

**New York City Council Economic Development Committee Oversight Hearing:
The Economic Impact of the Hunts Point Food Distribution Center
Testimony Before the Economic Development Committee,
Cecilia Kushner, Executive Vice President of Planning
NYC Economic Development Corporation
Wednesday, November 20, 2019**

Good afternoon Chair Vallone and members of the Economic Development Committee.

My name is Cecilia Kushner and I am executive vice president of planning at the New York City Economic Development Corporation. I am pleased to testify before you today on the economic impact of the Hunts Point Food Distribution Center. I am joined by my colleagues Sabrina Lippman, vice president for asset management, and Charlie Samboy, vice president for government and community relations, both of whom oversee our work in Hunts Point. We are also joined by Cheryl Garcia, deputy commissioner of investigations, from the NYC Business Integrity Commission.

The Hunts Point Food Distribution Center, also known as the FDC, is indisputably the most important cluster of food sources managed by the city. Simply put, Hunts Point feeds the tristate area. It is estimated that 4.5 billion pounds of food is distributed through the Hunts Point FDC every year. This volume is then distributed both throughout the five boroughs and into the surrounding tristate area. Roughly 50 percent of the food that passes through Hunts Point ends up in New York City, while the other half ends up in cities across the east coast and beyond.

The FDC is comprised of over 100 public and private wholesalers, distributors, and food manufacturers, including those at the Hunts Point Terminal Produce Market, the Hunts Point Cooperative Meat Market, and the New Fulton Fish Market. Close to 50 percent of the customers at the FDC are independent restaurants and cafes, while 20 percent are bodegas, 18 percent are supermarkets, and 13 percent are food markets. Every year, the FDC provides food to more than 23,000 restaurants and engages with over 2,500 green grocers. Together, the FDC is home to nearly 8,400 direct jobs and generates \$2.3 billion in sales annually.

Hunts Point has long been an important industrial jobs center for the city. Previously home to steel mills and power plants, the neighborhood experienced a radical shift in the 1960s as economic trends impacted legacy industries on the peninsula. At that time, the City released a

bold plan to create a food distribution center on Hunts Point's marshes and beaches. The location was well-positioned for the movement of goods via many different avenues, including rail, highway and water. By locating New York City's primary facilities for meat and produce wholesalers at one full-service hub, it became exponentially easier for vendors to purchase all of the food they needed. Less than a decade later, the Hunts Point Cooperative Market and Hunts Point Terminal Market were born - colloquially known as the Meat Market and Produce Market, respectively.

Over the last 50 years, the way in which goods and merchandise has been moved and stored at these facilities has changed significantly. In his first year in office, Mayor de Blasio, committed to ensuring that the FDC continues to modernize, committed \$150 million to revitalizing the FDC through 2026. We are pleased to report that we have spent or allocated nearly \$62 million, or over 40 percent of this funding, on projects to improve the FDC. These include remediating a site known as AOU2, improving and modernizing the meat market, upgrading the fish market, and investing in resiliency measures to protect the region's food supply. When making these investments, we work tirelessly to ensure we use clean energy and adhere to the most sustainable practices.

The balance of the funding allocated by Mayor de Blasio--approximately \$88 million--will be used to further expand and redevelop the meat and produce markets, and additional area-wide improvements that will benefit all the businesses in the FDC. In August, we released an RFEI with the support of the Co-op and we are now reviewing responses. We'd like to thank Council Member Salamanca for his leadership in supporting this important initiative. We look forward to continuing conversations with our tenants and local stakeholders as we advance this twelve-year investment strategy.

Hunts Point is far more than the city-owned Food Distribution Center. The peninsula is also home to a broader industrial area that keeps New York running and a vibrant neighborhood with a long and rich history of arts, culture, and advocacy. In 2004, New York City and the Hunts Point community released the first Hunts Point Vision Plan. This comprehensive blueprint for the area includes a roadmap for making the FDC more sustainable, helping businesses thrive, ensuring residents could take part in its prosperity, investing in open space and quality of life, and keeping the peninsula an economic engine to meet the city's evolving needs.

The Hunts Point Vision Plan consisted of four major categories: optimizing land use, creating connections, improving traffic and pedestrian safety, and finding new workforce solutions. NYCEDC is proud of the progress that has been made in these four areas. We are advancing 57 projects, which realizes close to 90 percent of the vision the community called for in 2004. We are grateful for our ongoing collaboration with the community and the Hunts Point Vision Plan task force, which includes Bronx Community Board 2, The Point CDC, Bronx Overall Economic Development Corporation and the Hunts Point Economic Development Corporation, among others. The Hunts Point Vision Task Force has met with city agencies twice a year for the past 15 years and we appreciate their ongoing commitment to this collaborative process.

Today, more than ten city agencies are advancing several projects in Hunts Point. The city has made 13 intersections safer for pedestrians and have also built out pedestrian and bike paths along Spofford, Hunts Point, and Lafayette Avenues. We created the Bx46 bus route, which helps improve connections within the Peninsula and with other communities throughout the city. We have also made new truck routes to maximize their efficiency and reduce the environmental impact on residents both of which should improve air quality.

