UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

NATIONAL SUPERMARKET ASSOCIATION, R&E CORPORATION, AND THE REAL CHANCE, INC., *Plaintiffs,* -against- THE CITY OF NEW YORK and THE NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION, *Defendants.*	Civil Action No.: _____

COMPLAINT FOR DECLARATORY AND PERMANENT INJUNCTIVE RELIEF UNDER SECTION 2 OF THE SHERMAN ACT AND SECTION 16 OF THE CLAYTON ACT

Plaintiffs National Supermarket Association, a New York Not-for-Profit Corporation ("NSA"), R&E Corporation, ("R&E Corporation"), and The Real Chance, Inc., d/b/a City Fresh Supermarket ("City Fresh"), and (collectively, "Plaintiffs"), bring this action against the City of New York (the "City") and the New York City Economic Development Corporation ("NYCEDC"; together with the City, "Defendants") under Section 2 of the Sherman Act, 15 U.S.C. § 2, and Section 16 of the Clayton Act, 15 U.S.C. § 26, and allege as follows:

Nature of the Action

1. On July 27, 2026, Defendants announced "N.Y.C. Groceries: A Recipe for Affordability," a first-of-its-kind program under which the City will own full-service grocery stores (the "Stores"). The program is referred to herein as "N.Y.C. Groceries."
2. With one planned for each borough, the Stores are designed and planned to be "a model for future programs that move New York City past the cost-of-living crisis."
3. The Stores will be operated by private firms selected through a request for proposals ("RFP"). Attached and incorporated hereto at Exhibit 1 is the "N.Y.C. Groceries Program Operator(s)" document, which constitutes the RFP, and at Exhibit 2 is the "N.Y.C. Groceries: A Recipe for Affordability" document, which explains the vision for the N.Y.C. Groceries plan.
4. The RFP is currently open and set to close on October 16, 2026.
5. The stores will be branded under the "N.Y.C. Groceries" name, with the private operator managing day to day operations.
6. Locations for the first two Stores have been selected for East Harlem and Hunts Point in the Bronx. The Bronx store is targeted to open first, with a goal of no later than the end of 2027.
7. The Defendants' RFP invites private operators to bid for one or more locations (with a preference for a submission that not only covers all five locations but can provide potential properties for the Queens, Brooklyn, and Staten Island locations).
8. The key feature of the program—which is also the subject of this antitrust challenge—is the Defendants' requirement that the Stores offer "a core basket of everyday groceries" at a 30% discount from competing private retailers (the "Core Basket").

9. Under the N.Y.C. Groceries program, Defendants commit to financing the inevitable losses to the retailers operating the Stores from selling the Core Basket items at the mandated steep discount through public funds.

10. The Defendants propose to act in concert with the private operators to finance the 30% discount through a combination of factors including free rent (the facilities will operate on City property), exemption from property taxes, $70 million in City capital funds for construction and fit-out of the Stores, and, perhaps most importantly, ongoing taxpayer-funded "Affordability Payments" drawn from the City's tax base paid to retailers to cover the losses sustained meeting the 30% discount target.

11. The program is unprecedented; the Defendants themselves have acknowledged that the "initiative will establish a first-of-its-kind model in major U.S. cities."

12. There is almost no modern example of a municipal government entering the retail consumer-goods market, using its own properties to eliminate occupancy costs, immunizing the enterprise from taxes, and then undercutting nearby private businesses through a permanent discount pegged to their competitors' prices.

13. A tax-supported discount designed to undercut competitors is precisely the type of predatory pricing scheme prohibited by the Nation's antitrust laws.

14. Where traditional private-firm predation is constrained by the predator's own balance sheet, the risk of insolvency, and the need to recoup losses through monopoly pricing (which might in turn attract yet more competition), none of those constraints applies to the Defendants' scheme, because the City can operate the stores at a deficit indefinitely and no competitor would ever be able to compete.

15. Because the 30% discount is supported by tax revenues there is no need for the Defendants to engage in the traditional reward of recouping losses with monopoly prices.
16. From the Defendants' perspective, the elimination of competitors offering goods at market prices is the plan and its own reward.
17. Small bodegas and large grocery stores alike will feel the economic impact from the unfair competition inherent in this plan, but the grocers most at risk are independent full-service supermarkets.
18. These stores, frequently in the 8,000 to 12,000 square foot range in size, are where typical New Yorkers shop to "stock up for the week" on basic staples like produce, meat, dairy, and rice.
19. Full-service supermarkets like these stores typically draw customers from within a half-mile radius, or within an approximately 10-minute walk from the store.
20. N.Y.C. Groceries Stores selling the Core Basket at a 30% discount without regard for the substantial losses entailed by such retail pricing will compete with and severely undercut any other supermarkets or food retailers within a half-mile radius of the Stores.
21. However, the radius that will be served by the N.Y.C. Groceries Stores will actually be much larger, drawing in pedestrian customers from within as far away as a three-quarter mile radius.
22. Furthermore, both currently planned Stores are within easy reach of the subway lines, in particular the number 6 line. Given these Stores proximity to subway lines the customer draw will impact areas well beyond a simple walking distance radius from these stores.

23. Within the service radius ("Service Radius") of these N.Y.C. Groceries Stores no full-service supermarket can hope to compete against the Defendants' "Core Basket" 30% discount.

24. This tax subsidized predatory pricing scheme gives the Defendants' stores a massive and unfair advantage.

25. By bringing this action, Plaintiffs do not ask this Court to decide whether the City may operate stores or how best to run them.

26. This action seeks to apply to the Defendants' entry into the grocery industry the same terms and the same laws as apply to Plaintiff NSA's members, including the individual Plaintiffs' stores.

27. Count I alleges that Defendants have violated Section 2 of the Sherman Act as the RFP constitutes an attempt to monopolize the relevant grocery markets.

28. Count II seeks a declaration that, under the program currently under way, when the Defendants select a successful RFP proposal, this will consummate an agreement in violation of Section 2's prohibition against conspiracies to monopolize.

Jurisdiction and Venue

29. This is a civil antitrust action arising under Section 2 of the Sherman Act, 15 U.S.C. § 2, for declaratory relief and for permanent injunctive relief pursuant to Section 16 of the Clayton Act, 15 U.S.C. § 26. The allegations in each Count are pled in the alternative and are to be interpreted in all instances to avoid any inconsistency.

30. This Court has subject-matter jurisdiction under 28 U.S.C. §§ 1331 and 1337(a) and 15 U.S.C. § 26.

31. Venue is proper in this District under Section 12 of the Clayton Act, 15 U.S.C. § 22, and 28 U.S.C. § 1391(b) and (c). The City of New York resides in this District. NYCEDC maintains its principal place of business in this District. A substantial part of the events giving rise to the claims occurred in this District, including the announcement of the program, the selections of the East Harlem and Bronx sites, and the issuance of the RFP.

32. This Court has personal jurisdiction over Defendants because they reside in, and transact business in, this District.

33. An actual, immediate, and justiciable controversy exists between Plaintiffs and Defendants concerning whether the N.Y.C. Groceries program, the RFP, and any acceptance of an RFP proposal violate Section 2 of the Sherman Act. Furthermore, the RFP response deadline of October 16, 2026, forces Plaintiffs to decide now whether to bid into a combination of probable illegality or to forgo participation while the program proceeds against them with the substantial risk if not probability that it will put them out of business.

The Parties

Plaintiffs

34. Plaintiff R&E Corporation opened at 809 Southern Boulevard, Bronx, New York, 10449, in 1984. It employs approximately 25 full-time employees and serves an average of approximately 700 customers per day. Over 60% of Plaintiff R&E Corporation's total sales volume is derived from items that fall within the categories comprising the City's defined Core Basket. R&E Corporation is located less than one-half mile from the announced Bronx site of N.Y.C. Groceries.

35. As the majority of R&E Corporation's customers are drawn from the same immediate area, the permanent 30% discount creates a serious risk to R&E Corporation's continued economic viability.

36. Plaintiff City Fresh has operated continuously at 125 E. 116th Street, New York, New York, 10029, for approximately 15 years. It employs approximately 50 full-time employees and serves an average of 3,000 customers per day. Over 60% of City Fresh's total sales volume is derived from Core Basket categories.

37. City Fresh is located less than one-fifth of a mile from the announced Harlem site. The majority of its customers are drawn from the same immediate area, so the permanent 30% discount creates a serious risk to City Fresh's continued economic viability.

38. Plaintiff NSA has over 150 members who, between them, manage over 400 stores throughout New York City (including members located inside the Service Radii of the announced Harlem and Bronx sites). NSA membership is largely comprised of independent grocers managing stores that average in size from 8,000 to 12,000 square feet, roughly the same size as the proposed N.Y.C. Groceries Stores. The core mission of the NSA is to advocate for its members with respect to business opportunities and government relations.

39. NSA members face a common dilemma: compete against the unfair advantages enjoyed by the N.Y.C. Groceries Stores or put in a bid to join the Defendants' likely unlawful program.

40. NSA has associational standing to pursue this action on behalf of its members. *See Hunt v. Wash. State Apple Advert. Comm'n*, 432 U.S. 333, 343 (1977). An association may sue as the representative of its members, even in the absence of injury to itself, when (1) its

members would otherwise have standing to sue in their own right; (2) the interests it seeks to protect are germane to the organization's purpose; and (3) neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit.

41. At least two NSA members, Plaintiff City Fresh and non-plaintiff Palero Food Corp. (located at 3550 White Plains Road, Bronx, New York, 10467) are ready, willing, and able to submit a proposal in response to the RFP upon a determination by this Court that the program is lawful. They currently operate multiple stores in the square footage range of the proposed N.Y.C. Groceries plan and have been operating New York City supermarkets for decades. However, both Plaintiff City Fresh and Palero Member are reluctant to submit RFP proposals due to its potential violation of antitrust law. Upon a determination by this Court that the N.Y.C. Groceries plan is lawful, both Plaintiff City Fresh and Palero Member are ready, willing, and able to undertake the steps necessary to submit a proposal in response to the RFP.
42. The interests NSA seeks to assert in this action go to its core mission to advocate for its members.
43. Lastly, as this action seeks declaratory and injunctive relief, there is no need for the participation of individual members in this lawsuit.

Defendants

44. Defendant City is a municipal corporation of the State of New York.
45. Through its Mayor, its agencies, and its capital budget, the City has designed, funded, and announced the N.Y.C. Groceries program, allocated $70 million in capital funds to

develop these locations, and directed NYCEDC to implement the program, including by issuing the RFP.

46. Defendant NYCEDC is a not-for-profit corporation that serves as the City's primary economic-development agency.

47. NYCEDC issued the RFP, selected or is selecting store sites, is procuring operators and branding, and will enter into the operating agreements that implement the 30% discount, free rent, tax exemption, and Affordability Payments. NYCEDC acts as the City's instrumentality and agent in the design and execution of N.Y.C. Groceries.

48. At all times relevant to this Complaint, Defendants have acted and will act jointly in designing, funding, soliciting participation in, and implementing the N.Y.C. Groceries program.

Trade and Commerce

49. The activities challenged in this lawsuit have occurred in, and have had and will have a substantial effect on, interstate commerce. The grocery products that will be sold at N.Y.C. Groceries Stores, and that are now sold by Plaintiffs, move in interstate commerce. The program will alter the terms of competition for the sale of those products in New York City.

Factual Background

A. The N.Y.C. Groceries Program

50. On April 14, 2026, Mayor Zohran Mamdani announced La Marqueta in East Harlem as the first site identified for the N.Y.C. Groceries' municipal grocery-store program. The

East Harlem store is planned as an approximately 9,000-square-foot, ground-up store with a targeted opening in 2029.

51. On or about May 18–19, 2026, the Mayor announced The Peninsula in Hunts Point, Bronx—the redevelopment of the former Spofford Juvenile Detention Facility—as the second site. The Bronx store is planned at approximately 15,000 square feet, to be integrated into a mixed-use campus that includes over 700 units of 100% affordable housing, and has a targeted opening by the end of 2027.

52. Defendants have stated that five initial Stores, one in each borough of the City, will open before the end of the Mayor's first term.

53. Defendants have committed $70 million in City capital funding for construction and fit-out of the stores.

54. Roughly $30 million alone is allocated to the ground-up La Marqueta store.

55. In May 2026, Defendants opened an online Sites Portal inviting private property owners to recommend locations in Brooklyn, Queens, and Staten Island. Eligible sites must include at least 10,000 square feet of retail space and be available on a timeline supporting opening by 2029.

56. On July 27, 2026, Mayor Mamdani, Deputy Mayor for Economic Justice Julie Su, and NYCEDC announced that a "core basket of everyday groceries will be 30 percent cheaper" at the five municipal stores. The basket includes all fresh produce, meat, and seafood, together with roughly twenty additional categories of pantry staples, dairy, and refrigerated goods. The discount is to apply to all shoppers regardless of income. Prices are to be locked in monthly rather than fluctuating week to week. Defendants project that

the discount will cut an average grocery bill by approximately 15%, or about $90 a month or $1,000 a year.

57. The same day, July 27, 2026, Defendants issued the RFP seeking private operators for one or more of the five stores, with responses due October 16, 2026.

B. The Core Basket and the Mandatory 30% Discount

58. The RFP states that the program is designed for the Stores to sell a "Core Basket" of everyday groceries -- produce, meat, seafood, and essential groceries – "at prices on average 30% below retail prices." Prices may be determined based on available market data, operator input, and other observable data points. NYCEDC and the selected operator will finalize the pricing methodology in the operative agreements. The discount is expressly measured relative to prevailing retail prices charged by private competitors.

59. The N.Y.C. Groceries mechanism is inherently predatory. A private competing firm is forced to finance a lawful price from its own sales, while the municipal Store finances losses from undercutting normally competitive prices from the City tax base. And because the Stores' price is defined and mandated as a 30% undercut of whatever private retailers charge, a private grocer cannot escape the disadvantage by lowering its own price.

60. Defendants have stated that the Stores will sell other products at regular market prices and that the Core Basket may represent on the order of 40% of store offerings. In actual practice, however, Core Basket items account for a much higher percentage of sales.

61. Core Basket items represent approximately 64% of all sales at a typical full-service supermarket.

62. For full-service stores at which customers "stock up for the week," Core Basket items are not a sideline. Produce, meat, seafood, dairy, bread, rice, beans, and similar staples are traffic-generating categories that bring customers into stores, once there those customers usually make purchases in other categories as well. However, once weekly stock-up purchases in Core Basket categories migrate to a municipal Store, along with those customers sales by existing retailers of items in other, non-Core Basket categories, will also be lost.

C. City Financial Support and Cost-Shifting

63. Under the announced model, the City will own the land, build and fit out the stores, cover occupancy costs, and waive or absorb property taxes. A private operator selected through the RFP will manage daily operations—merchandising, staffing, sourcing—subject to City-set pricing rules, labor standards, and brand identity. The operator is contractually required to sell Core Basket items to customers at the mandated discount off of competitors' prices.

64. Defendants will offset the losses created by the 30% discount through three taxpayer-funded supports: (a) free rent; (b) freedom from property taxes; and (c) ongoing "Affordability Payments" drawn from the City's tax base to cover remaining operating deficits driven by sale of Core Basket SKUs at discounted prices.

65. Covering rent and property taxes typically constitute an average of about 7% to 8% of every dollar spent at a supermarket.

66. Even with these costs shifted from consumers to New York City taxpayers, there will still be a need for taxpayer subsidies to cover the Defendants' "Affordability Payments."

67. This is a structural cost advantage that no private firm recovering all expenses - rent, taxes, wholesale costs, labor and operating expenses, and a normal return on capital - from sales can match.

68. Defendants themselves describe the stores as designed to "lower costs on everyday staples by using public ownership to eliminate costs that are currently passed on to consumers."

69. However, those costs are not eliminated: They are transferred to taxpayers.

70. The effective consumer price is achieved only by shifting real economic costs—rent, taxes, fit-out capital, and operating deficits—onto the tax base. These costs remain even if the City elects cover them for Stores from City taxes.

D. Operator Selection, Branding, and Expansion

71. The RFP states that the successful applicant "will have the opportunity to expand their existing business [through] the operation of one or more of the N.Y.C. Groceries locations." Defendants encourage submissions by parties able to manage all five locations and specifically encourage submissions by parties owning properties in Queens, Brooklyn, and Staten Island. Submissions may be made by teams. Respondents may propose additional privately owned sites through the Sites Portal. The RFP asks for "Wider Impact Narratives" identifying opportunities to expand the initiative's impact and anticipates complementary delivery models beyond physical stores.

