especially those in low-income communities, the ease of stopping into a neighborhood grocery store is not something they are accustomed to. In fact, according to a study conducted by the City of New York, close to three million residents live in neighborhoods with a high need for grocery stores and supermarkets. Communities are devastated either by the loss or absence of a local supermarket and the lack of access to affordable groceries reflects a real public welfare crisis.

Unfortunately, the need for access to affordable groceries seems to be an issue that has only become more pronounced as small business owners throughout New York City face increasing rents. Just last spring, an Associated on the West Side of Manhattan, which employed Local 338 members, was forced to close due to an exorbitant rent increase. Despite community outrage and support from local elected officials, the landlord and owners of the Associated were unable to renegotiate the lease and as a result, the owners were unable to sustain a business at that location. This left a huge void for families and seniors who had depended on the store due to convenience to their homes, as well as the affordability of the groceries sold. This situation is not unique as we anticipate the possible closure of another unionized Associated due to rising rents. Therefore, we at Local 338 understand all too well the significance of grocery stores and the urgency of taking steps towards not just maintaining but encouraging the growth of essential community centers like the Associated.

STRONGER | TOGETHER

Our Mission: To Better The Lives Of Our Members And All Working People.

1505 Kellum Place • Mineola, NY 11501 • (516) 294-1338 • www.local338.org

Food retail establishments are not just sources of fresh produce, meats, and other foods and household items. Grocery stores are sources of employment and many companies, like the ones I named above, provide quality jobs that allow workers to support themselves and their families. One of the policy objectives discussed at the origin of the FRESH program was to create jobs and revitalize underserved neighborhoods. Additionally, the current proposal looks at poverty and unemployment rates as a justification for further expansion of FRESH. While creating jobs is important, we need to prioritize the goal of creating high road jobs with employers that pay living wages and offer benefits to those they hire within the community. Workers at grocery stores incentivized by the FRESH Program must be able to afford to purchase groceries for their own families at the establishments in which they work. Otherwise, we are addressing one problem while simultaneously creating another.

While the proposed expansion of the FRESH Program is a well-intentioned start towards promoting the growth of grocery stores, it must go further in order to protect and retain the best members of a community. The goal of the FRESH program is not merely to ensure access to affordable groceries to but also to promote economic development in distressed communities by creating jobs and expanding the tax base. I would strongly encourage that the NYC IDA incorporate labor standards as a requirement for qualifying for the full exemptions and abatements. This will ensure that we support the existing responsible grocery retailers, encourage their expansion, and prioritize new businesses that understand and respect the link between access to good jobs and affordable groceries within a community.

As advocates for the workers within the food retail industry, we are also advocates for the communities that these men and women not only serve, but also often live in themselves. We must protect this essential public service by ensuring that any tax subsidies or abatements created and expanded by the City only benefit those who are committed to fully investing in the community they intend to service. New York City has a history of recognizing that grocery stores and supermarkets provide crucial public benefits in terms of not just access to goods that promote public health, but also to quality, local jobs. Local 338 RWDSU/UFCW requests that there be a delay in voting on any proposals to expand the FRESH program in order to have further discussions about how we can support and promote responsible grocery and supermarket retailers within communities of high needs.

Thank you for your time.

STRONGER | TOGETHER

Our Mission: To Better The Lives Of Our Members And All Working People.

1505 Kellum Place • Mineola, NY 11501 • (516) 294-1338 • www.local338.org

June 9, 2017

NEW YORK CITY
ECONOMIC DEVELOPMENT CORPORATION

PUBLIC HEARING
New York City Industrial Development Agency

Fourth Floor
110 William Street, New York, NY 10038

June 9, 2017

June 9, 2017

SPEAKERS PRESENT:

Johan Salen

**Executive Director, New York City Industrial
Development Agency (NYCIDA)**

Carol Hyde-Dawson

**Legal Department, New York City Economic Development
Corporation (NYCEDC)**

Tiffany Lacker

Legal Department, NYCEDC

Josh Kellermann

**Director of Public Policy at the Retail Wholesale
Department Store Union (RWDSU)**

Jessica Garcia

Deputy Political Director at RWDSU

1 June 9, 2017

2 (The public hearing commenced)

3 MR. JOHAN SALEN, EXECUTIVE DIRECTOR,
4 NYCIDA: Good morning, everybody. Welcome to the
5 public hearing of the New York City Industrial
6 Development Agency. My name is Johan Salen. I'm
7 the Executive Director. With me, I have my two
8 colleagues, Carol Hyde-Dawson and Tiffany Lacker
9 from the EDC Legal Department. And I would like
10 to start by opening the hearing for the New York
11 City Industrial Development Agency, and hand it
12 over to Carol.