Also, through the Hunts Point Vision Plan, the City has created nearly 14 acres of new waterfront space and improved access to recreational amenities at the Bronx River. With the creation of Barreto Point Park, Hunts Point Riverside Park, Hunts Point Landing, the Anheuser-Busch Connector, coupled with completing the Food Center Drive Greenway, we have forged a safe link between residential areas of Hunts Point and the neighborhood's parks and have provided waterfront access to the community, which was decades in the making.

Further, the city is working to expand affordable housing in the area through the redevelopment of Spofford. The transformational project will convert the former Spofford Juvenile Detention Center into a vibrant, mixed-use development that will bring 740 units of affordable housing, open space including a new public plaza, light industrial business opportunities, community facilities, and ground floor retail to the Hunts Point neighborhood.

And lastly, among our most impactful actions over the past decade and a half, we have dramatically increased the number of employment opportunities available to residents while simultaneously creating a robust talent pipeline to the market's family-supporting jobs. Over the

past two decades, the unemployment rate on the Peninsula has dropped by over 50 percent. However, we recognize there is still work that needs to be done to support inclusive economic development in the neighborhood. This includes expanding local residents' access to industrial jobs, further improving access to the waterfront, and making air quality far better than it is today. We look forward to building on our previous success and continuing to partner with the Council to achieve these important goals. We are delighted that community leaders have invited us back to revisit the Hunts Point Vision Plan and engage in a process to define our shared priorities for the next 10-15 years in Hunts Point.

The Hunts Point peninsula continues to be both a thriving neighborhood and an invaluable resource to the City; NYCEDC is proud and excited about its work at the Hunts Point Food Distribution Center and the neighborhood at large. Since the initial release of the Hunts Point Vision Plan in 2004, the City and community have planned for additional major projects that set up the neighborhood for a successful future. All of these will protect the Hunts Point Food Distribution Center as a cluster for commerce and jobs and ensure that local residents continue to benefit from the presence of this concentration of markets and food manufacturers.

Thank you for your attention this afternoon. We are now happy to take any questions you may have.

Hunts Point Food Distribution Center

New York City Council Committee on Economic Development
November 20, 2019



Hunts Point Peninsula: How NYC Eats



**4.5
BILLION
LBS.**

of food is distributed through the Hunts Point Food Distribution Center annually.

~50% (2.3 BILLION LBS.) goes to New York City and 50% outside the city,

employing **8,500 DIRECT JOBS**



12% of all food distributed to New York City comes
FROM THE HUNTS POINT FOOD DISTRIBUTION CENTER



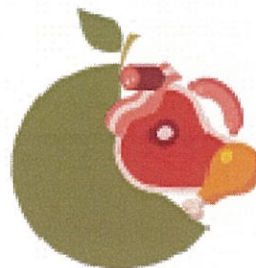
= New York City



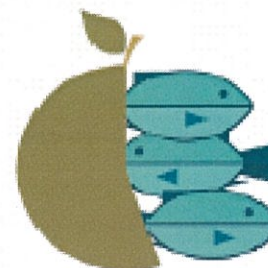
For categories in which the Hunts Point Food Distribution Center specializes,
the market share is even greater:



PRODUCE
25%
(0.9 billion lbs.)



MEAT
35%
(1.1 billion lbs.)



FISH
~45%
(0.1 billion lbs.)