72. The Defendants have stated their preference is to have applicants with strong experience running grocery stores in New York City, experience employing large numbers of workers, the ability to build strong connections with the communities they serve, experience with SNAP and WIC programs, and the ability to work in the Bronx.

73. While true of most NSA members, the two NSA members identified as interested in submitting proposals to the RFP—Plaintiff City Fresh and non-plaintiff Palero—are ideally situated to satisfy to these criteria.

74. Although privately operated, "[b]randing and space design will adhere to a distinctive new N.Y.C. Groceries identity created by NYCEDC, in collaboration with the City and a third-party branding consultant." Operators must agree to family-sustaining wages and benefits and a labor-peace agreement. The City sets the mission, standards, store design, and Core Basket pricing; the private operator supplies the labor and know-how. The combination is a public-private joint venture in the retail grocery market.

75. Defendants have made clear that the five stores are an initial step. The program is described as "a model for future programs" and as an effort to "reduc[e] prices in ways the private market alone cannot." Defendants have framed N.Y.C. Groceries as a first-of-its-kind model for major U.S. cities. Those statements supply the specific intent required by Section 2: Defendants intend that tax-financed municipal stores, not unsubsidized private grocers, will set the price of weekly groceries in the neighborhoods they enter, and that the model will be replicated. By operation of normal economics, the N.Y.C. Groceries Stores will displace existing competitors and drive them out of business.

The Relevant Product and Geographic Markets

E. Product Market

76. The relevant product market is the retail sale of general consumer groceries at full-service grocery stores—stores at which a household can "stock up for the week" by purchasing, in a single trip, the produce, meat, seafood, dairy, bread, and pantry staples that comprise

Defendants' Core Basket, together with the complementary grocery items that complete a weekly shop.

77. Within that market, stores whose average annual sales consist predominantly of Core Basket categories are particularly vulnerable. Those are the stores whose traffic and margin depend on the weekly stock-up basket that Defendants have targeted for a permanent 30% undercut. When more than a substantial share of a store's volume falls in the discounted categories, as is true of most competing full-service supermarkets at approximately 64% of sales, the store cannot cede the Core Basket and survive on residual categories. Customers who move their weekly stock-up trip to N.Y.C. Groceries take the rest of the basket with them.

78. Indeed, the mandated discount applies only to Core Basket items, and once competitors are driven from the market by the predatory pricing scheme, Store operators will be free to charge whatever they like for non-Core Basket items, and these are likely to be much higher monopoly prices.

F. Geographic Market

79. Given the population density of the Harlem and Hunts Point locations, the typical store's pertinent geographic market is measured by walking distance. Most consumers in these neighborhoods lack automobiles and the typical weekly shopper is a pedestrian. Public transportation only moderately expands the geographic pull of a traditional supermarket like the Plaintiff stores because of the practical difficulty of transporting a week's groceries by bus or subway.

80. The N.Y.C. Groceries plan 30% discount dramatically changes this calculus.

81. A service radius for the N.Y.C. Groceries store is expected to be at least the current half-mile radius of existing stores, but given the draw of artificially low prices it is highly probably that the service radius of the Stores will be larger, on the order of a three-quarter mile radius ("Service Radius").

82. It is highly probable that additional consumers outside the direct Service Radius will utilize mass transit to take advantage of this discount, and thus be drawn away from existing retailers.

83. For the Bronx location at The Peninsula, a significant population lives within the Service Radius, and approximately two full service grocery stores—one of which is Plaintiff R&E Corporation—five smaller grocery and mini-markets, and twelve bodegas whose core weekly-stock-up business would be affected operate inside that radius.

84. For the Harlem location at La Marqueta, a significant population lives within the Service Radius, and approximately seven full-service grocery stores and twenty bodegas, delis, and small markets whose core weekly-stock-up business would be affected operate inside that radius. City Fresh Supermarket is one such store and is located less than one-fifth of a mile from the site.

85. The same analysis will apply to the Brooklyn, Queens, and Staten Island sites when they are designated. Plaintiffs reserve the right to amend to identify those markets as sites are selected.

86. No full-service grocery store inside the Service Radius whose average annual sales exceed 60% of items in the "Core Basket" of goods is expected to survive sustained competition with a N.Y.C. Groceries Store.

87. The combination of free occupancy costs and Affordability Payments backed by the City's taxing power creates a structural cost advantage that private operators—who must recover rent, taxes, and a normal return on capital from sales—cannot match.

Predatory Pricing Backed by the Tax Base

88. Predatory pricing—pricing below an appropriate measure of cost in order to destroy or discipline competitors—has long been held to violate the Sherman Act.

89. Under the N.Y.C. Groceries plan, New York City taxpayers will absorb $70 million in fit-out costs and the ongoing losses generated by a mandatory 30% discount. Access to the City's tax base is the ultimate vantage ground to further monopolize the trade in weekly groceries inside each Service Radius.

90. The RFP makes it clear that sales will be below cost—rent and taxes will be waived with the balance of the discount covered by tax subsidy. These costs do not disappear, they are simply shifted to New York City taxpayers.

91. Prices of Core Basket goods under the N.Y.C. Groceries program will be below any appropriate measure of actual costs.

92. As to non-Core Basket goods, once competition is eliminated there is a dangerous probability that Stores will attempt to recoup at least some costs by raising prices of non-Core Basket items to monopoly levels.

93. As to Core Basket pricing, the predators – Defendants alone and acting in concert with the Stores – need not recoup losses because losses are shifted onto the City tax base.

94. This cost shift to taxpayers is not part of a regulatory regime which this Court should defer to but rather is an act by the Defendants engaging as a market participant fully subject to—and in violation of—the Nation's antitrust laws.

G. Below-Cost Pricing Measured by Total Cost

95. The municipal Store price of Core Basket goods is achievable only by omitting real economic costs from the Store's books. The consumer pays 30% less than the prevailing retail price. The store does not earn that 30% from efficiency. It receives free rent, pays no property tax, is built with $70 million of public capital, and is backstopped by Affordability Payments. Those are costs of selling groceries that a private grocer must recover from the register but which the Defendants recover from taxpayers.

96. None of the usual premises or recoupment applies to N.Y.C. Groceries. Defendants face no risk of insolvency. They need not recoup. They need not earn monopoly profits from grocery sales; the tax base absorbs the deficit indefinitely. There is no short-run campaign that will end when capital runs out. There is no efficient private price cut being chilled; the advantage is not lower costs of buying, stocking, or selling groceries, but the ability to dump tax dollars into the register.

97. Given the long term structural advantage offered by the Defendants' access to the New York City tax base, average variable cost is the wrong basis from which to measure this predatory pricing scheme.

98. Instead, average total cost—which accounts the unfair long term advantages of free rent, forgiven property taxes, public capital carrying costs, and Affordability Payments—is the appropriate standard by which to measure when the Defendants' predatory prices.

99. Measured against average total cost, the Core Basket prices are below cost. The 30% discount is not a promotional sale funded by the operator's other SKUs. It is a contractual mandate, reset monthly against competitors' prices, and backfilled by the City. No

private full-service grocer inside the Service Radius can match that price and recover total cost.

H. Recoupment Is Inapplicable to a Tax-Financed Predator

100. Defendants need not, and under the announced design will not, recoup grocery losses from later monopoly grocery profits. They can operate at a deficit forever.

101. Insolvency is not possible and the scheme is not speculative: Defendants have selected sites, allocated $70 million, issued an RFP, and guaranteed a 30% undercut.

102. There is no efficient price cut that this Court could inadvertently chill as any "innovation" is simply access to the tax base.

103. Antitrust immunity for state and local governments is disfavored and only applies when they act pursuant to a clearly articulated state policy, enacted through its sovereign regulatory power, and clearly designed to displace competition.

104. No New York statute or constitutional provision authorizes the City to enter the retail grocery business and finance a permanent undercut of private grocers. The New York Constitution prohibits gifts or loans to private undertakings, N.Y. Const. art. VIII, § 1, and when the State authorizes municipal commercial activity—public housing, utilities, transit, recreation, industrial development—it does so expressly and with limits.

105. When government acts as a commercial participant in the retail grocery market with structural advantages unavailable to private firms—free rent, no property taxes, public capital, and Affordability Payments—the Sherman Act applies. The appropriate cost measure is total cost inclusive of those supports. Recoupment from later monopoly grocery profits is unnecessary to the scheme and is not a prerequisite to liability in this setting.

Count I
Attempted Monopolization
Section 2 of the Sherman Act, 15 U.S.C. § 2

106. Plaintiffs incorporate by reference the allegations of paragraphs 1 through 105 above as if fully set forth herein.

107. Section 2 of the Sherman Act makes it unlawful to "attempt to monopolize … any part of the trade or commerce among the several States." 15 U.S.C. § 2. Attempted monopolization requires (1) predatory or anticompetitive conduct, (2) specific intent to monopolize, and (3) a dangerous probability of achieving monopoly power. *Spectrum Sports, Inc. v. McQuillan*, 506 U.S. 447, 456 (1993).

108. The RFP is an open, written solicitation to every private operator willing to join a combination that will sell the Core Basket items at a permanent, tax-financed 30% undercut of every nearby full-service grocer, with an express path to operate "one or more" of five locations and to serve as "a model for future programs."

109. The solicitation was issued on July 27, 2026, with a response deadline of October 16, 2026. Issuance of that solicitation, with the intent and market structure alleged above, is itself the attempted monopolization in violation of Section 2.

110. Attempted monopolization need not wait for a Store to open, for an operator to be selected, or for the first Affordability Payment to be made.

111. The predatory and anticompetitive conduct constituting the attempt includes, without limitation: (a) designing and announcing a mandatory 30% discount on Core Basket goods measured against competitors' retail prices; (b) financing that discount with free rent, forgiven property taxes, $70 million in public capital, and Affordability Payments, so that Core Basket prices are below average total cost; (c) issuing the RFP

inviting private firms to operate one or more of the five stores on those terms; (d) selecting sites inside dense, walking-radius markets already served by full-service grocers, including Plaintiffs R&E Corporation and City Fresh; (e) describing the five stores as a model for future programs that will reduce prices "in ways the private market alone cannot"; and (f) structuring the operator relationship so that acceptance of a proposal will lock in the undercut by contract.

112. Defendants have acted with the specific intent to monopolize the relevant product market—retail sales of weekly-stock-up groceries at full-service stores—inside each Service Radius. Specific intent is established by the predatory design itself and by Defendants' public statements that the private market "alone cannot" deliver the desired discounts, that the five stores are a "first step" and "a model for future programs," and that additional Affordability Payments will be required to pay for operating deficits driven by discounted Core Basket SKUs. This is not monopoly "by force of accident;" it is a planned displacement of unsubsidized weekly-stock-up grocers by a tax-financed alternative.

113. There is a dangerous probability that Defendants will achieve monopoly power in each relevant geographic market.

114. Dangerous probability turns on the proximity of the monopoly coming about and the degree of its impact. While the stores are set to open next year, the RFP—which constitutes its own separate offense of attempted monopolization—is open right now. As to the potential impact, with solvency guaranteed by the tax base, the Defendants' economic power is without equal and inside the Service Radius private full-service grocers cannot match a permanent 30% Core Basket undercut and recover total cost.

115. Defendants' attempt has injured and threatens to injure competition in the relevant markets and has injured and threatens to injure Plaintiffs in their business and property. Full-service grocers inside the Service Radii face extinction or absorption. Consumers will lose independent centers of grocery competition. Association members must decide whether to bid into the combination or watch it proceed against them. That injury is the type the antitrust laws were designed to prevent and flows from that which makes Defendants' conduct unlawful.

116. Defendants' violations threaten continuing loss and damage to Plaintiffs unless permanently enjoined pursuant to 15 U.S.C. § 26.

Count II
Declaratory Judgment
That Acceptance of an RFP Proposal Constitutes an Agreement Forming the Foundation of a Section 2 Conspiracy to Monopolize
28 U.S.C. §§ 2201–2202; 15 U.S.C. § 2

117. Plaintiffs incorporate by reference the allegations of paragraphs 1 through 116 above as if fully set forth herein.

118. Section 2 separately makes it unlawful to "combine or conspire with any other person or persons, to monopolize." 15 U.S.C. § 2. The elements of conspiracy to monopolize are (1) concerted action entered with (2) the specific intent to achieve an unlawful monopoly, and (3) an overt act in furtherance of the conspiracy.

119. Acceptance of a RFP by the City would constitute concerted action between the City and the successful bidder who submitted the particular RFP accepted.

120. The intent of the City and successful RFP bidder is to achieve an unlawful monopoly by means of unlawfully low prices that would serve to drive out competitors.

121. Conspiracy does not require a dangerous probability of success and can be established without ever having acquired the power to carry out the object of the conspiracy.

122. Concerted action deprives the marketplace of the independent centers of decision making that competition assumes and demands.

123. The Declaratory Judgment Act, 28 U.S.C. § 2201(a), authorizes this Court to "declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought."

124. An actual controversy exists. The RFP is outstanding. Responses are due October 16, 2026. Plaintiffs and Association members must decide whether to submit a proposal. If the program is lawful, a successful applicant gains a business partner with access to the City's tax base. If the program is unlawful, the City's acceptance of a proposal and execution of operating agreements may itself be participation in, or consummation of, a Section 2 conspiracy. That is a concrete and immediate dilemma, not an abstract disagreement.

125. Here, the RFP is the offer and any proposal selected by the Defendants would consummate the agreement.

126. At that moment, the Defendants and some private operator are certain to agree to sell Core Basket groceries at a tax-financed 30% undercut inside the Service Radius, with the specific intent to displace unsubsidized rivals and replicate the model.

127. NSA has specific members who are ready, willing, and able to submit a bid in response to the RFP but cannot do so without risking violating Section 2 of the Sherman Act.

128. Plaintiffs therefore seek a declaration that an accepted offer submitted in response to the RFP constitutes an agreement that violates Section 2 of the Sherman Act.

129. The declaration will settle the legal relations of the parties, finalize the controversy that now forces Plaintiffs to choose between bidding and abstaining, and will not encroach on any state-court proceeding.

130. Plaintiffs have no adequate remedy at law, and permanent injunctive relief under 15 U.S.C. § 26 is necessary to prevent threatened loss or damage from the conspiracy that acceptance would complete.

Prayer for Relief

WHEREFORE, Plaintiffs respectfully request that this Court enter judgment in their favor and against Defendants as follows:

A. On Count I, a determination that Defendants have attempted to monopolize the relevant markets in violation of Section 2 of the Sherman Act, 15 U.S.C. § 2, including by issuing the RFP;

B. On Count II, a declaratory judgment pursuant to 28 U.S.C. §§ 2201–2202 that an accepted offer submitted in response to the RFP constitutes an agreement that violates Section 2's prohibition against conspiracies to monopolize. 15 U.S.C. § 2.

C. Permanent injunctive relief pursuant to Section 16 of the Clayton Act, 15 U.S.C. § 26, enjoining Defendants, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, from implementing the N.Y.C. Groceries program insofar as it employs a discount on Core Basket goods through free rent, property-tax exemption, or Affordability Payments to undercut full-service grocery competitors in the relevant markets; from accepting any RFP proposal or executing any

operating agreement that would consummate such a combination; and from otherwise attempting or conspiring to monopolize those markets;

D. An award of Plaintiffs' reasonable attorneys' fees and costs as authorized by 15 U.S.C. § 26 and other applicable law; and

E. Such other and further relief as the Court deems just and appropriate.

Dated: September 9, 2026

By: */s/ Richard P. Lawson*

Richard P. Lawson
AMERICA FIRST POLICY INSTITUTE
1455 Pennsylvania Ave., N.W., Suite 225
Washington, D.C. 20004
Telephone: 703-637-3690
rlawson@americafirstpolicy.com

- and –

By: */s/ Eric R. Levine*

Eric R. Levine
Eric P. Heichel
EISEMAN LEVINE LEHRHAUPT
& KAKOYIANNIS, P.C.
805 Third Avenue, 10th Floor
New York, New York 10022
212-752-1000
elevine@eisemanlevine.com
eheichel@eisemanlevine.com

Attorneys for Plaintiffs

EXHIBIT 1

N.Y.C. Groceries Program Operator(s)

Release Date: Monday, July 27, 2026

Information Session Date: Wednesday, August 5, 2026

Submission Deadline: Friday, October 16, 2026

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Executive Summary

N.Y.C. Groceries will make food more affordable in New York City and prove that government, in productive partnership with mission-aligned partners, can take bold steps to improve the everyday lives of residents and workers alike. By 2029, New York City Economic Development Corporation ("NYCEDC") and the City of New York (the "City") will open five (5) publicly funded, privately operated grocery stores – one (1) per borough – giving all New Yorkers an excellent, meaningfully discounted option for putting food on the table.