13 MS. CAROL HYDE-DAWSON, NYCEDC LEGAL
14 DEPARTMENT: Thank you and good morning everyone.

15 EVERYONE: Good morning.

16 MS. HYDE-DAWSON: Ah, that's nice. I
17 like that. Okay, so for the New York City
18 Industrial Development Agency, we have three
19 items listed. The first of which is Octopus
20 Garden Inc., and its affiliates, Octopus Two
21 Corp. If anyone would like to give testimony
22 concerning this project, please come forward to
23 the podium. You have a maximum of three minutes.
24 If there are any written testimonies to be

1 June 9, 2017

2 submitted concerning this project, please bring
3 it forward. No written testimony submitted. So
4 we'll move on to the second project, which is BR
5 2012 Realty LLC, affiliated with York Studios
6 LLC. If anyone would like to give testimony
7 concerning this project, please come forward to
8 the podium. You have a maximum of three minutes.
9 If there are any written testimonies to be
10 submitted concerning this project, please bring
11 it forward. No written testimony submitted. So
12 we'll move on to the third and last item, which
13 is, excuse me, the Amendment and Reinstatement of
14 New York City Industrial Development Agency's
15 Uniform Tax Exemption Policy. I have one person
16 listed here who would like to give testimony
17 concerning this project. The, okay, so whoever
18 else is here, please introduce yourself and, oh,
19 but she's not here. Okay. So please come forward
20 to the podium, introduce yourself, and, you know
21 --

22 [OFF MIC CONVERSATION]

23 MS. HYDE-DAWSON: Yes. Written
24 testimonies has been submitted.

1 June 9, 2017

2 MR. JOSH KELLERMAN: Good morning. My
3 name is Josh Kellerman. I am the Director of
4 Public Policy at the Retail Wholesale Department
5 Store Union, and I'm submitting testimony on
6 behalf Stuart Applebaum, the President of RWDSU.
7 RWDSU cares deeply about ensuring the low income
8 communities throughout New York City have
9 adequate access to fresh and healthy foods. For
10 this reason, we fully support making the FRESH
11 program permanent. At the same time, we have
12 serious concerns that the proposed amendment to
13 Fresh do not address the fact that unemployed
14 local residents and workers making low wages
15 actually can't afford to buy fresh food, even if
16 there is a fresh food grocer in their
17 neighborhood. The FRESH amendment should be a
18 part of, should be a part of the solution to this
19 underlying issue. Fortunately, amending the
20 IDA's UTEP policy in making the FRESH program
21 permanent offers an opportunity to address this
22 concern. To do this, the IDA should consider
23 expanding the policy objective of the FRESH
24 program from simply opening grocery stores in

1 June 9, 2017

2 distressed communities to also creating good
3 local jobs so residents can actually afford to
4 buy fresh food. The IDA already has a policy
5 guideline to evaluate projects based on the
6 extent to which they will create or retain
7 permanent private sector jobs, thus expanding the
8 FRESH program's policy objective to address jobs
9 should not be a stretch. At the same time, the
10 IDA should consider redefining what access to
11 affordable and nutritious food really means.
12 Access means not just availability of fresh food
13 but the ability to buy it when it's available.
14 The IDA through a few simple amendments to the
15 proposed UTEP can address the issues of access.
16 That said, I want to highlight a major concern
17 that we have with this UTEP amendment process. We
18 have advocated for years around the FRESH program
19 and through our Local 338, we represent thousands
20 of grocery store workers throughout the city.
21 Despite this, the IDA never reached out directly
22 to RWDSU about this reform effort of the UTAP. In
23 addition, the timing of this public hearing is
24 problematic. The IDA Board Meeting -- the IDA