Hunts Point Peninsula: Context and background



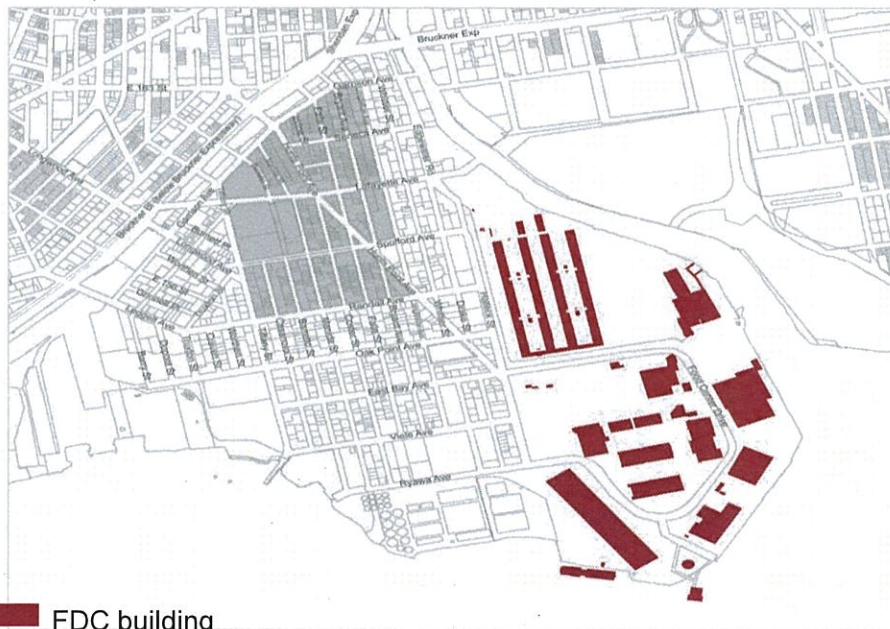
March 1953

Hunts Point Peninsula: Food Distribution Center



Hunts Point Food Distribution Center

- One of the largest distribution centers in the world:
 - Created in 1960's to consolidate street markets into refrigerated facilities
 - Occupies 329 acres; about 1/3 of the Hunts Point Peninsula
 - Houses over 100 firms
 - Employs ~8,400 people
- Produce Market: 70% of employees are Bronx residents
- Meat Market: 65% of employees are Bronx residents
- Fish Market: 25% of employees are Bronx residents
- The most active industrial use in the Bronx
- Many jobs are unionized, especially at wholesale markets



■ FDC building
■ Hunts Point residential neighborhood

Fish Market



Meat Market



Produce Market



Hunts Point Food Distribution Center: Tenants

* including tenant options



Property	Premises	Number of Jobs	Lease expiration*
Produce Market	- 103 Acres - 815,000 Gross SF - 30 businesses	3,000	2031
Dairyland/ Chef's Warehouse	- 13 Acres - 233,000 Gross SF	400	2047
Baldor	- 14 Acres - 185,000 Gross SF	1000	2064
Krasdale	- 20 Acres - 325,000 Gross SF	400	2026
Meat Market	- 52 Acres - 875,000 Gross SF - 37 businesses	2,300	2058
Anheuser-Busch	- 12 Acres - 188,755 Gross SF	350	2105
Sultana	- 6 Acres - 105,100 Gross SF	85	2037
Citarella	- 4 Acres - 72,400 Gross SF	100	2034
Fish Market	- 36 Acres - 428,000 Gross SF - 27 businesses	750	2054
TOTAL	- 117 businesses - 3,225,000 GSF	8,385	

Hunts Point Vision Plan (2004)

- Plan's goal-- **Hunts Point to reach “its fullest potential as a sustainable, healthy, and vibrant place to live and work.”**
- **Strong community-based process** to develop the plan; forged a new type of relationship between community and City
- Served as a **guiding document for the local Hunts Point community** to hold the City accountable for the last 14 years
- The **City continues to meet with Vision Plan Task Force** twice a year to report on status of projects
- **Successful implementation of major capital projects and programs**



Community Engagement- Vision Plan 2.0

The City would like to work with the community to ensure we're thoughtfully planning for the next 15-20 years in Hunts Point...

- While a lot has been achieved, we recognize that **there is still a lot of work left to be done** – public health, job access, connectivity, industrial modernization
- And **new projects have emerged that require thoughtful engagement/planning**
- We'd like to **work in partnership with you to develop a process** to guide the next 20 years of investments in Hunts Point, including:
 - Building on tremendous local leadership
 - Guiding implementation across projects to ensure alignment with community priorities
 - Identifying new projects/programs to fill gaps and address issues that weren't in the 2004 plan





HUNTER COLLEGE NEW YORK CITY FOOD POLICY CENTER

Testimony to the New York City Council: New York City Council Committee on Economic Development: File #: T2019-5358

Testimony of Charles Platkin, Ph.D., J.D., M.P.H., Distinguished Lecturer, Hunter College, CUNY; Executive Director, Hunter College New York City Food Policy Center

Title of hearing: Oversight - The Economic Impact of the Hunts Point Food Distribution Center.

Wednesday, November 20, 2019, at 1:00 P.M. in the 16th Floor Committee Room, 250 Broadway, New York, NY

Good afternoon and thank you to Chairperson Vallone and the members of the Committee on Economic Development for the opportunity to submit written and an abbreviated and summarized oral testimony regarding the Economic Impact of the Hunts Point Food Distribution Center.

My name is Charles Platkin, and I am providing this testimony on behalf of the Hunter College New York City Food Policy Center, of which I am the executive director. The Center works with policymakers, community organizations, advocates and the public to create healthier, more sustainable food environments. We thank the City Council and the Speaker's office for their support.

Let me start by saying that the Hunts Point Distribution Center (the "Distribution Center") in the Bronx is extremely valuable, because it allows for tremendous economies of scale for New York City's food suppliers. It is comprised of three independent cooperative markets: the Hunts Point Cooperative Meat Market, the Hunts Point Terminal Produce Market and the New Fulton Fish Market, each of which sublets space to various private distributors and vendors. As a result, the Distribution Center represents the interests of more than 155 public and private wholesalers, distributors, and manufacturers and their approximately 8,500 employees.^{1,2,3} It's estimated that 4.5 billion pounds of food pass through the Distribution Center annually, generating more than 3

¹"Hunts Point Lifelines." *Rebuild By Design*, PennDesign/OLIN, 6 Apr. 2014, <http://www.rebuildbydesign.org/data/files/677.pdf>.