New Yorkers are struggling to pay for groceries. Costs have risen roughly 30%[1] since the early pandemic, and 80% of residents are concerned about continued increases.[2] The cost-of-living crisis will persist until and unless families are able to consistently afford healthy meals at home.

To that point, the vision for N.Y.C Groceries is simple:

- Excellently designed and operated grocery stores, open to all New Yorkers regardless of income level, offering a comprehensive selection of foods.
- A selection of nutritious foods (the "Core Basket") – including produce, meat, seafood, and essential groceries – sold at prices on average 30% below retail prices.
- Quality jobs that provide best-in-class, family-sustaining wages and benefit packages and a safe and dignified workplace.

With products in typical food and household departments, comprehensive service, and priority stock keeping units ("SKUs"), N.Y.C. Groceries stores will provide a new, easy-to-navigate option to complement the existing grocery ecosystem. Branding and space design will adhere to a distinctive new N.Y.C. Groceries identity created by NYCEDC, in collaboration with the City and a third-party branding consultant.

NYCEDC will partner with grocery store operators to bring this vision to life. The selected operator(s) will have the opportunity to expand their existing business through the operation of one or more of the N.Y.C. Groceries locations. The selected grocery store operator(s) will be expected to leverage existing supply chains to stock their N.Y.C. Groceries store(s), hire store labor directly (while adhering to standards set by NYCEDC), and utilize other existing operational and administrative capabilities as needed to deliver a great shopping experience and run efficient operations.

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[1] U.S. Bureau of Labor Statistics, "Consumer Expenditure Surveys: New York (2017-2023), https://www.bls.gov/cex/tables/geographic/mean.htm#msa

[2] Siena Research Institute, "After Election NYS Consumer Sentiment Rises – Tops Breakeven Point," Jan. 8, 2025. https://sri.siena.edu/2025/01/08/after-election-nys-consumer-sentiment-rises-tops-breakeven-point-republicans-up-by-25-points-democrats-lower-by-14/

NYCEDC, in collaboration with the City, will deploy various resources to make the partnership successful and financially sustainable for store operators. NYCEDC and the City will:

- Fund and execute capital fit out to construct five (5) turnkey grocery stores.
- Pay all rent and property taxes (as applicable) at the five (5) N.Y.C. Groceries sites.
- Pay for and execute N.Y.C. Groceries' store brand design.
- Make additional ongoing operating funding available as necessary, after accounting for payment of rent and property taxes, to ensure that NYCEDC's desired Core Basket discount price program is achievable.
- Provide additional payments for operators meeting benchmarks for exceptional performance.

This Project (as defined herein), designed with input from industry stakeholders, experts, and community members, will enable grocers to serve New Yorkers in a new way. N.Y.C. Groceries will prove that government can make healthy food more affordable for New Yorkers. It will show that fresh food at fair prices can be achieved through the efficient use of public resources. It will create quality jobs that provide workers with family-sustaining wage and benefit packages, and a safe and dignified workplace.

Moreover, it will offer a model for future programs that move New York City past the cost-of-living crisis and into a more just, inclusive economic future. More detail on the goals of the N.Y.C. Groceries initiative is available in the N.Y.C. Groceries: A Recipe for Affordability plan, linked here and in Appendix A.

Request for Proposals

NYCEDC is issuing this request for proposals ("RFP") to seek proposals ("Proposals," each a "Proposal") from qualified grocers or other qualified firms ("Respondents," each a "Respondent"), either independently or in teams, to serve as operators ("Operator(s)") of one (1) or more stores belonging to N.Y.C. Groceries (the "Project"). Respondent teams may include both entities that directly operate stores, along with those who provide shared services such as pooled procurement, private labels, and/or other retail solutions to grocer operators.

Each Respondent shall submit one (1) Proposal detailing the scope, structure, and requirements of N.Y.C. Groceries store operations. Each Proposal should describe approaches to each task outlined in the Scope of Services section of this RFP, and clearly indicate a request for any necessary financial support from NYCEDC to deliver on the initiative. NYCEDC encourages proposals that maximize the number of total sites under operation. Proposals will be evaluated based on the Respondent qualifications, proposal quality and alignment with Project objectives, and the amount of subsidy requested, as detailed in the Selection Criteria section.

Each Proposal should also clearly identify the N.Y.C. Groceries site(s) that the Respondent seeks to operate. As described in the Store Locations section, NYCEDC has identified sites (the "Identified Sites") for two (2) of the five (5) stores – the Manhattan Site (as defined herein) and the Bronx Site (as defined herein). Respondents may indicate a desire to operate either or both of the Identified Sites, and/or any or all of the future sites to be identified in Brooklyn, Queens or Staten Island. NYCEDC will look more favorably on Respondents who request to operate all five (5) sites. Among those Respondents who do not request to operate all five (5) sites, NYCEDC will look more favorably on those who request to operate the Bronx Site.

NYCEDC has separately launched a Portal (defined herein) to identify the future sites for Brooklyn, Queens and Staten Island. If the Respondent wishes, it may submit an available site, currently owned or leased by the Respondent or affiliated third party owned and/or controlled by the Respondent, in one (1) or more of these boroughs for consideration as future sites and reference such submitted site or sites in its proposal to operate in Brooklyn, Queens and/or Staten Island. Respondents are not required to associate a site proposal for this RFP to operate in Brooklyn, Queens and/or Staten Island with a site submitted to the portal.

Proposals in response to this N.Y.C. Groceries Operator RFP are due by Friday, October 16, 2026 at 4:00 PM EDT.

Policy Goals

Amidst the wider cost-of-living crisis, grocers are facing their own challenges – from high wholesale food prices to rising operating expenses – that make it difficult to lower prices. As a result, there are too many communities in which the market has not delivered affordable grocery options.

N.Y.C. Groceries aims to fill this gap, reducing prices in ways the private market alone cannot. Accordingly, NYCEDC is seeking Operator(s) to help:

- Open five (5) grocery stores that provide a unified, welcoming and excellent shopping experience for all New Yorkers; and promote the N.Y.C. Groceries brand.
- Provide ongoing access to affordable groceries, by offering a Core Basket of in-demand, healthy, fresh foods set on average at below retail prices, while also accepting benefit programs like the Supplemental Nutrition Assistance Program ("SNAP") and Special Supplemental Nutrition Program for Women, Infants, and Children ("WIC").
- Create quality jobs that offer competitive, family-sustaining wages and benefits, and ensure a safe workplace for all.
- Align the Project with community needs, as well as key food, health and economic justice priorities of the City and NYCEDC.

- Develop an efficient, financially responsible business model that delivers the above while maximizing the impact of the City's capital, financial and/or operational support.

NYCEDC's Role

To activate N.Y.C. Groceries, NYCEDC anticipates entering into an agreement or series of agreements with the Operator(s) and other Project related parties, as applicable, to define terms such as:

- **Term:** A term of at least ten (10) years from store delivery, with options to extend.
- **Rent:** Operator(s) will not pay rent at N.Y.C. Groceries site(s).
- **Property taxes:** Operator(s) will not pay property taxes associated with N.Y.C. Groceries sites.
- **Fit out:** NYCEDC will pay for and deliver the fit out of each individual N.Y.C. Groceries site to ensure the spaces are usable for grocery store operations. Following selection of the Operator(s), NYCEDC will formalize a reasonable and fair division of responsibilities for ongoing capital maintenance of N.Y.C. Groceries locations and equipment in any agreements executed with selected Respondent(s).
- **Ongoing management:** Operator(s) will be responsible for the management of building operations upon taking possession of the site, including utility costs, cleaning costs, security costs, and other day-to-day operational costs.
- **Scope of Services:** Operator(s) will be responsible for all activities under the Scope of Services, including ongoing store operations, merchandising the store including all goods supply and wholesale purchasing, selling the Core Basket of goods at affordable prices with periodic resets, providing quality jobs, and adhering to monitoring and compliance standards set forth by NYCEDC. NYCEDC will provide input pertaining to the operation of N.Y.C. Groceries.
- **Branding:** NYCEDC will develop a unified and consistent brand for all five (5) grocery stores in partnership with a third party consultant, and will own all intellectual property associated with that brand; the Operator(s) will operate under the brand and adhere to all branding standards established by NYCEDC.
- **Operating financial support:** NYCEDC will provide operating financial support to the Operator(s) in the form of an Affordability Payment (defined herein), subject to the Operator(s)'s compliance with the terms of any executed agreement(s), in an amount subject to negotiation.
- **Additional operational support:** If the five (5) N.Y.C. Groceries sites are collectively managed by more than one (1) Operator, NYCEDC may additionally facilitate efforts to implement unified branding and marketing, maintain consistent product mix, offer N.Y.C. Groceries-branded merchandise, keep consistent prices across all N.Y.C. Groceries stores, and gather operational data.

NYCEDC's Support to Operator(s)

N.Y.C. Groceries stores are prioritizing affordability with Operator(s) selling Core Basket items at affordable, below-retail prices. To that extent, NYCEDC will provide financial support to the Operator(s) to mitigate operating deficits attributable to discounted Core Basket sales and enable cost-effective program delivery.

REAL ESTATE FINANCIAL SUPPORT

- **Design & Build out:** NYCEDC will pay for and deliver the design and fit out of sites to be operated as N.Y.C. Groceries stores and will formalize applicable long-term capital maintenance responsibilities with the selected Operator(s). Initial fit out costs are expected to include base building, mechanical, electrical and plumbing, and purchases of equipment (including refrigeration and shelving), and all signage. Schematic designs for the Bronx Site, as defined herein, may become available for review as part of a future addendum to the RFP. Operator(s) may provide feedback to store layouts as part of their Proposals.
- **Rent:** NYCEDC will provide the Operator(s) access to its respective N.Y.C. Groceries site(s) at no cost to the Operator(s) for the duration of the agreement(s).
- **Property taxes:** NYCEDC will pay applicable real estate taxes on behalf of the Operator(s) in connection with its N.Y.C. Groceries site(s).

OPERATING FINANCIAL SUPPORT

While NYCEDC believes that real estate support should enable the Operator(s) to provide meaningful discounts to shoppers, NYCEDC recognizes that additional financial support may be required to reach the deeper levels of affordability desired under this Project. Therefore, NYCEDC contemplates providing "**Affordability Payments**" to pay for operating deficits driven by the sale of Core Basket SKUs at discounted prices (rather than retail prices), to the extent that they cannot be compensated for through covered rent and property tax payments alone.

NYCEDC may pay an additional fee conditional on the Operator(s) demonstrating excellence across aspects of Project delivery. "**Performance Agreements**" are contemplated to potentially include terms that condition fee payment on performance metrics including, but not limited to, customer satisfaction, employee retention, healthy merchandising outcomes, product sourcing and/or sustainability. As part of the Performance Agreements, NYCEDC contemplates agreeing to terms with the selected Operator(s) on reasonable potential deductions to overall payments in the event of material disruptions to the operation of any N.Y.C. Groceries site due to operator fault.

The values and terms of the Affordability Payments and Performance Agreements will be determined during negotiations with Respondents.

Respondent Qualifications and Profile

NYCEDC expects to select Respondents who are existing grocery store operators and who can demonstrate experience with:

- **Grocery store operations.** Respondents should be able to demonstrate substantive experience of successfully opening and managing grocery stores, preferably in urban environments and/or in New York City, including supermarkets, grocery cooperatives, retail and wholesale cooperative service enterprises, employee- and worker-owned grocers and non-profit grocers. Successful Respondents will demonstrate an ability to handle the full range of operations involved in running a grocery store, such as product sourcing across departments (via existing wholesale contracts and primary relationships with wholesalers), merchandising, customer service, management of membership programs, and staffing. NYCEDC prefers Respondents who can demonstrate experience opening grocery stores on quick timelines, similar to the required timeline for N.Y.C. Groceries.
- **Adhering to strong labor practices.** Respondents and Respondent teams should be able to demonstrate a track record of providing high-quality jobs to employees. NYCEDC encourages responses from Respondents with experience reaching labor peace agreements, operating with best-in-class compensation packages inclusive of wages and benefits, hiring a high share of full-time labor, and a history of strong rates of staff retention across existing grocery store operations. The strongest Respondents will demonstrate experience maintaining labor peace.
- **Promoting access to affordable food:** Strong Respondents or Respondent teams will demonstrate an ability to promote access to affordable healthy food through acceptance of SNAP and WIC in existing operations. Stronger Respondents or Respondent teams will demonstrate an ability to promote access to affordable healthy food in existing operations by participating in other programs that allow customers to access incentives / vouchers for the purchase of healthy foods offered by state / local government, and/or private insurance companies.

Respondents should also have strong reputations within their communities for delivering on public policy priorities of health, sustainability, community involvement, culturally responsive merchandising, and local and diverse sourcing stated in this RFP.

NYCEDC welcomes and encourages the formation of Respondent teams through proposed subcontracts and/or partnerships among firms. NYCEDC encourages responses from Respondent teams that include non-profit partners operating in the food accessibility space and/or small businesses operating within the food and grocery business in New York City and New York State, who may assist providing additional services aligned with related public policy priorities.

Store Locations

NYCEDC has identified sites in Manhattan (the "Manhattan Site") and the Bronx (the "Bronx Site") to host two (2) of the five (5) planned N.Y.C. Groceries' stores based on a combination of site features and the socioeconomic characteristics of the surrounding neighborhoods.

A brief description of each Identified Site and desired opening date is outlined below. Please refer to Appendix D for additional information:

The Manhattan Site

- Located at 1658 Park Avenue, Manhattan, NY 10029
- Approximately ~12,000 square feet
- Target opening in 2029

The Bronx Site

- Located at 1215 Spofford Avenue, Unit 8, Bronx, NY 10474
- Approximately ~15,000 square feet (including elevator accessible mezzanine storage space)
- Target opening in second half of 2027

NYCEDC will consider the number of sites proposed by a Respondent, as well as the inclusion of the Bronx Site in their Response. In general, NYCEDC will prefer Proposals that seek to operate a larger number of N.Y.C. Groceries locations, with the strongest preference for Proposals that seek to operate all five (5) sites. Among proposals that do not seek to operate all five (5) locations, NYCEDC will give preference to proposals that include the Bronx Site.

Future Brooklyn, Queens, and Staten Island Sites

In addition to the Identified Sites included in this RFP, NYCEDC has established a private sites portal (the "Portal") to collect information on privately-owned locations that may be suitable for grocery operations as part of the N.Y.C. Groceries initiative. The Portal is intended to serve as a separate intake mechanism for potential private sites in Brooklyn, Queens, and Staten Island, and is not part of the selection process for this operator RFP. NYCEDC reserves the right to publish additional Identified Sites sourced from the Portal via addendum to this RFP on or before the Deadline for RFP Response Submission.

As part of their Proposals, Respondents to this RFP are not required to submit a prospective private site in Brooklyn, Queens, or Staten Island through the Portal. However, if a Respondent references in their Proposal a site owned or leased by the Respondent or affiliated third party owned and/or controlled by the Respondent, the Respondent must also submit information for that site through the Portal. Any information submitted through the Portal will be reviewed by NYCEDC and may be considered for the N.Y.C. Groceries

initiative at NYCEDC's sole discretion. In any such instances, NYCEDC may lease space from a private landlord, as applicable, and subsequently provide access to the selected Respondent(s).

If NYCEDC does not formally identify additional sites in Brooklyn, Queens, and Staten Island as Identified Sites via an addendum to this RFP by the Deadline for RFP Response Submission, NYCEDC may, at its sole discretion, engage in discussions regarding final site selection with Respondents who have indicated a desire to operate a future Brookyln, Queens and/or Staten Island site(s).

Scope of Services

The Operator(s) will assume responsibility for day-to-day management of its respective N.Y.C. Groceries site(s) and related programs. This section outlines a preliminary set of responsibilities; specific tasks and expectations will be determined through negotiation with NYCEDC (the "Scope of Services").

It is contemplated that the Operator(s) may leverage their existing organizational infrastructure, such as supply chains and back-office functions, to successfully deliver the Scope of Services in connection with their respective N.Y.C. Groceries store(s), and will directly hire the staff at each N.Y.C. Groceries location. The Operator(s) will not be required to establish separate organizational infrastructure to operate N.Y.C. Groceries, though it may propose organizational and financial structures separate from a parent corporate entity.

