One Pager: Plain English

TOPLINES

- New York City wants to open taxpayer-funded grocery stores that sell a "core basket" of everyday groceries at prices 30% below prevailing retail prices through Mayor Zohran Mamdani's "N.Y.C. Groceries: A Recipe for Affordability" plan.
- Mamdani's city government plans to make that discount possible through free rent, $70 million in capital funding, and ongoing taxpayer-funded "Affordability Payments" to cover operating losses.
- Mayor Mamdani's policy creates an *uneven playing field for independent grocers, which cannot compete on equal terms* with a City-backed store that can operate at a loss.
- This case is about whether City Hall can use the tax base to *undercut* independent grocers / whether the city must play by the *same rules* as the private businesses it is competing against.
- The City plans five locations, one in each borough and calls the program "a model for future programs."
- *Plaintiffs are asking the court for narrow relief:* extend the October 16 RFP deadline until 30 days after the court decides whether the program is legal.

THE *CITY'S* PLAN GUARANTEES A PRICE ADVANTAGE

- The program requires a defined "Core Basket" of groceries to be sold on average 30% below prevailing retail prices.
- If an independent grocer lowers its prices, the City-backed store can use that new benchmark to lower prices and remain 30% cheaper.
- That means, independent grocers cannot simply lower prices and *compete on an equal playing field*.
- *The City can keep undercutting independent grocers.*

TAXPAYERS ARE PICKING UP THE COSTS

- Independent grocers like *R&E and City Fresh must pay their own rent, property costs, employees, inventory, utilities, and other operating expenses.*
- City-backed grocers can s*hift those costs away onto taxpayers*.
- Free rent, a tax exemption, $70 million in capital funding and ongoing "Affordability Payments" give City-backed stores an *unfair advantage independent grocers don't have access to*.

- This creates an *uneven playing field*: Independent grocers must cover their own costs, while City-backed private grocers can rely on public money to absorb their losses.
- If government chooses to compete in the grocery store business, it should follow the same rules as everyone else.
- R&E and City Fresh are longstanding neighborhood grocers that employ local workers, serve local families, and *pay their own way*.
- R&E and City Fresh are not asking for special treatment. They are asking the City not to give the grocery stores it backs *advantages that no independent grocer could match*.

THE RFP PUTS GROCERS IN AN IMPOSSIBLE POSITION

- The City has set an October 16, 2026 deadline for private grocery operators to submit bids to run the City-backed grocery stores.
- If a private operator bids and joins the City's plan, plaintiffs argue it could become part of a conspiracy to monopolize.
- If a grocer does not bid and the court later finds the program lawful, it may lose its opportunity to participate, forcing businesses to choose between a potentially unlawful arrangement and *losing their seat at the table*.

THE ASK

- Plaintiffs are not asking the court to shut down the program today.
- They are asking the court to *move the October 16 RFP deadline* until 30 days after the court rules on the antitrust claims.
- *Let the court decide whether the City's plan is legal before independent grocers are forced to make an irreversible choice.*