²Gonen, Yoav. "No Flooding Protections In Store for City's Largest Food Hub" *The City*, 8 Nov. 2019, <https://thecity.nyc/2019/11/no-flooding-protections-in-store-for-citys-largest-food-hub.html>.

³"Hunts Point Peninsula." *New York City Economic Development Corporation*, <https://edc.nyc/project/hunts-point-peninsula> Accessed Nov. 18, 2019.

billion dollars in sales.⁴ According to the Rebuild by Design Proposal, the Hunts Point Food Distribution Center distributes food to 22 million residents in the region, generates a \$5 billion annual economy, and provides 20,000 jobs, including the 8,500 above-mentioned unionized positions within the Distribution Center itself.⁵

Many of the following facts and figures may already have been mentioned, but I would like to include them for the record:

As of 2016:

- Approximately 19 billion pounds of food are distributed throughout New York City each year from approximately 42,000 separate point-of-sale outlets
- More than 50 percent of the last-mile food distribution into New York City begins within the five boroughs
- 46 percent of the food distributed through New York City is refrigerated or frozen, with shorter shelf-life and specific infrastructure requirements

Having a wholesale food distribution center in New York City is critical to our strong urban food system. The Hunts Point Distribution Center model allows for affordability due to reduced shipping costs and the competitive pricing of goods, which, in turn, can create lower food costs for the consumer. According to the *Five Borough Food Flow Report* by the Mayor's Office of Recovery and Resiliency and the NYC Economic Development Corporation (EDC), clustering of food businesses is beneficial to distributors and manufacturers because of cost efficiencies when receiving shipments and increased revenue, since customers can shop at several nearby manufacturers and distributors during the same trip.⁶ The high cost of rent in New York City for these distributors is typically offset by lowering the cost of transportation that would be incurred if they were located outside the five boroughs. Furthermore, the location of Hunts Point Distribution Center gives distributors access to a very large employee and customer base.⁷

However, the current model and vulnerabilities of Hunts Point have cause for concerns, including but not limited to the risk of natural and man-made disasters, threats from other markets (such as the Philadelphia Wholesale Market), direct distribution from major supermarket chains, upcoming lease renewals, and a lack of transparency regarding Hunts Point operations. Additionally, the uncertainty of future rent increases and lease changes may cause some vendors to consider relocating and/or planning expansions elsewhere in the region.

Vulnerability to Natural and Man-Made Disasters

⁴ "Hunts Point Peninsula." *New York City Economic Development Corporation*, <https://edc.nyc/project/hunts-point-peninsula> Accessed Nov. 18, 2019.

⁵ "Hunts Point Lifelines." *Rebuild By Design*, PennDesign/OLIN, 6 Apr. 2014, <http://www.rebuildbydesign.org/data/files/677.pdf>.

⁶ "Five Borough Food Flow." 2016. *Mayor's Office of Recovery and Resiliency and the NYC Economic Development Corporation*, https://www1.nyc.gov/assets/foodpolicy/downloads/pdf/2016_food_supply_resiliency_study_results.pdf. Accessed Nov. 18, 2019.

⁷ "Five Borough Food Flow." 2016. *Mayor's Office of Recovery and Resiliency and the NYC Economic Development Corporation*, https://www1.nyc.gov/assets/foodpolicy/downloads/pdf/2016_food_supply_resiliency_study_results.pdf. Accessed Nov. 18, 2019.

New York is one of the 10 cities most vulnerable to rising sea levels, and flooding could increase from two to 15 times its current frequency and intensity, according to the New York Academy of Sciences.⁸ Hunts Point demonstrates a number of coastal vulnerabilities. According to the NYCEDC, “Building-level power outages are a significant and shared threat to residents and businesses.”⁹ The New York City Special Initiative for Rebuilding and Resiliency warns that, according to the Preliminary Work maps produced by the Federal Emergency Management Agency, close to 28 percent, or 93 acres of the 329-acre site are located within a 100-year flood plain, meaning that there is a one percent or greater chance of flooding in any given year. Furthermore, experiencing one 100-year flood does not decrease the chance of a second 100-year flood occurring that same year or in any year that follows.¹⁰ The Mayor’s Report, OneNYC 2050, specifically warns that “without added protection, much of, if not all, of... Hunts Point... could be flooded during storms.”¹¹

The Meat and Fish Markets are housed in a particularly vulnerable part of Hunts Point, with a high likelihood that they could see between one and three feet of inundation by 2050, leading to significant food losses.¹² In addition, a power outage caused by a natural disaster could cause Hunts Point to lose refrigeration for an extended period of time, causing a significant amount of food to spoil.¹³ Problems at the Hunts Point Food Distribution Center would have the greatest impact on independent businesses like small grocery stores and bodegas in underserved communities, starting with those closest to the Distribution Center.^{14,15}

Since thousands of distributors serve tens of thousands of outlets, the food system is not likely to be impacted significantly by a disruption to a single distributor; however, the centralized system can pose major infrastructure risks to the food distribution system in the case of a disaster. A system-wide disruption to the food supply would be particularly problematic in underserved, food-challenged communities. “Consumers face additional vulnerabilities if they are low-income, lack mobility, face geographic isolation or have limited choices of where to

⁸Horton, Radley, et al. “New York City Panel on Climate Change 2015 Report Chapter 1: Climate Observations and Projections.” *Annals of the New York Academy of Sciences*, vol. 1336, no. 1, 16 Feb. 2015. *The New York Academy of Sciences*, doi:<https://doi.org/10.1111/nyas.12586>.