STORE OPERATIONS

Operator(s) will be responsible for managing N.Y.C. Groceries at one (1) or more sites, handling a comprehensive set of grocery store operating responsibilities, including but not limited to those described below.

Merchandising: Operator(s) will be responsible for keeping fast-paced, high-volume N.Y.C. Groceries stores consistently stocked, including by effective in-store replenishment and handling frequent deliveries from wholesalers. Stores should strive for a limited SKU model to enable stable everyday pricing with minimal to no short-term promotional pricing.

- Operator(s) will be expected to leverage an in-house merchandising organization – with expertise in category management, assortment planning, supplier management, programming, and visual merchandising – to lead sourcing, costing, and replenishment of product.
- Operator(s) will be expected to have primary wholesale contracts in place that ensure order prioritization, high in-stock levels, frequent deliveries, and efficient delivery times from wholesale partners to the applicable N.Y.C. Groceries store(s).

- Operator(s) shall work with NYCEDC to develop a plan to reduce and/or eliminate the marketing of unhealthy products on end cap displays or check-out aisles as much as feasible, and to promote healthy eating throughout the store(s).

Operator(s) must consistently stock items across standard grocery departments, including but not limited to meat, dairy, seafood, frozen foods, shelf-stable goods, produce, prepared foods, and household items.

- It is contemplated that N.Y.C. Groceries stores will not include facilities for onsite food preparation, such as deli counters or butcher counters. The Operator(s) will nevertheless be expected to stock certain pre-packaged items traditionally prepared in such facilities, such as meats and cheeses.
- Product mix must reflect demand in nearby communities and provide for cultural fit with surrounding communities.
- Product mix must cater to diverse dietary needs (e.g., kosher, halal, gluten free, dairy-free, vegan, diabetic options).
- Product mix must meet high-quality standards related to:
  - Freshness of produce, meat, and other perishables
  - Appearance of produce
  - Remaining shelf life on grocery products
- Product mix must not include alcohol, tobacco or nicotine products.
- Product stocking must be consistent and sufficient to meet daily demand.

Product sourcing: Operator(s) should implement cost-effective supply chains, and should identify methods to leverage the Operator(s)' capabilities to reduce subsidy requirements, while identifying opportunities to engage local suppliers, small businesses and suppliers meeting high sustainability, labor, and health standards. Supply chains must be reliable and support merchandising as described above. Sourcing strategies may leverage:

- Large-volume wholesale purchasing agreements.
- Cooperative purchasing arrangements via retail and wholesale service agreements.
- Purchasing approaches that leverage local suppliers.
- Other strategies that advance retail execution and support the implementation of affordability strategies.

Private label: Operator(s) are expected to identify and pursue opportunities to launch an N.Y.C. Groceries private label across a variety of product categories in collaboration with NYCEDC.

- Private label execution must align with the N.Y.C. Groceries brand and visual identity guidelines across a variety of product categories.
- Operator(s) must develop rigorous and fully transparent quality assurance and food safety regimens for private label suppliers.

- Operator(s) may leverage their existing private label products, work with private label brokers, service providers, retail and wholesale cooperatives to source, price out and merchandise private labels in Core Basket categories.

Quality assurance: Operator(s) will maintain rigorous operational and supply chain food safety and quality assurance functions to be further outlined in such agreement(s) executed by NYCEDC with each selected Operator.

Staffing: Operator(s) must design and implement staffing models that ensure reliable store operations, including but not limited to:

- Adequate stocking levels
- Coverage at all operating hours
- Customer service standards
- Inventory management

On-site programming: At each N.Y.C. Groceries site, NYCEDC may periodically reserve space for programming to support complementary City and NYCEDC policy objectives, which may include initiatives run by NYCEDC or its partners related to health and nutrition, such as 'food as medicine' programs, benefits-enrollment or other programs. The selected Operator(s) shall ensure that such space remains accessible to NYCEDC or its partners, and Respondents are encouraged to suggest ways to effectively collaborate with NYCEDC and its partners in offering such programs, though the Operator is not required to directly launch or run any such on-site programming.

Security: Operator(s) will be responsible for securing its N.Y.C. Groceries site(s) for shoppers and workers, managing crime and loss prevention.

Facility maintenance: Operator(s) will be responsible for the ongoing maintenance and cleanliness of its N.Y.C. Groceries store(s)'s facilities and housed equipment.

Permitting, Licenses, Approvals: Operator(s) must secure licenses and permits, as necessary, to operate a grocery store in the site(s) assigned to the Operator(s). NYCEDC will assist in obtaining any relevant FRESH certification, as appropriate.

M/WBE participation goals: If the Operator(s) retains one or more subcontractors to deliver any portion of the N.Y.C. Groceries Scope of Services, the selected Operator(s) will be expected to work with NYCEDC to establish appropriate M/WBE participation goals and make good faith efforts to achieve them as further described in Appendix F.

CORE BASKET IMPLEMENTATION

N.Y.C. Groceries stores will offer a comprehensive assortment of products including from all typical food and household departments. To advance affordability, N.Y.C. Groceries will offer affordable prices, subject to monthly adjustments, on items within categories of

critical groceries (each a "Core Basket Category" and collectively the "Core Basket Categories"). Core Basket Categories will include all produce, meat, and seafood, in addition to a selection of critical grocery items. NYCEDC currently anticipates the Core Basket Categories to substantially resemble those listed in Appendix C. Together, these Core Basket Categories will compose the "Core Basket." As part of their Proposal, Respondents may propose alternative Core Basket Categories, and NYCEDC will work with the selected Respondent(s) to finalize Core Basket Categories and affordable prices.

NYCEDC intends for the Operator(s) to sell SKUs within each Core Basket Category ("Core Basket SKUs") at prices that are, on average, 30% below retail prices. NYCEDC seeks to collaborate with the Operator to achieve this discount while minimizing the need for NYCEDC's financial support beyond capital fit-out and payment of rent and property taxes.

To facilitate this Project, the Operator(s) will be responsible for:

- **Stocking Core Basket SKUs:** The Operator(s) will be responsible for stocking each Core Basket Category with a limited variety of SKUs substantially similar to that offered in its other stores and within the local New York City market. Stocked SKUs must meet high quality standards related to:
    - Food safety and pathogen control
    - Freshness of produce, meat, and other perishables
    - Appearance of produce
    - Remaining shelf life on grocery products
- **Selling Core Basket SKUs at affordable prices:** The Operator(s) will be responsible for selling each Core Basket SKU at an affordable price, which shall be updated on a monthly basis. The Operator(s) will set prices, subject to NYCEDC approval, targeting an average discount of 30% relative to the retail price. Prices may be determined based on available market data, operator input based on existing operations, and/or other observable data points. NYCEDC and the Operator will finalize a proposed pricing methodology and process in any agreements associated with this project. Affordable prices must:
    - Be available at all hours of operations
    - Be offered as "sticker prices," rather than as promotional prices.
- **Maintaining sufficient Core Basket stock:** The Operator(s) will be responsible for ensuring Core Basket SKUs are consistently stocked and available at all times to meet demand.
- **Core Basket demand management:** The Operator(s) shall take all reasonably necessary and agreed steps to ensure that Core Basket demand is managed robustly and in a fair and equitable manner to prevent excessive bulk purchases and ensure all customers have access to the Core Basket products. Any demand management policies implemented by the Operator should accommodate typical demand patterns and be consistent with the goal of providing reliable access to affordable food. Core Basket demand management will be designed in collaboration with NYCEDC, and will be kept uniform across locations, and across multiple Operators, if applicable.

- **Establishing a savings card program:** The Operator(s) will create a voluntary free-to-access membership card program to monitor sales activity, and implement the discount program and any associated demand management measures. The savings card shall not be required for physical access to N.Y.C. Groceries site(s) and shall be made easily available to any individual requesting one. Operator(s) will work with NYCEDC to develop appropriate protocols for the collection, storage and use of personal data shared by membership card program participants.

FOOD AFFORDABILITY AND ACCESS

The Operator(s) must ensure that N.Y.C. Groceries stores provide affordable groceries to New Yorkers of all backgrounds, independent of reliance on public or private forms of assistance.

- For SKUs not designated as Core Basket SKUs, the Operator(s) shall set prices that are comparable to typical retail prices within New York City, and consistent with the Operator(s)'s prices for the same items at other stores locations, as applicable.
- At a minimum, the Operator(s) must accept all forms of public assistance, including:
    - SNAP / Electronic Benefits Transfer
    - WIC
- Operator(s) must be open to participating in "Get the Good Stuff", a New York City Department of Health and Mental Hygiene program.

The Operator(s) must provide an excellent, welcoming environment and affordable groceries to community members of all backgrounds.

- N.Y.C. Groceries must be open to all.
- The Operator(s) must not implement any operational decisions that cause customers to have differential access to its N.Y.C. Groceries store(s), to individual items, or to affordable prices systems (e.g., means testing programs).
- The Operator(s) must ensure stores provide information in multiple languages to meet the needs of New Yorkers.

JOB QUALITY AND COMMUNITY HIRING

Operator(s) must collaborate with NYCEDC to finalize the expected wages, benefit packages, labor practices and working conditions required to ensure that all jobs at N.Y.C. Groceries stores meet the goals of this RFP by providing workers with best-in-class compensation packages for full- and part-time workers, inclusive of both wages and benefits, and a safe and dignified work experience.

- At a minimum, the Operator(s) must:
    - Commit to a Labor Peace Agreement at each site should a labor organization communicate intent to organize any group of workers on the site, regardless of that site's status under Section 6-146 of the N.Y.C. Administrative Code to ensure uninterrupted delivery of services.

- Prioritize hiring full-time employees, offer reliable schedules to part-time employees and, if twenty (20) or more employees (whether full-time and/or part-time), comply with "Fair Work Practices" set forth in N.Y.C. Administrative Code Section 20-1201 et seq.
- Provide employees with best-in-class wages.
- Provide employees with access to high-quality and affordable health insurance.
- Provide employees with best-in-class benefits.
- Provide employees with safety training, which shall include training on safe equipment operation and conflict de-escalation.
- Take all appropriate steps to ensure that the N.Y.C. Groceries sites are safe working environments.

To promote the job quality goals of this RFP, NYCEDC will work with the Operator to encourage in-house hiring wherever possible. NYCEDC also recognizes that some activities may require subcontracting. In the event that the Operator subcontracts elements of N.Y.C. Groceries operations, the Operator shall ensure that new subcontractors adhere to similar best-in-class standards for their workforce, including but not limited to labor peace protections.

NYCEDC has developed a community hiring program to provide opportunities for low-income individuals and those living in low-income communities (the "Community Hiring Program"). As described in Appendix G, the selected Respondent(s) will be required to use best efforts to comply with the requirements of this program.

COMPLEMENTARY POLICY DELIVERY

N.Y.C. Groceries is intended to advance the City's broad food, health, and affordability policy priorities. To that extent, the Operator(s) is expected to develop, implement, and improve upon complementary City and NYCEDC programs that advance these broader objectives (from healthy food access to affordability, workforce impact, supply chain resiliency, and more). NYCEDC intends to collaborate with the selected Operator(s) to finalize the scope of this additional programming.

BRANDING, MARKETING, AND ENGAGEMENT

NYCEDC will lead, in partnership with a third-party consultant, branding efforts for N.Y.C. Groceries, some of which may require the Operator(s)'s collaboration. The Operator(s) will lead marketing initiatives.

- **Branding:** The Operator(s) must implement a citywide brand identity supplied by NYCEDC, including store name, visual identity, packing and signage. The Operator(s) will collaborate with NYCEDC on developing a final in-store design and layout.
  - N.Y.C. Groceries stores will operate under the final N.Y.C. Groceries brand identity; any visibility for the Operator(s)'s existing brand(s) will be subject to negotiation with NYCEDC.

  - NYCEDC will retain ownership of all brand assets and intellectual property; Operator(s) will be responsible for consistent application across N.Y.C. Groceries sites.
- **Marketing:** The Operator(s) must lead multi-channel efforts to drive awareness and traffic. NYCEDC also intends to complement such efforts through its own marketing resources to drive traffic to the N.Y.C. Groceries stores.
  - The Operator(s) will be expected to participate in efforts that include:
    - Communicating pricing, savings, and value proposition (e.g., comparison to market pricing) in a transparent and accessible manner.
    - Coordinating major announcements, press engagement, and citywide campaigns to ensure message alignment.
  - The Operator(s) may also collaborate with NYCEDC in:
    - Developing limited-edition, store-exclusive branded merchandise and products, including potential collaborations with established private brands, local vendors, or New York City-based designers, to build N.Y.C. Groceries' brand affinity and drive foot traffic.

PERFORMANCE REPORTING

The Operator(s) will be required to regularly report on performance of its N.Y.C Groceries store(s) for the purposes of Project monitoring and compliance. Requirements around reporting frequency, metrics, and standards are subject to negotiation with NYCEDC.

Metrics may include, but would not be limited to:

- Store sales, including sales of Core Basket items
- Workforce outcomes, disaggregated by relevant demographic characteristics, including hiring, job quality, retention, advancement, and employee development
- Product information to inform tracking of health and local sourcing outcomes
- Customer satisfaction
- Compliance with Project pricing standards
- Compliance with agreed upon health promotion requirements
- Total transactions (e.g., Overall, among SNAP recipients)
- Average transaction value
- Stocking levels across Core Basket items

Submission Requirements

Responses must contain the following components, each of which is explored in further detail throughout this section. A Response Checklist including these items is available in Appendix B. Submissions for components 1-5 are generally expected to be up to approximately 25 pages collectively.

1. Respondent Profile(s)
2. Qualifications

3. Business, Operations, and Sourcing Narratives
4. Labor Narrative
5. Site Details
6. Wider Impact Narrative
7. Affordability Payment Request / Narrative
8. Required Appendices

1. RESPONDENT PROFILE(S)

Respondents must provide a summary of each member of the Respondent team which includes:

- **Identifying Information:** Name, address, contact information, and qualifications for each organization that comprises a Respondent team; and a statement identifying a Lead Respondent who will serve as primary point of contact with NYCEDC throughout the selection process for this RFP.
- **Team Structure and Partnerships:** Describe the proposed Project team structure, including the primary Operator, proposed partners or subcontractors, if any, and how the Project team enhances delivery of the RFP objectives.

2. QUALIFICATIONS

Respondents must describe their current operations, explaining how experience with current operations positions them to successfully perform the Scope of Services in connection with one or more N.Y.C. Groceries store(s).

Respondents should address details of current operations that demonstrate their preparedness to deliver across the full Scope of Services, including:

- Overview of organizational structure and strategy
- Scale of current operations, including total number of grocery stores in operation
- Geographic overview of current operations (e.g., presence in urban areas)
- Format of existing grocery stores
- Existing labor practices, including wages, benefits, and relationships with unions (if applicable)
- Experience with public assistance programs that advance grocery affordability, including SNAP, WIC, Get the Good Stuff, and similar programs
- Experience with other programs that advance grocery affordability, including over-the-counter cards
- Experience with community engagement (e.g., to craft culturally appropriate product mix)
- Experience with offering private label goods
- Data collection systems and capabilities

3. BUSINESS, OPERATIONS, & SOURCING NARRATIVES

Respondents must provide a narrative that describes their overall business plan to operationalize the N.Y.C. Groceries site(s) in line with the stated policy goals, Scope of

Services and timeline of the N.Y.C. Groceries initiative. The narrative must include specific sections on in-store operations and product sourcing. Respondents may provide recommendations for modifications or alternatives to the Project design to improve affordability outcomes, create higher quality jobs, bring down the cost of goods, and minimize subsidy requirements.

Throughout the operations section, Respondents must:

- Provide an overview of Core Basket implementation, including plans for pricing, maintaining stock, demand management, and balancing overall offering with non-Core Basket items.
- Discuss strategies for creating an excellent shopping experience.
- Provide plans for payments, benefits, and membership platform.

Further, throughout the operations section, Respondents may:

- Discuss alternate revenue streams to support long-term financial success.
- Highlight potential partnerships with NYCEDC, the City and other service providers to improve the in-store experience and connection to other food access programs.
- Outline potential community engagement and marketing strategies to ensure stores have consistent demand and are meeting community needs.

Throughout the sourcing section, Respondents must:

- Provide an overview of strategies to identify, source, merchandise, and sell affordable groceries that respond to community needs.

