

**Statement regarding the New York Association of Grocery Stores' Opposition
to \$127 million in proposed subsidies for FreshDirect, LLC**

**Good Jobs New York,
Bettina Damiani, Project Director**

November 14, 2012

Good afternoon. My name is Bettina Damiani and I direct Good Jobs New York. We keep track of how New York allocates economic development subsidies. (More information on the proposed Fresh Direct subsidies and other large deals are available at www.goodjobsny.org.)

Thanks to the New York Association of Grocery Stores for inviting me to speak today and for standing with the South Bronx community against wasteful subsidies proposed for Fresh Direct.

This proposal – should it be approved – would be one of the largest city subsidy packages of the Bloomberg Administration. While the amount of the proposed subsidies should cause great alarm to all taxpayers, the failure to engage the Bronx community about FreshDirect's plan is an affront to demographic planning principals. If the Administration would have bothered to ask, surely, Bronx residents and businesses wouldn't have devised a \$127 million package that is void of jobs standards and environmental review. Despite media reports, only a portion of the state's proposal is connected to job creation.

It is bad fiscal policy for the Administration to pick corporate winners and losers through economic development policy. It is also unfair to long-time businesses, like those here to today, that have served our communities for decades.

But the real culprit is FreshDirect who shamelessly threatened to move to New Jersey - even though it received subsidies to help launch its Long Island City facility - to force city officials to propose this lavish subsidy deal. It's perfectly clear that the online grocer's business model could not have sustained moving its entire operations so far away from its customer base in New York City.

If there was ever a moment for New York and New Jersey officials to address the economic subsidy war between our states, now is the time. After Hurricane Sandy, fiscal priorities must be about rebuilding infrastructure and public goods that will help existing businesses rebound and fostering new ones, not catering to FreshDirect.