⁹ “Hunts Point Resiliency: Public Meeting October 19, 2016.” *New York City Economic Development Corporation*, <https://edc.nyc/sites/default/files/filemanager/10-19-2016-Public-Meeting-Presentation-Final.pdf>. Accessed Nov. 18, 2019.

¹⁰ “NYC’s Risk Landscape: A Guide to Hazard Mitigation.” 2014. *NYC Emergency Management and the NYC Department of City Planning*, https://www1.nyc.gov/assets/em/downloads/pdf/hazard_mitigation/nycs_risk_landscape_a_guide_to_hazard_mitigation_final.pdf. Accessed Nov. 28, 2019.

¹¹ “OneNYC 2050. Building A Strong and Fair City” 2019. *NYC Mayor’s Office*, <http://1w3f3lpzvdm485dou3dppkcq.wpengine.netdna-cdn.com/wp-content/uploads/2019/10/OneNYC-2050-Full-Report-10.3.pdf>. Accessed Nov. 18, 2019.

¹² “Hunts Point Resiliency.” *New York City Economic Development Corporation*, https://edc.nyc/sites/default/files/filemanager/Projects/Hunts_Point_Resiliency_Implementation/06-20-17_Hunts_Point_Resiliency_Public_FINAL.pdf. Accessed Nov. 18, 2019.

¹³ “A Stronger, More Resilient New York.” 2013. *NYC Special Initiative for Rebuilding and Resiliency*, https://www1.nyc.gov/assets/sirr/downloads/pdf/Ch_13_CriticalNetwork_FINAL_singles.pdf. Accessed Nov. 18, 2019.

¹⁴ “Five Borough Food Flow.” 2016. *Mayor’s Office of Recovery and Resiliency and the NYC Economic Development Corporation*, https://www1.nyc.gov/assets/foodpolicy/downloads/pdf/2016_food_supply_resiliency_study_results.pdf. Accessed Nov. 18, 2019.

¹⁵Brand, David. “Spared by Sandy, City’s Waterfront Food Hub Prepares for Future Disasters.” *City Limits*, 27 Oct. 2017, <https://citylimits.org/2017/10/27/spared-by-sandy-citys-waterfront-food-hub-prepares-for-future-disasters/2/>.

purchase food on a daily basis.”¹⁶ These everyday challenges to accessing healthy and affordable food can worsen if there are disruptions further up the food-supply chain.

Despite these potential problems, there is no preparedness strategy for the entirety of Hunts Point, so individual businesses and the three cooperative markets are left to develop their own plans. Leaving it up to the individual businesses and the cooperative markets is not a sound practice and does not ensure a uniform resilience plan when natural disasters occur. Many of the individual businesses have no emergency plan for a flood or power outage beyond evacuating staff and calling 911.¹⁷ The city urgently needs to come up with a solution to protect our local food system in case of a disaster, natural or man-made.

While Hunts Point was left mostly unscathed by Hurricane Sandy, largely due to the fact that it was low tide in the Long Island Sound when the hurricane hit, the lack of dire consequences from Sandy should not be a reason for complacency. During the aftermath of Sandy, even though the area was left largely unaffected, distribution was impacted by fuel-supply shortages and truck-based freight delays because of single-occupancy vehicle restrictions.¹⁸ To avoid even more serious problems in the future, the City has verbally agreed to “hardening” the Distribution Center, which entails “strengthening essential systems (electrical, mechanical, fuel, communication, life-safety) to withstand floodwaters, operate during storm surge or return to service rapidly after floodwaters subside.”¹⁹

After research and review, including asking questions surrounding preparedness during a panel discussion at the Center, we have not seen any discussion or protection against an act of terrorism targeted at the Hunts Point Distribution Center. Based on the significant economic impact such an attack and subsequent wholesale food distribution would have on the New York City economy, this kind of threat should be discussed amongst policymakers and stakeholders and planned for with reassurances given to the public.