Further, throughout the sourcing section, Respondents may:

- Identify local, regional, and national suppliers that may be engaged, and any plans to bolster sourcing of goods from New York City and/or New York State suppliers relative to typical grocery store operations.
- Identify opportunities to integrate additional sourcing criteria such as labor, sustainability, or animal welfare standards.
- Highlight arrangements that could reduce wholesale costs, such as membership in purchasing cooperatives.
- Propose structured feedback mechanisms from the surrounding community (e.g., customer surveys, community advisory groups) to inform store operations and product mix.
- Identify opportunities to launch private label products to obtain cost efficiencies.
- Discuss options for reducing exposure to volatility in wholesale prices.

4. LABOR NARRATIVE

Respondents must provide a narrative that describes how they will approach staffing at each N.Y.C. Groceries site in order to meet the objective of creating quality jobs that provide workers with best-in-class wages and benefits, and a safe and dignified work experience.

In the labor narrative, Respondents must:

- Provide an estimate of the number of workers that will be hosted at each proposed N.Y.C. Groceries site, broken down by full- and part-time status. Such estimates may be provided as ranges.
- A statement of the major types of roles that will be hired for at N.Y.C. Groceries sites, along with a proposed starting wage for each role.
- Discuss how staffing informs operations and in-store experience.
- Discuss steps that the Respondent(s) will take to ensure safe working conditions for all employees.
- Discuss the history of the Respondent(s) in maintaining labor peace agreements and/or avoiding labor disruptions.
- Discuss plans for offering safety-related training, including plans to train workers on safe equipment operation and training on conflict de-escalation.
- Lay out an initial schedule of benefits that the employer plans to offer, and a range of expected costs for employees to participate.
- Discuss plans for scheduling, with a focus on identifying strategies for enhancing the predictability of schedules to the fullest extent possible.

In the labor narrative, Respondents may:

- Discuss any plans for promoting employee ownership (e.g., Employee Stock Ownership, Co-op).
- Discuss strategies for offering workforce development, which could include programs that support career advancement and partnership with workforce development organizations to create local hiring pipelines with a focus on residents of surrounding neighborhoods.
- Provide detail on expected career pathways within each N.Y.C. Groceries location, along with strategies to promote career advancement for employees.

5. SITE DETAILS

Site selection statement

Respondents must identify the sites(s) they propose operating. The Respondent may propose to operate any number from one (1) to all five (5) sites. NYCEDC may look more favorably upon Proposals in which the Respondent proposes to operate all five (5) sites. If a Respondent does not propose to operate all five (5) sites, NYCEDC will look more favorably on Proposals that include the operation of the Bronx Site.

If a Respondent seeks to propose operating at any additional, privately-owned sites, any such proposed sites must be submitted to the Portal for review, and in its response to this RFP, the Respondent must provide a narrative explanation describing why the sites(s) is well suited to advance the goals of N.Y.C. Groceries, including neighborhood need, access, and alignment with the Project's affordability and operational requirements.

Site fit-out statement

Prior to the RFP deadline, NYCEDC may release as an addendum to this RFP a schematic design and layout for the Bronx Site. Respondents may submit annotations proposing changes to the released layouts and plans. Any such changes must be accompanied by a short narrative or description explaining why they are necessary. Proposed modifications will be evaluated by NYCEDC and may not represent final design or construction documents.

6. WIDER IMPACT NARRATIVE

NYCEDC requests Respondents provide ideas for how they, or potential partners, would work with NYCEDC and the City to achieve the desired impacts of this initiative beyond the day-to-day activities described in the Business, Operations & Sourcing Narratives. NYCEDC will work with the selected Operator(s) to finalize a set of programs based on this response. Potential options could include, but are not limited to:

- Community engagement: Proposals could include options to work with New Yorkers, especially in communities surrounding N.Y.C. Groceries store(s), to ensure operations cater to their needs.
- Delivery and Access Expansion: Potentially including complementary delivery models to expand access beyond physical store locations, especially for seniors, mobility-constrained individuals, and underserved neighborhoods with limited public transit access, while mitigating financial impacts and ensuring any delivery jobs adhere to the quality job standards put forth in the RFP.
- Sustainability and Food Waste Reduction: Which could include creative strategies for inventory management, local donation commitments, packaging, or composting operations.
- Community Programming and Education: Options could include targeted, neighborhood-specific outreach strategies to reach priority populations and/or partnership with local organizations to support community programming (e.g., nutrition education, cooking demonstrations, showcasing locally produced products, hiring fairs) where appropriate.
- Nutrition and Food Education and Support: In-store programming (e.g., cooking demonstrations, nutrition workshops) to complement offerings from the City and/or NYCEDC at its reserved space focused on healthy eating and culturally relevant meals.

7. AFFORDABILITY PAYMENT REQUEST / NARRATIVE

Respondents must provide a narrative that consists of up to three (3) parts.

Discount without Affordability Payment

The Respondent must include in its Proposal details regarding the average level of discount below retail prices, if any, it could offer on an ongoing basis to Core Basket items if NYCEDC only offered the capital fit out and payment of rent and property tax.

Affordability Payment Request

If the proposed average discount on the Core Basket without Affordability Payment is less than 30%, the Respondent(s) must estimate the annual subsidy in the form of Affordability Payment required to achieve an average discount of 30% across Core Basket items, after accounting for capital fit out, rent and property taxes paid by NYCEDC.

Respondents may provide ranges rather than single estimates. Affordability Payment estimates should reflect the annual amount required to deliver the Scope of Services for each location the Respondent proposes, including:

- Selling Core Basket items at affordable prices.
- Providing quality jobs, with best-in-class wages and benefits.
- Supporting ongoing programs / initiatives that assist in achieving the wider policy goals of the initiative.

Affordability Payment Estimate Assumptions Table
Alongside Affordability Payment estimates, Respondents must fill in the Affordability Payment Estimate Assumptions Table, provided in Appendix E, to list assumptions informing their estimates. Additional written explanations may be provided.

Respondents should describe any measures they anticipate taking to reduce costs and mitigate subsidy requirements.

8. REQUIRED APPENDICES

As detailed in the Appendices, the Respondent must provide a Statement of Agreement, attesting to their agreement to the Terms and Conditions of this RFP, and a Doing Business Data form in accordance with the procurement requirements of NYCEDC and the City of New York.

Selection Criteria

NYCEDC will review all Proposals from Respondents, after which NYCEDC may pursue negotiations with one (1) or more Respondents.

NYCEDC may negotiate or enter into a relationship with one (1) or more Respondents. At its sole discretion, NYCEDC may also elect to (i) take no action toward selection or (ii) cancel this RFP.

Respondent Proposal Plan
NYCEDC will consider Proposals to operate grocery stores at one (1) or more of the five (5) anticipated N.Y.C. Groceries sites. Awards will be made one (1) site at a time; in other words, a Proposal to operate all five (5) sites may result in anywhere from zero (0) to five (5) separate awards. Respondents will be evaluated for their ability to operate each site independently of their ability to operate other sites included in their proposals.

Respondents should clearly state which sites they are proposing to operate, and there will be a preference for proposals to operate all five (5) sites.

Selection Criteria that NYCEDC will use in evaluating Proposals include the following.

- **Respondent qualifications and preparedness (45%)**
    - NYCEDC will consider Respondent(s)' experience operating grocery stores or other retail food businesses, financial resources and other qualifications.
        - Strong Respondent(s) will be able to demonstrate that they:
            - Have the internal capabilities and experience to stock, staff and open a turnkey grocery location on a defined and short timeline.
            - Have access to a supply chain of high-quality goods that can be procured at costs that support the affordability goals of this Project.
            - Adhere to strong labor practices within their existing stores.
            - Have experience accepting SNAP and WIC benefits.
        - The strongest Respondent(s) will demonstrate that they:
            - Have experience sourcing a portion of the goods in their store from local suppliers and small businesses while keeping prices low.
            - Have developed and launched private label goods.
            - Have experience maintaining labor peace
            - Have experience providing unique benefit plans that promote worker participation in company profits (e.g. Employee Stock Ownership Plans or co-ops).
            - Have developed approaches to merchandising and store operations and marketing practices that support healthy eating in existing stores.
            - Have launched programs to promote sustainability (e.g. food waste reduction programs, reduced energy utilization) at their existing stores.
            - Have developed structures for engaging local communities surrounding existing locations to inform an appropriate product mix.
- **Proposal quality (35%)**
    - NYCEDC will consider the overall quality of the approach described throughout the Proposal and its potential to deliver against the Scope of Services and objectives of this RFP.
        - Strong proposals will:
            - Demonstrate an ability to launch grocery store operations promptly, as soon as late 2027.

- Demonstrate a credible stocking plan for Core Basket and non-Core Basket items that can support the affordability goals of the program.
- Have a vision for how to partner with NYCEDC and the City to create a welcoming environment for shoppers.
- Show an initial staffing plan for N.Y.C. Groceries sites that prioritizes hiring full-time labor.
- Provide wage schedules for expected roles that offer best-in-class wages and benefits for employees.
- Demonstrate a commitment to offering benefits to workers, at low costs to those workers.
- Provide a clear plan for offering workplace safety training to workers associated with the Project.
- Include the Bronx Site among the sites they propose operating.

▪ The strongest proposals will:

- Seek to operate all five (5) locations
- Provide "Wider Impact Narratives" that identify creative opportunities to expand the impact of this initiative.
- Include partnerships with non-profits or small businesses that work in the food access space.
- Include plans for workforce training that promote career advancement
- Provide a clear strategy for creating career pathways for entry-level workers into more senior roles.

- **Requests for Affordability Payment (20%)**
  - NYCEDC will rank Proposals by proration. The Proposal requesting the lowest Affordability Payment to deliver on the Project will receive the highest score. All other responses will be prorated against this score.

Timeline

Date	Milestone
July 27, 2026	RFP Release Date
August 3, 2026 (5:00pm)	Deadline to RSVP for Information Session
August 5, 2026 (9:00am)	Information Session
August 7, 2026 (5:00pm)	Deadline for First Q&A submission; Deadline to RSVP for Site Tours
August 14, 2026	First round of Q&A posted on NYCEDC's website
August 17, 2026 (10:00am)	Site Tour—The Bronx Site
August 19, 2026 (10:00am)	Site Tour—The Manhattan Site
September 11, 2026 (5:00pm)	Deadline for Second Q&A submission
September 21, 2026	Second round of Q&A posted on NYCEDC's website
October 16, 2026 (4:00pm)	Deadline for RFP Response Submission

Informational Meetings
Potential Respondents are encouraged to review the RFP website for updates. NYCEDC will hold an optional virtual information session accessible virtually via Zoom.

The Information Session will be held on Wednesday, August 5 at 9:00 AM Eastern Time (ET). Interested parties are strongly encouraged to attend this session. Those who wish to attend can RSVP via web form by visiting the project page specific to the N.Y.C. Groceries RFP at grocery.nyc/operators on or before 5:00 PM ET on Monday, August 3, 2026. For those who are not able to attend, a summary of the questions asked and answered at the session will be included in the first Q&A document posted on the NYCEDC website.

Site Tours
Potential Respondents are encouraged to attend tours at sites identified for N.Y.C. Groceries stores. NYCEDC will lead tours on the following dates and at the following times:

- Monday, August 17, 2026 (10:00 AM ET): The Bronx Site (Peninsula, 1215 Spofford Avenue, Unit 8, Bronx, NY 10474)
- Wednesday, August 19, 2026 (10:00 AM ET): The Manhattan Site (La Marqueta, 1590 Park Avenue, New York, NY 10029)

Those who wish to attend can RSVP by filling out a registration form on the Project webpage specific to the N.Y.C. Groceries RFP at grocery.nyc/operators by Friday, August 7, 2026 5:00pm. NYCEDC reserves the right to schedule additional site tours as needed to accommodate demand.

Additional Questions and Clarifications
Respondents may submit questions and/or request clarification from NYCEDC regarding this RFP by completing the Question Submission Form available on the Project Page. While questions may also be submitted via **NYCGroceriesOperatorRFP@edc.nyc**, use of the Question Submission Form is the preferred method and will assist NYCEDC in efficiently

managing and responding to inquiries. Questions must be submitted no later than 5:00 PM ET on Friday, August 7, 2026. Questions received by the deadline will be answered and posted to the RFP website on or by Friday, August 14, 2026.

Response Submission
A final Proposal must be submitted to and received by NYCEDC via electronic submission on the NYCEDC RFP website at grocery.nyc/operators by Friday, October 16, 2026 by 4:00 PM ET. All proposals should be labeled "NYC Public Groceries RFP Response – [RESPONDENT NAME]" and should be uploaded as a single (1) zip file with this title.

Appendix A: N.Y.C. Groceries: A Recipe for Affordability Plan

More detail on the goals of the N.Y.C. Groceries initiative is available in the N.Y.C. Groceries: A Recipe for Affordability plan, linked here.

Appendix B: Response Checklist

Responses must include:

☐ 1. Respondent Profile(s)

☐ 2. Qualifications

☐ 3. Business, Operations, and Sourcing Narratives

☐ 4. Site Details

- **Reminder:** If proposing a site in Brooklyn, Queens, or Staten Island, Respondents must also submit information for that site through the Portal.

☐ 5. Wider Impact Narrative

☐ 6. Affordability Payment Request / Narrative

☐ 7. Required Appendices

- **Appendix E:** Affordability Payment Estimate Assumptions Table
- **Appendix H:** Doing Business Data Forms
- **Appendix K:** Statement of Agreement

Appendix C: Core Basket

The Core Basket is intended to cover the major food categories that are healthy, culturally relevant and in demand for New Yorkers, and will be offered at prices that are on average 30% less than retail prices. Pricing for Core Basket items will be the same across all five (5) NYC Grocery store locations, subject to monthly review.

Operators and NYCEDC will collaborate to determine Core Basket Categories, items, and prices. There will be opportunities to review Core Basket Categories, items, and prices periodically; final decisions will be subject to NYCEDC's approval.

Below is a preliminary list of Core Basket Categories that Operator(s) must stock. Final Core Basket Categories and items will reflect priorities for the Core Basket:

- **High demand**: Most Core Basket Categories represent the top-purchased items in New York City metro area grocery stores, as measured by store-wide unit sales.
- **Essential goods:** Further Core Basket Categories have been supplemented to reflect essential goods that are not top-purchased items by unit sales (e.g., cooking oil, rice).
- **Health:** Core Basket Categories have been adjusted to reflect health considerations (e.g., supplemental produce and healthy proteins added; snacks and desserts removed).

Operator(s) may recommend adjustments to Core Basket Categories. Proposed Core Basket Categories should include critical grocery items that have high demand, alignment with health guidelines, and cultural fit with surrounding communities.

PRELIMINARY CORE BASKET CATEGORIES

Produce: All produce, including items that are whole, pre-cut, and ready-to-eat and for cooking, will be included in the Core Basket. NYCEDC will also collaborate with the Operator to identify a set of frozen fruit and vegetables to include in the Core Basket.

Meat & Seafood: All fresh meat and seafood, including items that are ready-to-eat and for cooking, will be included in the Core Basket. NYCEDC will also collaborate with the Operator(s) to identify a set of frozen meat and seafood to include in the Core Basket.

Grocery (refrigerated):

- Deli meats
- Greek yogurt
- Yogurt (non-Greek)
- Non-specialty cheese (e.g., Swiss, jack, cheddar)
- Cows' milk
- Chicken eggs
- Butter
- Tofu

Grocery (shelf-stable): This Core Basket Category will exclude highly processed foods including those with excess added sugars and fats. Items will instead include:

- Pasta
- Sandwich bread
- Ready-to-eat cereal
- Tuna
- Pasta sauce
- Soup
- Non-hydrogenated cooking oil
- Nuts (Walnuts, almonds, cashews, peanuts, pecans, pistachios, and other nut varieties)
- Raw rice (White, brown, basmati, jasmine, wild rice, risotto, and other rice)
- Non-dairy milks
- Flour and meal (flour and grain meal for baking purposes)
- Beans

Deli:

- Specialty cheese - Unique, differentiated cheeses typically available at the Deli Counter.
- Salads - Salads such as chicken salad, egg salad, fruit salad, potato salad, bean salad, and other prepared salad varieties.