1 June 9, 2017

2 Board is meeting this Tuesday to vote on these
3 amendments, leaving practically no time for the
4 IDA to incorporate any feedback offered today.
5 By all appearances, this is an inadequate
6 process, given that we strongly urge the Board to
7 postpone the Tuesday vote on the UTEP amendment
8 until the following IDA Board Meeting to give
9 adequate time for consultation. We do have
10 specific recommendations for the UTEP amendment.
11 The recapture policy, for example, should
12 incorporate language around wage and benefit
13 levels and workplace health and safety
14 violations, rather than just job creation
15 numbers. This would ensure that if a subsidized
16 projects cuts wages and benefits, it creates
17 unsafe conditions for the workers they are held
18 accountable. It is an important policy
19 orientation. The idea uses public funds to
20 create and retain good jobs. This is because
21 taxpayers pay twice when we fund low wage jobs.
22 Once for the tax subsidy and again for the social
23 services to support -- to support underpaid
24 workers. This is unfair to taxpayers and unfair

1 June 9, 2017

2 to hardworking New Yorkers. In addition, the IDA
3 should incorporate labor peace provisions where
4 appropriate to ensure that these vital job
5 creation projects that are publicly funded are
6 not hindered by work stoppages or other similar
7 delays. I want to reiterate and in conclusion
8 that given the timing of this public hearing on
9 Friday and the Board vote on Tuesday, there is
10 insufficient time for meaningful engagement and
11 dialogue between RWDSU, our Locals, the broader
12 public and the IDA. We urge you to delay this
13 vote until the following Board Meeting and embark
14 on a process to engage us in creating a FRESH
15 program that provides true access to fresh food
16 for underserved communities. Thank you for your
17 consideration.

18 MS. HYDE-DAWSON: Thank you.

19 MR. JOHAN SALEN: Thank you.

20 MS. HYDE-DAWSON: We will now hear from
21 Jessica Garcia. You have a maximum of three
22 minutes.

23 MS. JESSICA GARCIA: Thank you.

24 MR. JOHAN SALEN: Testimony submitted.

1 June 9, 2017

2 MS. GARCIA: Hi, my name is Jessica
3 Garcia, Deputy Political Director, also at the
4 Retail Wholesale Department Store Union. I'm
5 going to be reading testimony on behalf of one of
6 our locals, Local 338, Nikki Kateman, who is the
7 political director there. Good morning, and thank
8 you for the opportunity to testify today on
9 exceptions for grocery stores from the commercial
10 rent tax. My name is Nikki Kateman, and I'm here
11 on behalf of Local 338, a labor union that
12 represents over 15,000 men and women employed at
13 supermarkets, grocery stores, specialty food
14 stores, retail drug stores and pharmacies across
15 New York City, Long Island and the Hudson Valley.
16 Currently Local 338 represents approximately
17 7,500 members who reside in and pay taxes to the
18 City of New York. Many of these men and women
19 work in over 130 food retail establishments,
20 including Gristedes, Morton Williams, Stop and
21 Shop, Zabars Associated, Food Town and other
22 small specialty or gourmet shops. Grocery stores
23 and supermarkets are essentially -- essential
24 components of New York City's neighborhoods and

1 June 9, 2017

2 the daily lives of its residents. We likely
3 frequent and rely on these businesses more often
4 than we even realize. For all too many New
5 Yorkers, especially those in low-income
6 communities, the ease of stopping into a
7 neighborhood grocery store is not something they
8 are accustomed to. In fact, according to a study
9 conducted by the City of New York, close to three
10 million residents live in neighborhoods with a
11 high need for grocery stores and supermarkets.
12 Communities are devastated either by the loss or
13 absence of a local supermarket, and the lack of
14 access to affordable groceries reflects a real
15 public welfare crisis. Unfortunately, the need
16 for access to affordable groceries seems to be an
17 issue that has only become more pronounced as
18 small business owners throughout New York City
19 face increasing rents. Just last spring, an
20 associate on the west side of, of -- sorry -- on
21 the west side of Manhattan which employed Local
22 338 members was forced to close due to an
23 exorbitant rent increase. Despite community
24 outreach and support for local elected officials,

1 June 9, 2017

2 the landlord and owners of the associated were

3 unable to renegotiate the lease and, as a result,

4 the owners were unable to sustain a business at

5 that location. This left a huge void for

6 families and seniors who had depended on the

7 store due to the convenience to their homes, as

8 well as the affordability of the groceries sold.