Coastal Resiliency Plans

The NYCEDC implemented the Hunts Point Resiliency Project in 2015, hosting community meetings to engage with residents and stakeholders in order to assess these potential risks.²⁰ The federal government awarded \$20 million, with the city of New York allocating an additional \$25 million, to fund a Hunts Point Resiliency pilot project. ²¹The EDC agreed on two projects to

¹⁶“Five Borough Food Flow.” 2016. *Mayor’s Office of Recovery and Resiliency and the NYC Economic Development Corporation*, https://www1.nyc.gov/assets/foodpolicy/downloads/pdf/2016_food_supply_resiliency_study_results.pdf. Accessed Nov. 18, 2019.

¹⁷ Brand, David. “Spared by Sandy, City’s Waterfront Food Hub Prepares for Future Disasters.” *City Limits*, 27 Oct. 2017. <https://citylimits.org/2017/10/27/spared-by-sandy-citys-waterfront-food-hub-prepares-for-future-disasters/2/>.

¹⁸“NYC Special Initiative for Rebuilding and Resiliency.” *The City of New York*, 11, June 2013, http://s-media.nyc.gov/agencies/sirr/SIRR_singles_Lo_res.pdf.

¹⁹ “Hunts Point Resiliency.” *New York City Economic Development Corporation*, https://edc.nyc/sites/default/files/filemanager/Projects/Hunts_Point_Resiliency_Implementation/06-20-17_Hunts_Point_Resiliency_Public_FINAL.pdf. Accessed Nov. 18, 2019.

²⁰ Hunts Point Resiliency. Medium. <https://medium.com/hunts-point-resiliency>. Accessed Nov. 20, 2019.

²¹ “Hunts Point Lifelines.” *Rebuild By Design*, PennDesign/OLIN, 6 Apr. 2014, <http://www.rebuildbydesign.org/data/files/677.pdf>.

address flood-risk reduction and energy resilience, which they deem as the highest priority. The first includes a pilot project that will implement solar + storage at two schools in Hunts Point to store energy in case of an emergency and reduce overall energy use from the grid.²² The Rebuild by Design report presents the second plan to tackle resiliency, by hardening and developing a tri-generation microgrid that would ensure back-up power during an emergency outage to the Distribution Center. Additionally, the microgrid will provide year-round energy benefits by supplying electricity and chilled water to the Produce Market and hot water to the Meat Market. The EDC's \$71 million microgrid plan has a completion date of March 2022.²³ In terms of hardening, the Distribution Center believes that to-date only a verbal commitment has been made.

All of these plans have potential to minimize vulnerability of the Distribution Center; however, the Meat Market is still operating without even a minimum of backup generators, more than three years after the City Council approved a \$3.5 million plan to install generators.^{24,25} According to a representative from the Hunts Point Produce Market, the Produce Market does not have the capability to set up and rely on modern generators for backup power.²⁶

The Following are Additional Notes and Recommendations

- 1. Need For Greater Transparency Among All Related To The Hunts Point Distribution Center.** The city of New York, through the New York City Economic Development Corporation (NYCEDC), is the landlord for the Hunts Point Food Distribution Center and its three independent cooperative markets. NYCEDC also leases additional space directly to several large vendors including Baldor, Anheuser-Busch, Krasdale Foods and Dairyland.

However, information about leases, subleases, market rents, waitlists for space and tax breaks are not currently publicly available. The city should be more transparent with this information so the public is familiar with their vendors and holds them to a high standard, given that they control a large part of the city's food supply. The public, community organizations, journalists and academic institutions need more information regarding Hunts Point to make more informed recommendations on the city's food supply and the future of the Distribution Center. The Center has done extensive research with community advocates, academics, food policy experts and others involved in the food

²² Hunts Point Resiliency." *New York City Economic Development Corporation*, https://edc.nyc/sites/default/files/filemanager/Projects/Hunts_Point_Resiliency_Implementation/2018-10-04_Action_Plan_Amen_dment_18_and_19_Hearing.pdf. Access October 19, 2019.

²³ Gonen, Yoav. "Power Players Leave Hunts Point Meat Market Lacking Electric Backup." *The City*. 19 Oct, 2019, <https://thecity.nyc/2019/11/bronx-meat-market-still-without-backup-generators-post-sandy.html>.

²⁴ Gonen, Yoav. "Power Players Leave Hunts Point Meat Market Lacking Electric Backup." *The City*. 15 Nov. 2019, <https://thecity.nyc/2019/11/bronx-meat-market-still-without-backup-generators-post-sandy.html>.

²⁵ Gonen, Yoav. "Power Players Leave Hunts Point Meat Market Lacking Electric Backup." *The City*. 15 Nov. 2019, <https://thecity.nyc/2019/11/bronx-meat-market-still-without-backup-generators-post-sandy.html>.

²⁶ Nijhuis, Austin and Zeuli, Kimberly. "The Resilience of America's Urban Food Systems: Evidence From Five Cities." *The Rockefeller Foundation*, January 2017, http://icic.org/wp-content/uploads/2017/01/Rockefeller_ResilientFoodSystems_FINAL_post.pdf?x96880.

system, all of whom agree that the Hunts Point Distribution Center needs to be more transparent.