Appendix D: Descriptions of Identified Sites

La Marqueta -- Manhattan Site

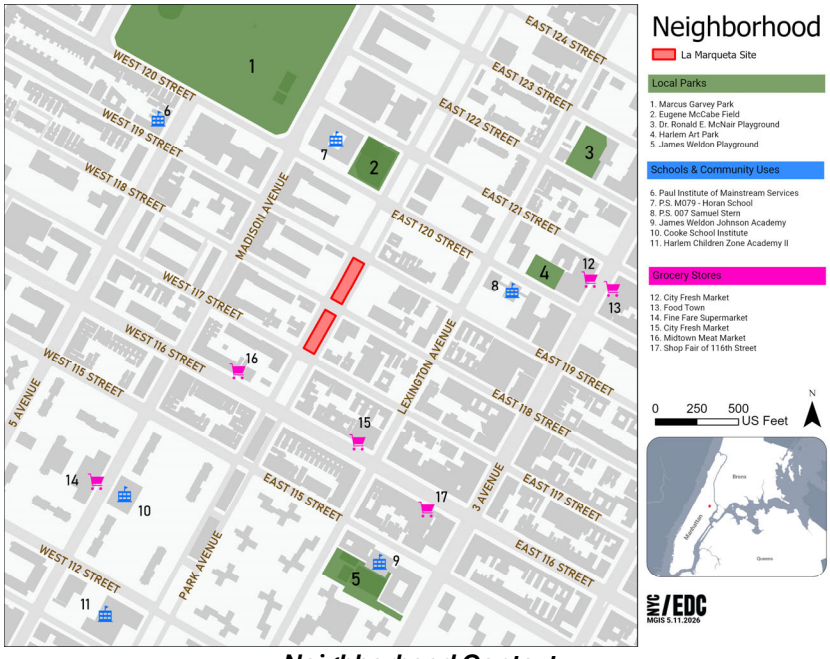
1658 Park Avenue, Manhattan, NY 10029

Space Details

As a vacant lot, the Manhattan Site will be a ground-up construction project that will be funded and managed by NYCEDC.

Site Information

The Manhattan Site is in the East Harlem neighborhood of Manhattan. It is part of the Manhattan Community District 11 and New York City Council 9. The Manhattan Site is one (1) of the eight (8) separate City-owned lots in the La Marqueta Public Market under the elevated Metro North railway viaduct spanning from East 111th Street to East 119th Street between dual one-way streets of Park Avenue. The Manhattan Site consists of Block 1623, Lot 999, that is approximately ~12,000 SF in area, and a portion of Block 1745 Lot 999 that may be made available to the Operator for waste management. Both lots are vacant with variable vertical clearance that shall be verified through field investigation and coordination with the Metropolitan Transportation Authority. The La Marqueta Public Market and the Manhattan Site are owned by the City and administered by NYCEDC.



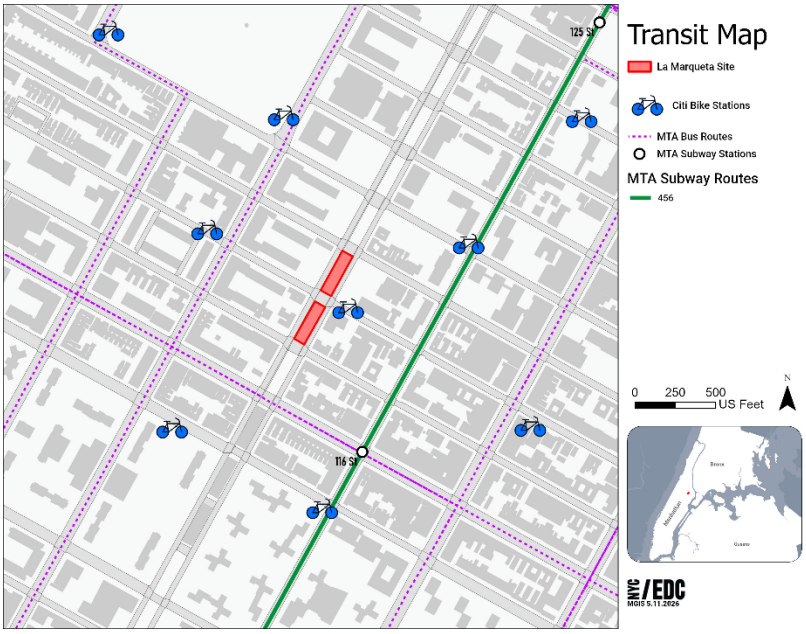
Neighborhood Context

The area surrounding the Manhattan Site is characterized primarily by medium- and high-density residential uses, with mixed-use activity concentrated along Park Avenue and East 116th Street. Zoning in the surrounding area generally reflects this context: areas outside of

Park Avenue are predominantly zoned R7-2, R7-B, and R7-D, while parcels directly fronting Park Avenue—immediately adjacent to the Manhattan Site—permit higher-density residential development under R8A, R9, and R10 districts, having been upzoned in the 2017 East Harlem rezoning. Commercial activity is further supported by C2-5 overlays along Park Avenue, as well as C1-4 and C1-5 overlays along East 116th Street. The 2017 East Harlem rezoning and related land use actions have additionally facilitated recent development surrounding the Manhattan Site including major projects such as Timbale Terrace, which will deliver over 340 residential units immediately adjacent to the Manhattan Site on a former NYPD parking lot, and Sendero Verde, which delivered more than 700 residential units nearby. The Site is also directly adjacent to the New York City Housing Authority ("NYCHA") Taft and Johnson campuses to the south.

Transportation & Access

The Manhattan Site is well-served by public transportation, with the 116th Street station on the 6 subway line located one (1) block east and the 116th Street station on the 2 and 3 subway lines located approximately three (3) blocks west. The Manhattan Site is also served by multiple bus routes along 116th Street and Park Avenue, including the M102 and M116, in addition to nearby routes like the M1, M98, M101, and M103 providing connections throughout Manhattan. Regional transit access is available via the Metro-North Railroad's 125th Street station, which serves the Hudson, Harlem, and New Haven lines. In addition to transit access, the Manhattan Site is proximate to the Robert F. Kennedy Bridge and Harlem River Drive, providing vehicular access to the broader regional highway network.



Selected Local Transit Options

Neighborhood Profile
La Marqueta is located in East Harlem, within a dense residential neighborhood with a large and well-established population base. Approximately 66,000 residents live within a half-mile radius of the site.[3] The area combines high population density with moderate household incomes relative to New York City overall. The share of households receiving SNAP benefits is above the citywide average, while aggregate household income across the trade area is approximately $2.5 billion. The scale and density of the surrounding population contribute to consistent local demand for retail and grocery services.

Metric	Value
Population	66,000
Households	28,900
Population Density (per sq. mile)	86,700
Average Household Income	$84,900
Total Household Income	$2.5B
SNAP Households	10,800
Share of Households Receiving SNAP	37%
Average Weekly Current Foot Traffic	4,300

Demographics and Density
The trade area includes approximately 66,000 residents across nearly 29,000 households. Population density is about 86,700 people per square mile, indicating a highly concentrated residential environment. Average household size is approximately 2.3 persons per household. More than 6,000 households (21%) are home to children, roughly similar to the citywide rate of 22%. The area reflects a dense urban neighborhood with a mix of household types and a significant number of residents living within walking distance of the site.

Also known as El Barrio, the neighborhood has historically been home to a large Puerto Rican community. Today, the neighborhood is more diverse, with Puerto Rican residents representing roughly 13% of the area's population. Nearly 40% of residents identify as Black or African American and roughly one-quarter of residents were born outside of the United States.

Income and Household Spending
Average household income is approximately $84,900, which is below the New York City average. Aggregate household income totals roughly $2.5 billion, reflecting the large number of households in the area. Over one-quarter of households earn less than $20,000

[3] Population and demographic data is pulled from the 2024 5-Year ACS estimates from the US Census Bureau. Census tracts that fall within a half-mile radius of the site are included.

per year, while a similar share earn more than $100,000. Additionally, approximately 10,800 households receive SNAP benefits, representing about 37% of all households. This share is higher than the citywide average.

Employment and Economic Activity
In addition to 66,000 residents, the area is also home to 15,000 jobs, nearly half of which are either in educational services or healthcare and social assistance. These sectors are very likely to be fully in-person, offering a large day-time population of potential customers in addition to the local population.

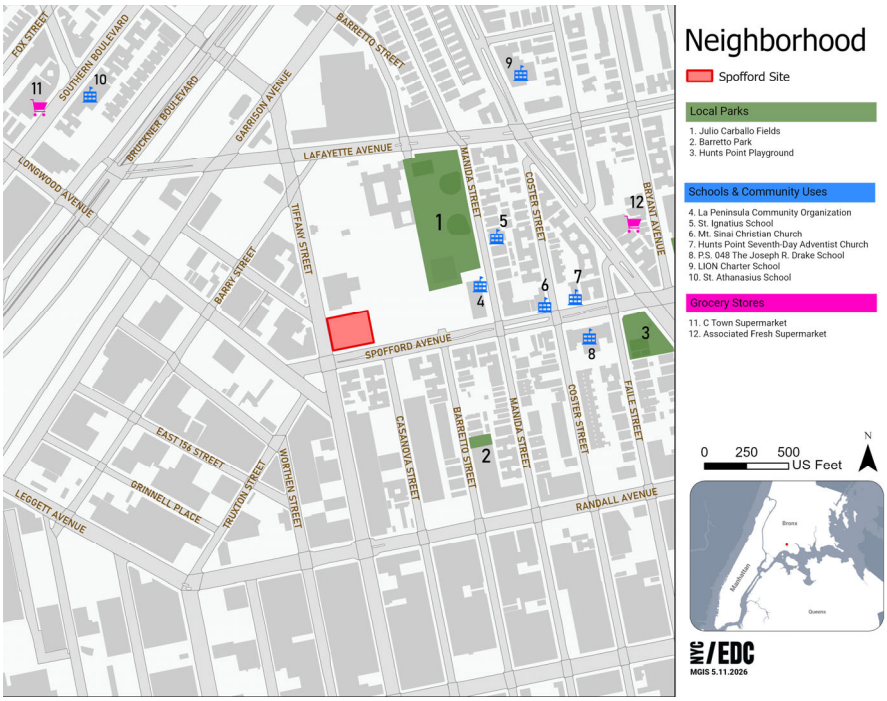
Visitation and Foot Traffic
The area immediately around La Marqueta currently sees average weekly foot traffic of about 4,300 visitors. This visitation is relatively consistent across the year and across weekdays, with the highest levels in the afternoon through early evening.

Peninsula 1A -- Bronx Site

1215 Spofford Avenue, Unit 8, Bronx, NY 10474

Space Details
The space is a brand-new unit with frontage on Spofford Avenue. It is approximately ~15,000 SF across a ground floor and mezzanine level. Additional information may be provided in a site file to be provided by addendum to this RFP.

Site Information
The Bronx Site is in the Hunts Point neighborhood of the Bronx. It is part of the Bronx Community District 2 and New York City Council 17. The Bronx Site, located at Block 2738, Lot 36, is situated within Building A at The Peninsula— a large, multi-phase mixed-use development, occupying a full city block along Spofford Avenue between Tiffany Street and Manida Street. The development campus, through a public-private partnership between the City and The Peninsula JV, LLC, will deliver over 700 units of affordable housing, light manufacturing, artist workspaces and groceries with an anticipated completion in 2029.

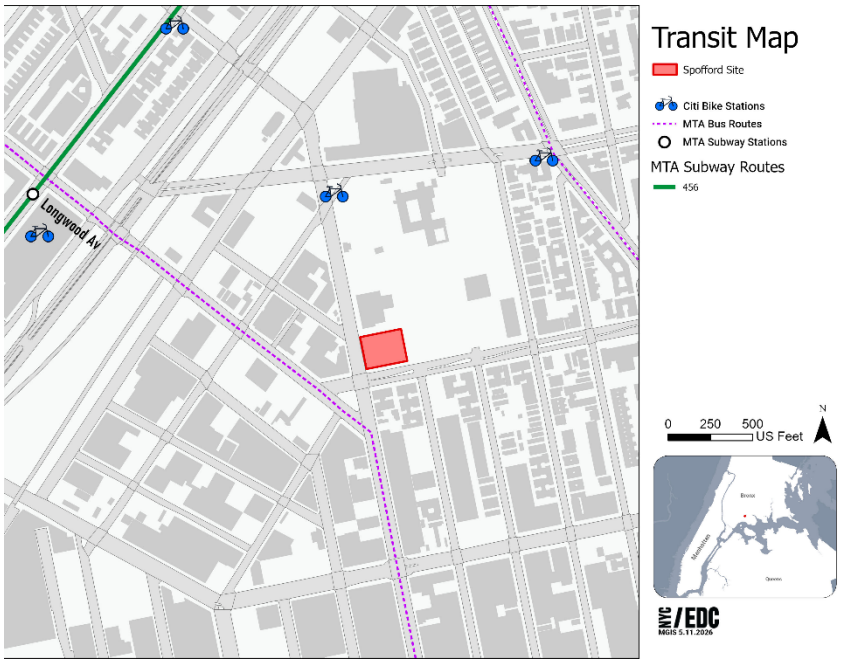


Neighborhood Context

The area surrounding the Bronx Site is characterized primarily by medium-density residential and industrial uses, with mixed-use activity concentrated along Hunts Point Avenue. Zoning in the surrounding area generally reflects these patterns, with the residential core largely designated R6 and adjacent areas zoned M1-1 and M1-2, transitioning to M3-1 further afield. The Peninsula development site was rezoned from M1-2 to M1-2/R7-2 as part of the broader redevelopment effort. Commercial activity in the area is further supported by C1-4 overlays along Hunts Point Avenue. Formerly the Spofford Juvenile Detention Center, which closed in 2011, the Peninsula has since been the focus of a City-initiated redevelopment that is currently underway. The Bronx Site is proximate to the rehabilitated NYCHA Hunts Point Avenue buildings and the broader Hunts Point Food Distribution Center.

Transportation & Access

The Bronx Site is well served by public transportation. The Longwood Avenue station on the 6 subway line is located approximately four (4) blocks from the Bronx Site, and the Prospect Avenue station on the 2 and 5 lines is approximately 0.7 miles away. Bus service is available via the B46 along Longwood Avenue and the B6 and B6 SBS along Hunts Point Avenue, located a few blocks to the east. Future regional rail access will be provided by the Metro-North Railroad's Hunts Point station, located at Hunts Point Avenue and Garrison Avenue, which will serve the New Haven Line as part of the Penn Station Access project, currently scheduled for completion by 2030. The Bronx Site is also located near the Bruckner Expressway and is approximately an eight-minute drive from the Hunts Point Cooperative Market, a major food distribution hub serving New York City and the Tri-State area.



Selected Local Transit Options

Neighborhood Profile

The area surrounding the Peninsula site in Hunts Point is a primarily residential and industrial neighborhood with a growing population base. Within a half-mile radius, approximately 26,000 residents live in the area, supporting demand for neighborhood retail.[4] These residents are currently served by a single grocery store on Hunts Point Avenue.

The neighborhood is characterized by relatively lower household incomes compared to the New York City average, alongside a high share of households participating in SNAP. Total household income within the trade area is approximately $540 million annually.

Metric	Value
Population	26,000
Households	9,500
Population Density (per sq. mile)	19,800
Average Household Income	$56,700
Total Household Income	$540M
SNAP Households	4,980
Share of Households Receiving SNAP	52%
Average Weekly Current Foot Traffic	2,300

[4] Population and demographic data is pulled from the 2024 5-Year ACS estimates from the US Census Bureau. Census tracts that fall within a half-mile radius of the site are included.

Demographics and Density
The trade area includes approximately 26,000 residents across 9,500 households. Population density is about 19,800 people per square mile, lower than in much of the rest of New York City. Average household size is approximately 2.7 persons per household, which is higher than the citywide. Roughly three-fourths of the area's population identifies as Hispanic or Latino, with Puerto Rican and Dominican being the most prevalent identities. Meanwhile, just 26% of area residents were born outside of the United States. These figures are respectively higher and lower than we see citywide, suggesting a high concentration of US-born Hispanic residents. More than 2,800 households (30%) in the area are home to children. That's higher than we see citywide (22%).

Income and Household Spending
Average household income in the area is approximately $56,700, below the New York City average. Aggregate household income totals roughly $540 million across the trade area. Roughly one-quarter of households earn less than $20,000 per year, while just 15% earn more than $100,000 per year. Additionally, approximately 5,000 households receive SNAP benefits, representing 52% of all households in the area. This share is notably higher than the citywide average.

Employment and Economic Activity
In addition to the 26,000 residents, the neighborhood within a half mile of the site is also home to about 9,500 jobs.[5] Nearly 60% of these workers are prime working age, 30 to 54, and are concentrated in four (4) primary sectors: wholesale trade (21%), healthcare and social assistance (12%), educational services (12%), and construction (10%). Additionally, the Hunts Point Produce Market, located just outside of the half-mile trade and is home to an additional 6,600 jobs, nearly all of which fall under wholesale trade. These combined 16,000 workers are in close proximity to the proposed site, are likely working fully in-person, and offer a consistent daytime population in addition to local residents.