9 This situation is not unique, as we anticipate

10 the possible closure of another unionized

11 associated due to rising rents. Therefore, we at

12 Local 338 understand all too well the

13 significance of grocery stores and the urgency of

14 taking steps towards not just maintaining but

15 encouraging the growth of essential community

16 centers likely associated. For retail

17 establishments are not just sources of fresh

18 produce, meats and other foods and household

19 items. Grocery stores are sources of employment

20 and many companies like the ones I named above

21 provide quality jobs that allow workers to

22 support themselves and their families. One of

23 the policy objectives discussed at the origin of

24 the FRESH program was to create jobs and

1 June 9, 2017

2 revitalized underserved neighborhoods.
3 Additionally, the current proposal looks at
4 poverty and unemployment rates as a justification
5 for further expansion of FRESH. While creating
6 jobs is important, we need to prioritize the goal
7 of creating high row jobs -- high row jobs with
8 employers that pay living wages and offer
9 benefits to those they hire within the community.
10 Workers at grocery stores incentivized by the
11 FRESH program must be able to afford to purchase
12 groceries for their own families at the
13 establishments in which they work; otherwise, we
14 are addressing one problem while simultaneously
15 creating another. While the proposed expansion
16 of the FRESH program is a well-intentioned start
17 towards promoting the growth of grocery stores,
18 it must go further in order to protect and retain
19 the best members of our community. The goal of
20 the FRESH program is not merely to ensure access
21 to affordable groceries but also to promote
22 economic development in distressed communities by
23 creating jobs and expanding the tax base. I would
24 strongly encourage that the New York City IDA

1 June 9, 2017

2 incorporate labor standards as a requirements for

3 qualifying for full exemptions and abatements.

4 This will ensure that we support the existing

5 responsible grocery retailers, encourage their

6 expansion, and prioritize new businesses that

7 understand and respect the link between access to

8 good jobs and affordable groceries within a

9 community. As advocates for workers within the

10 food retail industry, we are also advocates for

11 the communities that these men and women not only

12 serve but also often live in themselves. We must

13 protect this essential public service by ensuring

14 that any tax subsidies and abatements created and

15 expanded by the City only benefit who are -- only

16 benefit those who are committed to fully

17 investing in the community they intend to

18 service. New York City has a history of

19 recognizing that grocery stores and supermarkets

20 provide crucial public benefits in terms of not

21 just access to goods that promote public health,

22 but also to quality local jobs. Local 338 RWDSU

23 UFCW requests that there be a delay in voting on

24 any proposals to expand the FRESH program in

1 June 9, 2017

2 order to have further discussions about how we
3 can support and promote responsible grocery and
4 supermarket retailers within the communities of
5 high needs. Thank you for your time.

6 MS. HYDE-DAWSON: Thank you.

7 MR. JOHAN SALEN: Thank you.

8 MS. HYDE-DAWSON: So I'll move the
9 proceedings over to Johan to close out, or do we
10 have additional testimonies to be submitted, or
11 testimonies to -- do you want to speak on this
12 topic? Is there anyone else here would like to
13 speak on the UTAP policy amendment? Okay. Are
14 there additional testimonies to be submitted,
15 written testimonies? No additional written
16 testimonies submitted. So I'll pass the
17 proceedings over to Johan to close out.

18 MR. JOHAN SALEN: Thank you, Carol. With
19 that, we conclude the hearing of the New York
20 City Industrial Development Agency, and I hope to
21 see you again next month.

22 (The public hearing concluded)

23

June 9, 2017

CERTIFICATE OF ACCURACY

I, Julia Zappi, certify that the foregoing transcript of New York City Industrial Development Agency on June 9, 2017 was prepared using the required transcription equipment and is a true and accurate record of the proceedings.

Certified By



Handwritten signature of Julia Zappi in cursive script, positioned above a horizontal line.

Date: June 12, 2017

GENEVAWORLDWIDE, INC

256 West 38th Street - 10th Floor

New York, NY 10018