2. **Invest in Hunts Point, Be Competitive and Keep All Markets.** In 2011, the Produce Market's negotiating committee agreed to a three-year lease extension while they negotiated a long-term agreement with the city. At the time, it was reported that a group of 47 businesses had formed their own cooperative within the market and were considering a move to New Jersey, citing both poor conditions at Hunts Point and the fact that they believed the city was taking them for granted.²⁷ Both these concerns were to be addressed as part of the lease negotiations.

In January 2013, the market's merchants rejected a 10-year deal to remain in Hunts Point, in part because they did not feel that the city had addressed their most critical issue, which was, as Matthew D'Arrigo, Vice President of the Hunts Point Distribution Center told *The Packer* in March 2013, "the future role the Business Integrity Commission will take in regulating our market." The Business Integrity Commission is a somewhat obscure city agency that the market has previously accused of overstepping its authority.^{28,29}

In December 2013, however, before the three-year lease extension ran out, Deputy Mayor Robert Steel announced another seven-year extension to keep the market at its current location until at least 2021. That agreement also preserved the option to sign a new 10-year lease that would now begin at the end of the 7-year extension (in 2021).³⁰

Moving the produce market and distribution center to another location nearby would be entirely possible. But, given the additional transportation costs, New Yorkers would probably see a rise in food prices and would suffer from a loss of employment. The city must face a decision: to keep the Center in the Bronx and invest millions of dollars in revitalizing its infrastructure or simply allow it to move. In March 2015, Mayor de Blasio announced a plan to invest \$150 million in revitalizing Hunts Point over the course of 12 years, "fortifying a vital aspect of our infrastructure: our food supply." This seems to be critical to the growth of Hunts Point and sustaining the markets.³¹

²⁷ Fickenscher, Lisa. "Hunts Point Market Signs 3-Year Lease Extension." *Crain's New York Business*. 01 June 2011, https://www.crainsnewyork.com/article/20110601/REAL_ESTATE/110609980/hunts-point-market-signs-3-year-lease-extension.

²⁸ Powell, Michael. "A Watchdog That Isn't Watched." *The New York Times*. 22 Apr. 2013., <https://www.nytimes.com/2013/04/23/nyregion/business-integrity-commission-bears-watching-itself.html?mtrref=www.google.com>.

²⁹ Bagli, Charles. "Hunts Point Market Deal Runs Into a New Obstacle." *The New York Times*. 05 Sept 2012, <https://www.nytimes.com/2012/09/06/nyregion/hunts-point-produce-cooperative-says-city-commission-is-interfering-with-business.html?mtrref=www.google.com>.

³⁰ Platkin, Charles. "Hunts Point Distribution Center: A Report with a Spotlight on the Produce Market." *NYCFoodPolicy.org*. 10 Jan 2018, <https://www.nycfoodpolicy.org/hunts-point-distribution-center-brief-overview-spotlight-produce-market/>.

³¹ "Mayor de Blasio Delivers Remarks at Association for a Better New York." *The Official Website of the City of New York*. 05, March 2015, <https://www1.nyc.gov/office-of-the-mayor/news/151-15/mayor-de-blasio-delivers-remarks-association-better-new-york#/0>. Accessed Nov. 19, 2019.

Market Competition: The Philadelphia Wholesale Produce Market opened in June 2011, following a model similar to that of the Hunts Point Produce Market. It too houses hundreds of producers and distributors that go back generations. The Philadelphia Market is the world's largest fully-enclosed, fully-refrigerated wholesale produce terminal, and because of its proximity to New York City, and its modern facilities it has already begun to encroach on business at Hunts Point.³²³³

Direct distribution from major supermarket chains is another threat to the current Hunts Point Distribution Center model. Whole Foods, for example, sources from its own distribution center in Cheshire, Connecticut, and also receives direct deliveries from other producers. It is also speculated that Amazon's acquisition of Whole Foods will strengthen Amazon's delivery service, Amazon Fresh, and give the company a larger share of retail food sales nationwide. To stay competitive and keep the market infrastructure strong, the city needs to invest in modernizing Hunts Point to ensure that our food supply and distribution remain in New York City.

3. **Backup Generators Right Now.** Currently, none of the Hunts Point markets have backup generators.³⁴ All three markets should have immediate emergency backup generators. As I'm sure this committee is aware, the City Council approved \$3.5 million for the Hunts Point Cooperative Meat Market, which distributes more than one-third of the city's meat, to receive generators. However, it's been more than three years and still there are still no generators. And unfortunately, according to a representative from the Hunts Point Produce Market, the Produce Market does not have the capability to set up and rely on modern generators for backup power, however, this claim needs to be explored further. The city should investigate renting temporary emergency generators for the entire Distribution Center until there is a permanent solution. The Distribution Center in Hunts Point needs power protection immediately to preserve and protect New York City's largest source of food.
4. **More Projects Like The GrowNYC Greenmarket Co. Food Hub.** Exploring the possibility of building community gardens and instituting urban gardening projects built above the floodplain in Hunts Point could encourage self-sufficiency and food sovereignty. Perhaps the city could allocate funding for a vertical hydroponic and greenhouse food production center. These urban agriculture ventures should be explored as a way to protect our food and to create a more sustainable food system with fewer environmental hazards.
5. **Reporting on Advancement and Allocated Funds.** There should be city oversight and a website dedicated to keeping track of the many different funds that have been earmarked for revitalization of the Hunts Point Distribution Center. This would include resiliency projects, revitalization efforts, community improvements and integration, and transportation modifications.