Visitation and Foot Traffic
Current foot traffic in area immediately surrounding the site averages just over 2,300 visits per week, with slightly higher levels in the summer months.[6] By hour and day of the week, visitation peaks at 6pm and is highest on weekdays.

[5] Employment data is pulled from the most recent (2023) Longitudinal Employer Household Dynamics Worker Area Profiles and represents Census block groups that fall within the half-mile radius.
[6] Visitation and foot traffic metrics are provided by Placer.ai and represent the area with 250 feet of the site.

Appendix E: Affordability Payment Estimate Assumptions Table

This table must be completed and submitted alongside the Respondent's Affordability Payment Request, to provide the assumptions underlying the request. Values should be provided separately for each location the Respondent proposes operating.

Additional spreadsheets and/or written explanations may be provided as needed.

Assumption	**Value (Annual)**					
	BX	BK	MN	QNS	SI	**TOTAL**
Sales, Core Basket items						
Sales, non-Core Basket items						
Costs, goods sold						
Costs, personnel (e.g., wages, benefits, payroll taxes)						
Costs, other operational (e.g., supplies, fees, merchandising)						
Costs, programmatic (e.g., additional programs)						

Notes

Regardless of whether Respondent is associating a Proposal with a proposed Site in Brooklyn, Queens or Staten Island, Respondent should provide estimates against those boroughs assuming that stores will comprise approximately 15,000 square feet of selling feet. If the Respondent is proposing to operate a specific site also submitted through the portal, it should provide estimates associated with those sites.

In estimating "Total sales, Core Basket items," Respondents should assume Core Basket items are sold at discounted prices approximately 30% below typical retail price.

Appendix F: M/WBE Program Overview

NYCEDC reserves the right to establish M/WBE participation goals for this Project. Following the selection of one or more Respondent(s) and during subsequent negotiations of agreement(s), NYCEDC will work with the Respondent(s) to review the Scope of Services and identify available subcontracting opportunities to determine appropriate M/WBE participation goals. If M/WBE participation goals are established, they will become a requirement of such agreement(s) with NYCEDC, and the selected Respondent(s) will be required to comply with applicable M/WBE program requirements and demonstrate good faith efforts to achieve those goals. NYCEDC further reserves the right to modify, or waive M/WBE participation goals, as permitted by applicable law and policy, based on its review of the final Scope of Services and available subcontracting opportunities.

Appendix G: NYCEDC Community Hiring Program Requirements

NYCEDC is committed to expanding economic opportunity by connecting those living in low-income communities and low-income households with quality employment opportunities. Through NYCEDC's “Community Hiring Permanent Program”, NYCEDC works with project operators to support the potential hiring of eligible community hires as part of their ongoing business operations.

The Community Hiring Permanent Program is designed to support potential hiring of eligible community hires through existing hiring practices and includes workforce development goals related to hiring, retention, and advancement. These goals include using best efforts to fill fifty percent (50%) of new hires associated with operation of the grocery stores with eligible community hires, as well as retention and advancement goals for those hires. These are program goals, not required outcomes, and compliance is evaluated based on applicable program requirements and demonstrated best efforts. community hires are individuals certified as either residents of designated economically disadvantaged communities or qualifying affordable housing; or individuals from low-income households.

Following selection of the successful Respondent(s), NYCEDC will work with the Respondent(s) to develop an implementation strategy tailored to the Project's operations. The selected Respondent and any potential eligible subcontractors will be required to use best efforts to comply with the applicable Community Hiring Permanent Program requirements.

Appendix H: Doing Business Data Forms

Local Law 34 of 2007 (LL 34) requires the creation of a database containing information about entities that do business with the City as defined by the law, and principal officers, owners and senior managers of these entities. This information will be collected on Doing Business Data Forms that are distributed, collected and reviewed by agencies, and forwarded to the Doing Business Accountability Project (DBAP) at the Mayor's Office of Contract Services (MOCS) for processing. Collected data will be used to identify entities and people who are subject to LL 34's limitations on campaign contributions in municipal elections.

The Respondent shall complete and submit a Doing Business Data Form which can be found at https://edc.nyc/vendor-resources (as set forth in the links below). If the Respondent cannot access or download these forms, NYCEDC may, upon request, send the Respondent the required forms.

If you have any questions or concerns, please contact the Doing Business Accountability Project at 212-788-8104 or DoingBusiness@cityhall.nyc.gov.

Doing Business Form

Q&A General

Appendix I: RFP Terms and Conditions

In addition to those stated elsewhere, this RFP and any transaction resulting from this RFP are subject to the conditions, terms, and limitations stated below:

- In connection with its review of the Proposals submitted pursuant to this RFP, NYCEDC may require one or more Respondents to provide greater detail concerning one or more aspects of the Proposals of such Respondent(s). In addition, NYCEDC may schedule interviews with one or more Respondent(s) for which interviews such Respondents may be required to make its/their principal(s) and key employees available. Interviews shall be at the sole discretion of NYCEDC and may or may not be conducted and may or may not be scheduled for all Respondents. NYCEDC reserves the right to request from any Respondent such other information and materials as it may, in its sole discretion, deem necessary or desirable in addition to the information required under this RFP. The holding of any such discussions, conducting of such interviews and/or the making of such request for any such additional information or materials shall not constitute selection of a Proposal, or in any other way impose on NYCEDC any obligation to any Respondent. NYCEDC shall not have any legal obligation to any Respondent.
- Respondent(s) shall cooperate in supplying any information as may be required with respect to any governmental review and approval that may be necessary in connection with the Project.
- Recipients of this RFP shall make no news, statements to the press, or press release pertaining to this without prior written approval from NYCEDC. Upon submission of a Proposal to this RFP, Respondents, and their representatives and agents, shall treat their Proposals and all information obtained from the City or NYCEDC in connection with this RFP that was not in the public domain prior to the time they obtained it from the City as confidential information, and shall not discuss, publish, divulge, disclose or allow to be disclosed the confidential information to any other Respondent or any other person, firm or entity, including press or other media, without NYCEDC's prior written approval.
- All Proposals and other materials submitted to NYCEDC in response to this RFP may be disclosed in accordance with the standards specified in the Freedom of Information Law, Article 6 of the Public Officers Law of the State of New York ("FOIL"). A Respondent may provide in writing, at the time of its submission, a detailed description of the specific information contained in its Proposal which it has determined is a trade secret and which, if disclosed, would substantially harm such Respondent's competitive position. This characterization shall not be determinative but will be considered by NYCEDC when evaluating the applicability of any exemptions in response to a FOIL request.
- Neither the City nor NYCEDC shall be liable for any cost incurred by the Respondent in the preparation of its Proposal. Neither the City nor NYCEDC is obligated to pay any costs, expenses, damages or losses incurred by any

Respondent at any time unless NYCEDC or the City has expressly agreed to do so in writing.

- NYCEDC shall be the sole judge of whether a Proposal conforms to the requirements of this RFP and of the merits and acceptability of the individual Proposals. Notwithstanding anything to the contrary contained herein, NYCEDC reserves the right to take any of the following actions in connection with this RFP: amend, modify or withdraw this RFP; waive any requirements of this RFP; require supplemental statements and information from any respondents to this RFP, including, if the Respondent is a joint venture, a copy of a joint venture agreement; award a Contract to as many or as few or none of the respondents as NYCEDC may select; accept or reject any or all Proposals received in response to this RFP; extend the deadline for submission of Proposals; negotiate or hold discussions with one or more of the Respondents; permit the correction of deficient Proposals that do not completely conform with this RFP; waive any conditions or modify any provisions of this RFP; reject any or all Proposals and cancel this RFP, in whole or in part, for any reason or no reason, in NYCEDC's sole discretion. NYCEDC may exercise any such rights at any time, without notice to any Respondent or other parties and without liability to any Respondent or other parties for their costs, expenses or other obligations incurred in the preparation of a Proposal or otherwise. All Proposals become the property of NYCEDC.
- The City and NYCEDC, and their respective officers, employees, and agents, make no representation or warranty and assume no responsibility for the accuracy of the information set forth in this RFP including, without limitation, information in the attachments, exhibits, appendices, diagrams, emails and Website.
- Neither NYCEDC nor the City will be responsible for any injury or damage arising out of or occurring during any visit to any N.Y.C. Groceries site.
- Only Proposals from principals will be considered responsive. Individuals in representative, agency or consultant status may submit Proposals only under the direction of identified principals, where the principals are solely responsible for paying for such services.
- This RFP and any agreement(s) resulting here from are subject to all applicable laws, rules, regulations and executive orders, policies, procedures and ordinances of all Federal, State and City authorities, as the same may be amended from time to time, including without limitation, equal employment opportunity laws.
- All terms in this RFP related to the permitted use of any N.Y.C. Groceries site shall be as defined in the New York City Zoning Resolution and any applicable plan, design guidelines, or similar development limitations and controls. Where any conflict arises in such terms, the most restrictive shall prevail. The proposed transaction may be subject to approval by NYCEDC’s Board of Directors and/or Executive Committee.

- A Respondent submitting a response to this RFP may be rejected if it or, if the Respondent is a business entity, any of its affiliates, principal shareholders, principals, partners, members, consultants, subcontractors, agents, officers, directors or employees is determined, in NYCEDC's sole discretion, to be within a category of persons or entities with whom or which the City or NYCEDC will not generally do business, including, without limitation, if such Respondent (or any of its affiliates, principal shareholders, principals, partners, members, consultants, subcontractors, agents, officers, directors or employees) (i) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with NYCEDC or the City, unless such default or breach has been waived in writing by NYCEDC or the City, as the case may be; (ii) has been convicted of a misdemeanor and/or found in violation of any administrative, statutory, or regulatory provision in the past five (5) years; (iii) has been convicted of a felony, and/or any crime related to truthfulness and/or business conduct in the past ten (10) years, inclusive of any convictions for wage theft; (iv) has received a public notice of violations from the New York State Department of Labor for violations of the Wage Theft Prevention Act; (v) has any felony, misdemeanor and/or administrative charges currently pending; (vi) has received written notice of default in the payment to the City of any taxes, sewer rents, or water charges, unless such default is then being contested with due diligence in proceedings in a court or other appropriate forum; or (vii) has owned at any time in the preceding three (3) years any property which, while in the ownership of such party, was acquired by the City by in rem tax foreclosure, other than a property in which the City has released or is in the process of releasing its interest to such party pursuant to the Administrative Code of the City.
- Prior to any award to a Respondent, such Respondent and all officers and principals thereof must complete a background questionnaire and shall be subject to investigation by NYCEDC and the City's Department of Investigation. Any designation may be revoked in NYCEDC's sole discretion in the event any derogatory information is revealed by such investigation.

Appendix K: Statement of Agreement

Statement of Agreement

(On company letterhead)

Date:

New York City Economic Development Corporation

1 Liberty Plaza, 14th Floor

New York, NY 10006

To whom it may concern:

This letter hereby certifies that [Respondent] has read this RFP, the Appendices, the Exhibits, and agrees to the terms and conditions set forth in this RFP and Appendices.

Sincerely,

Respondent

Respondent Title [*must be authorized principal or officer o the respondent*]

EXHIBIT 2

SUMMER 2026

N.Y.C. Groceries: A Recipe for Affordability

NYC/EDC | New York City Economic Development Corporation

The OFFICE of the MAYOR

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6 **A Targeted Response: N.Y.C. Groceries**

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10 **Site Selection**

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14 **Supporting the Broader Grocery Ecosystem**

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Mission

N.Y.C. Groceries is a new initiative to bring down the cost of everyday groceries and household staples, strengthen neighborhood food access and economic activity, and demonstrate a new role for public sector leadership in food affordability. Drawing on proven models, N.Y.C. Groceries treats access to affordable food as an essential public service.

N.Y.C. Groceries will offer a **30% discount** across a large variety of healthy foods that New Yorkers purchase the most—delivering predictable, meaningful savings that shoppers will feel at checkout.

$2

The Need: Food Affordability in NYC

New Yorkers must be able to meet their basic grocery needs without spending an unreasonable share of their income.

For too many New Yorkers, access to affordable groceries is increasingly out of reach. Across the five boroughs, families are paying more for food while also facing increasing costs for housing, childcare, and healthcare, among other essential needs.

Since the pandemic, the cost of groceries increased by roughly 30 percent and never came back down.[1] Today nearly 80 percent of New Yorkers report concern about rising food prices.[2]

This burden is not shared equally. On average, NYC Metro Area households spend about 6 percent of their income on groceries, but for lower-income New Yorkers, that share can reach more than 25 percent.[3]

Even middle-income families are feeling strained, often without qualifying for traditional assistance programs like SNAP. For an overwhelming 86 percent of New Yorkers, the rising cost of food is outpacing their incomes.[4] Combined with a lapse in federal assistance programs, food insecurity remains a reality for many, affecting approximately 15 percent of New Yorkers and reaching significantly higher levels in some parts of the city.[5]

Grocery prices are tied to wholesale food costs, and high operating expenses make it challenging for many stores to bring prices down on their own, especially independent grocers that lack the scale of larger chains. The private market alone has not consistently delivered affordable, full-service grocery options, especially in communities with the greatest need.

N.Y.C. Groceries is the City's direct response to this gap. It is government action to directly reduce prices and improve access in ways the private market alone cannot.

This document defines the City's approach to grocery affordability, outlines how the new N.Y.C. Groceries stores will work, and sets a clear plan for implementation and impact.

86%

of New Yorkers see the rising costs of food outpacing their income

"We cannot accept a status quo where even the most fundamental needs—putting food on the table—feel out of reach. This is about ensuring that every New Yorker, regardless of income or ZIP code, has access to fresh, healthy food at a price they can afford."

Mayor Zohran Kwame Mamdani

Photo Credit: Kara McCurdy, Mayoral Photography Office

A Targeted Response: N.Y.C. Groceries

N.Y.C. Groceries reflects a more active public sector role in addressing rising grocery costs and gaps in access to grocery stores with a full range of fresh, healthy food.

The initiative will establish a first-of-its-kind model in major US cities: City-owned supermarkets with private grocery store operators with a mandate for lower prices, improved access, and clear standards for quality and accountability. Each N.Y.C. Groceries store will be open to all New Yorkers, not be means tested, and offer meaningful discounts on a core basket of fresh produce and essential foods.

N.Y.C. Groceries is not a standalone solution to food affordability nor is it intended to replace the private grocery market. It will not eliminate the need for private supermarket investment, address all food access gaps citywide, or replace existing programs that support grocery development and small businesses.

N.Y.C. Groceries will increase access to affordable, healthy food, which is a critical determinant of health and a component of stronger, more resilient communities.

"Economic justice means making sure the basic necessities of life—starting with food—are affordable and accessible in every borough. The city-owned grocery stores initiative is a centerpiece of our economic justice agenda because it addresses affordability, worker dignity, and neighborhood vitality all at once."

Deputy Mayor for Economic Justice Julie Su

N.Y.C. Groceries is built on a suite of core tenets:

01

Citywide Presence

Establish one public grocery store in each borough, with locations selected based on the opportunity to improve food access and affordability within a neighborhood

02

Meaningful Affordability

Deliver predictable, meaningful savings on everyday grocery items, reducing household food costs and making budgets more manageable

03

Price Transparency

Make pricing clear and easy to understand so customers can see and trust the value of their purchases

04

High-Quality Jobs and Worker Safety

Create stable, family-sustaining jobs with best-in-class wages and benefits, strong workplace protections, and safe working conditions

05

Support for Small Businesses and Local Economies

Incorporate local vendors and suppliers where it is feasible to strengthen the local economy and drive foot traffic to other nearby businesses

06

Public Accountability

Set clear performance standards and report on outcomes to ensure stores deliver on affordability, quality, and service

07

Excellent Shopping Experience

Provide clean, well-designed stores that are welcoming and accessible to all New Yorkers

How We Measure Affordability

Affordability at the grocery store means New Yorkers should be able to afford the basics without having to make tradeoffs between healthy food and other essential expenses.

N.Y.C. Groceries is designed to make that expectation real by delivering consistent, everyday savings on a core basket of foods families need most.

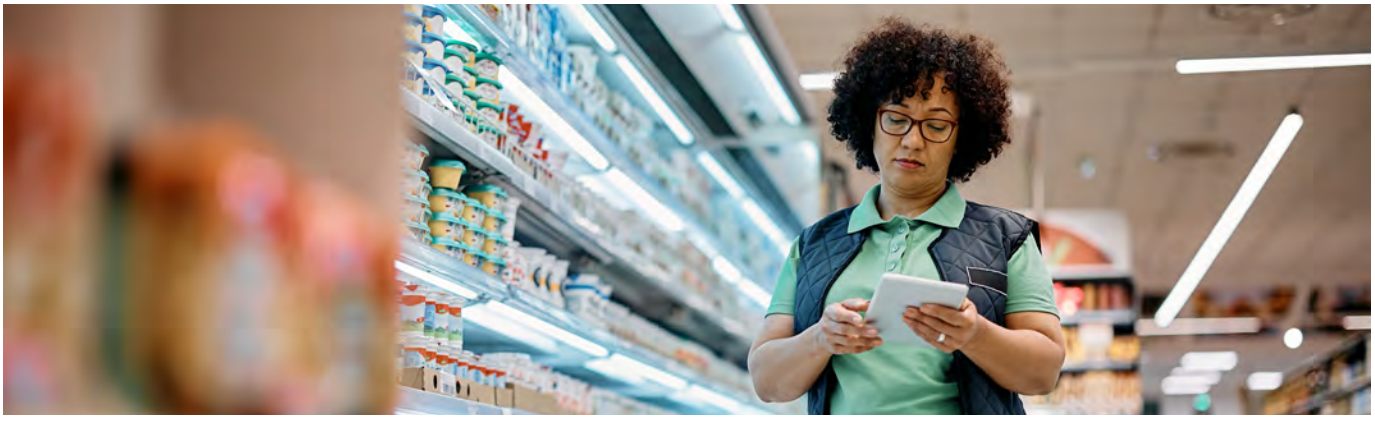
Each store will operate as a full-service grocery store, offering a wide range of products customers typically expect, while focusing **targeted savings on a standardized core basket of goods that will include fresh produce, meat, fish, seafood, plant-based proteins, pantry staples, and other nutritious foods**. Each store will stock selections that are culturally responsive to the diversity of New York and to the specific neighborhood the store is located within.

The discounted core basket will include all fresh produce, meats, and seafood, in addition to select dairy, shelf-stable grocery, and frozen items. Items in this core basket will be priced on average **30 percent below market prices**, delivering real, everyday affordability on the essentials New Yorkers rely on most.

Operators will be required to stock items across key food categories and offer clear, reliable pricing on the shelf, with **prices for core basket items held consistent, subject to change only periodically to reflect market conditions**. This approach gives families predictability and the ability to budget ahead with confidence.

Store operators will be held to clear, enforceable standards, including **meeting pricing requirements, maintaining consistent pricing on core basket items, fair pricing on all non-discounted items, and regularly reporting data to the City**.

Sustaining these lower prices will require targeted public investment. With access to lower-cost space and targeted investment for lower-cost food from the City, operators will pass on those savings to customers while covering costs for staff, space, and operations.



The Operating Model

N.Y.C. Groceries is a City-led, publicly accountable network of stores designed to deliver affordable food and reliable access. The City sets the mission, standards, and store design; experienced third-party operators run the stores day-to-day under those requirements.

THE ROLE OF THE CITY

While the City can reduce costs and set public priorities, it does not operate grocery stores day to day. Delivering affordable food at scale requires deep operational experience, strong supply chains, and proven retail execution.

The City will provide the foundation and deliver grocery-ready sites, cover rent and property taxes, fund initial buildout, and establish a single public brand for all N.Y.C. Groceries locations. The City will also set clear requirements for affordability, job quality, transparency, and performance. The City will:

- **Provide low- or no-cost access to real estate**, including public sites
- **Offer subsidies** that will lower grocery prices within the core basket
- **Set clear standards** for stocking, job quality, and pricing transparency
- **Oversee performance** to ensure accountability

THE ROLE OF THE OPERATORS

Operators will be responsible for all daily aspects of store operations, running full-service stores that meet high operational standards, reflect neighborhood needs, and consistently deliver low prices on a core basket of essential goods.

Job quality and accountability are nonnegotiable, including access to benefits, safe working conditions, and respect for workers' right to organize.

Further, operators will be held to clear performance expectations, with public support tied directly to results. The selected grocery store operators will:

- **Manage day-to-day store operations**, including staffing, stocking, and merchandising
- **Bring expertise** in grocery retail, supply chains, and customer experience
- **Meet affordability and operational standards** defined by the City
- **Pass on the savings** from the City's subsidy directly to consumers in the form of lower-priced groceries

The City's role is to set the conditions for success.
The operator's role is to execute with excellence.
New Yorkers deserve nothing less.

Site Selection

Selecting the locations for stores matches need with the ability to reach New Yorkers consistently, sustain operations, and deliver real affordability over time.

BRONX SITE PROFILE: The Peninsula

On May 19, 2026, Mayor Mamdani announced The Peninsula in Hunts Point as a N.Y.C. Groceries location—the program's first site in the Bronx. The 15,000-square-foot grocery store is planned to be the first N.Y.C. Groceries store to open, with a target opening in late 2027.

Affordable groceries at The Peninsula will be part of a larger community investment and a multi-phase redevelopment led by New York City Economic Development Corporation (NYCEDC).

The project will create a mixed-use campus with 740 units of 100 percent affordable housing, more than 50,000 square feet each of public open space and community facilities, and commercial space anchored by the N.Y.C. Groceries store.

The Peninsula will be the first store milestone for the N.Y.C. Groceries initiative, bringing the model to life and delivering affordable food in Hunts Point sooner.

Rendering Credit: WXY

MANHATTAN SITE PROFILE: La Marqueta

On April 14, 2026, Mayor Mamdani named La Marqueta, a City-owned public market in East Harlem, as an N.Y.C. Groceries location. The program's first site in Manhattan, this new 9,000-square-foot grocery store is planned to open in 2029, bringing affordable groceries and culturally relevant options closer to home for the community.

The market opened in 1936 under Mayor LaGuardia as the Park Avenue Retail Market and grew into La Marqueta—an economic and cultural hub for El Barrio and East Harlem—shaped by generations of Puerto Rican, Dominican, Cuban, and Mexican New Yorkers. Today, NYCEDC operates La Marqueta as one of the City's six public markets.

Close to major public investments in East Harlem, including housing, cultural projects, and open space, La Marqueta currently supports 20 small businesses and helps grow local jobs and opportunity. The new N.Y.C. Groceries store will complement these existing small businesses.

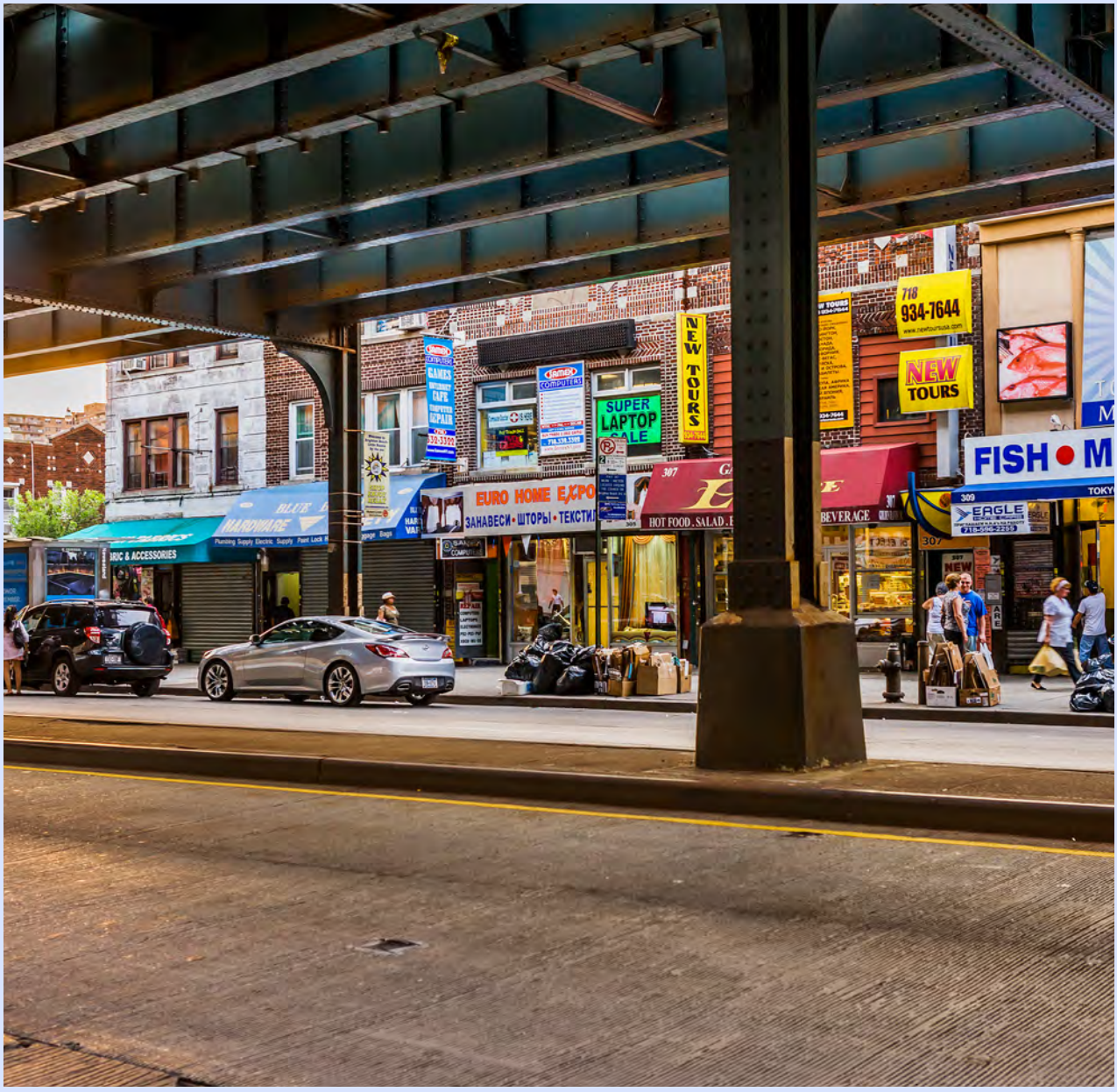
Future investment will strengthen La Marqueta as a neighborhood anchor and show how public markets can advance food access, public health, and inclusive economic growth.

N.Y.C. Groceries Sites Portal

In May 2026, the City launched the N.Y.C. Groceries Sites Portal to find possible locations for future public grocery stores in Brooklyn, Queens, and Staten Island.

Through the portal, private property owners can now submit locations for consideration. **Property owners in Brooklyn, Queens, or Staten Island who think their site could work for a grocery store are invited to submit it through the portal** at grocery.nyc/portal.

NYCEDC will review submitted sites to determine fit, considering characteristics like size, location, project timeline, among other basic requirements.



Public & Stakeholder Collaboration

The City is committed to building this initiative with the people closest to the issue of affordability, including community members, workers, grocery operators, advocates, small businesses, and City agencies, among others.

New Yorkers understand grocery affordability better than anyone. They know what it costs to put food on the table, what is missing in local stores, and what predictable prices actually mean for their households.

To guide this work, City Hall has convened **an interagency taskforce** bringing together agencies responsible for food policy, public health, consumer and worker protection, small business services, and city planning.

This taskforce ensures that City agencies work together to deliver grocery affordability, quality jobs, and access to nutritious food.

In parallel, the City has engaged key stakeholders through **a series of expert roundtable discussions.** Independent grocery operators and industry experts have helped stress test the operational model. Labor and workforce partners have informed expectations for job quality and safety and dignified working conditions. Community advocates and food system leaders have helped define what affordability and access look like at the neighborhood level.

Public engagement will not stop once the planning stage concludes. Working in coordination with the Mayor's Office of Mass Engagement, the City will continue **outreach and listening efforts across all five boroughs** as the program moves toward opening.

New Yorkers will have multiple ways to share feedback and directly shape how N.Y.C. Groceries stores operate in their communities. On a macro level, the City will collect feedback through surveys and open forums. On the community level, neighborhood conversations and targeted focus groups will capture robust input across the city.

Engagement will be ongoing through development, opening, and store operations, ensuring this program remains grounded in real needs and lived experience.

Supporting the Broader Grocery Ecosystem

N.Y.C. Groceries is not a stand-alone initiative. It is designed to work alongside existing stores and strengthen the broader food and grocery ecosystems that New Yorkers rely on every day.

N.Y.C. Groceries will add five stores to New York City's diverse food retail landscape, which is home to more than 1,100 grocery stores and over 10,000 bodegas. Grocery affordability is shaped by this full ecosystem, not just prices inside these five stores. It depends on a well-functioning network of retailers, clear and predictable prices, accessible locations, and policies that support store owners.

Through engagement with local grocery operators, bodega owners, and other industry stakeholders, the City is designing N.Y.C. Groceries physical stores, pricing, and product offerings to fill gaps in food access and affordability, not to displace existing retailers.

These conversations have surfaced key considerations to site new stores in areas of need while remaining mindful of existing retail density. Stakeholders have also highlighted opportunities to support local and regional suppliers to strengthen distribution networks, along with the need to build stronger workforce development pipelines across the ecosystem.

The City will continue to invest in the broader grocery ecosystem while also identifying new opportunities to reduce regulatory burdens and streamline permitting, with the goal of making it easier for full-service grocery stores and other grocery retail establishments to open and operate affordably across the five boroughs.

For customers, **N.Y.C. Groceries will align with the City's existing food assistance and consumer protection efforts**.

Improving food affordability requires multiple approaches to working together, and the City is committed to ensuring that N.Y.C. Groceries strengthens the existing food system by complementing neighborhood retailers.

The Path Forward

N.Y.C. Groceries is well underway, moving from vision to stores, and from promises to prices New Yorkers can count on.

The City has already begun moving N.Y.C. Groceries from vision to execution. Following the Mayor's initial announcement and call for public input in spring 2026, New Yorkers, workers, and industry experts have helped shape this initiative through ongoing roundtables and focus groups.

As N.Y.C. Groceries moves toward opening, the City will create additional opportunities for New Yorkers to share feedback, raise concerns, and help shape how these stores operate in their communities. This program is being built with the people it is meant to serve, and the public will continue to matter at every stage.

Upcoming Milestones:

In July 2026, the City launched a public, competitive procurement to identify experienced grocery operators across all five boroughs.

In early 2027, the City will announce selected operators and advance site-specific design, permitting, and development. This phased approach allows sites that are ready sooner to move forward first, while more complex projects continue to develop on longer timelines.

By the end of 2027, the first N.Y.C. Groceries location at The Peninsula is expected to open.

By the end of 2029, the store at La Marqueta is expected to open, with the City continuing development of this ground-up public market project.

The Promise of N.Y.C. Groceries

Imagine walking into an N.Y.C. Groceries store. It's clean, bright, easy to navigate, with a proud NYC look and feel. You see clear prices on shelves, simple labels that make it easy to spot your discounted core items. You can fill your cart with the everyday staples you count on most—while paying less. The goal is simple: be able to afford what you need, and leave with a little more cash left in your wallet. That is the promise of N.Y.C. Groceries, and the City is committed to delivering on it.

Stay Informed

For general information about the initiative and to stay up to date on opportunities, public engagement, and more, visit grocery.nyc.

Endnotes

1 Calculation using data from U.S. Bureau of Labor Statistics, “Selected Northeastern Metropolitan Statistical Areas: Average annual expenditures and characteristics, Consumer Expenditure Surveys” (2019-2020) and (2023-2024). https://www.bls.gov/cex/tables/geographic/mean.htm#msa

2 Siena Research Institute, “After Election NYS Consumer Sentiment Rises – Tops Breakeven Point,” Jan. 8, 2025. https://sri.siena.edu/2025/01/08/after-election-nys-consumer-sentiment-rises-tops-breakeven-point-republicans-up-by-25-points-democrats-lower-by-14/

3 Calculation using data from U.S. Bureau of Labor Statistics, “New York: Quintiles of income before taxes: Annual expenditure means and characteristics, Consumer Expenditure Surveys” (2022-2023). https://www.bls.gov/cex/tables/geographic/mean.htm#msa

4 Fee Pelz-Sharpe, New Poll: New Yorkers are Going into Debt Over the Rising Cost of Food (No Kid Hungry, 2025), cited in The Cost of Living in New York City: Food (Office of the New York State Comptroller) (2025).

5 NYC Mayor’s Office of Food Policy, “Food by the Numbers: January 2025 Report” https://www.nyc.gov/assets/foodpolicy/downloads/pdf/NYC-Food-by-the-Numbers-2024.pdf