³² Distefano, Joseph. "PhillyDeals: Phila. Wholesale Produce Market is bearing fruit." *The Philadelphia Inquirer*. 06 June 2014, https://www.inquirer.com/philly/business/20140616_PhilllyDeals_Phila_Wholesale_Produce_Market_is_bearing_fruit.html.

³³ Philadelphia Wholesale Produce Market. *PhilaPort*, <http://www.philaport.com/facilities/philadelphia-wholesale-produce-market/>. Accessed Nov. 18, 2019.

³⁴ Hunts Point Microgrid, NY Prize Stage 1 Feasibility Study, NYSERDA Agreement #: 64712 <https://www.nyserda.ny.gov/-/media/NYPrize/files/studies/15-Hunts-Point.pdf>.

6. **Support a Barge Terminal To Service Hunts Point Distribution Center.** In New York City, 90 percent of freight is moved by truck, resulting in more than 30,000 trucks passing over the George Washington Bridge daily, with some of the highest concentrations of truck congestion around Hunts Point.³⁵ In 2017, New York City suffered \$862 million in lost economic activity due to truck congestion and delays, a cost estimated to increase to \$1.1 billion by 2045.³⁶ In an effort to combat congestion-related pollution and costs, Freight NYC released a Request for Proposals (RFP) last summer as part of their plan to develop a barge terminal.³⁷

The terminal would reduce New York City's over-reliance on trucks, and invest in more environmentally-friendly means of transportation. The RFP indicates that, in addition to reducing air pollution and road traffic, the plan would create nearly 5,000 jobs and strengthen the city's freight distribution system while transporting goods in a more energy-efficient way. The RFP notes that one ton of freight can be moved over 500 miles on one gallon of fuel by water, compared to just about 60 miles on one gallon of fuel by truck. NYCEDC President and CEO, James Patchett, commented that "New York became the global capital of commerce because of [the] waterways; by reinvesting in this vital asset and moving more freight by barge, we are creating 21st century maritime jobs and ensuring goods reach New Yorkers faster."

7. **Decentralization, Semi De-centralization, Or A Full Upgrade Of Hunts Point Food Distribution Center.** In 2017, 15 separate weather and climate disasters (costing approximately \$15 billion) hit the U.S., making it the most expensive hurricane season in American history.³⁸ This makes the city of New York's choice even more complicated: invest millions in revitalizing Hunts Point, with the potential for spending millions more to repair damages from a natural disaster in a high-risk area, or break New York City's major food hub into smaller, more modern, and less susceptible facilities throughout the five boroughs. Since 60 percent of the city's produce and about half of the city's meat and fish pass through Hunts Point, one disaster could seriously complicate the supply of fruits and vegetables, fish and meat in New York City.³⁹ Given these high percentages, there is too much economic risk for one centralized food hub to provide most of New York City with food.

Decentralization of the Distribution Center would minimize the great economic and food security risk of losing such a large percentage of the region's food supply if disaster hit, as well as curtail the direct impact of distribution truck traffic on Hunts Point residents

³⁵ "Freight NYC Goods for the Good of the City." *New York City Economic Development Corporation*, https://edc.nyc/sites/default/files/filemanager/Programs/FreightNYC_book_DIGITAL.pdf. Accessed Nov. 18, 2019.

³⁶ "Freight NYC Goods for the Good of the City." *New York City Economic Development Corporation*, https://edc.nyc/sites/default/files/filemanager/Programs/FreightNYC_book_DIGITAL.pdf. Accessed Nov. 18, 2019.

³⁷ "NYCEDC Seeks Operator to Develop New Marine Terminal on the Hunts Point Peninsula". *New York City Economic Development Corporation*, <https://edc.nyc/press-release/nycedc-seeks-operator-develop-new-marine-terminal-hunts-point-peninsula>.

³⁸ *OneNYC 2050 Building a Strong and Fair City: Volume 1 of 9*. The City of New York, 2019, <http://1w3f31pzvdm485dou3dppkcq.wpengine.netdna-cdn.com/wp-content/uploads/2019/10/OneNYC-2050-Full-Report-10.3.pdf>.

³⁹ "NYC Special Initiative for Rebuilding and Resiliency." *The City of New York*, 11, June 2013, http://s-media.nyc.gov/agencies/sirr/SIRR_singles_Lo_res.pdf.

from the overwhelming influx and outflow of trucks on a daily basis. If decentralization is not attainable, a full infrastructure upgrade of the Hunts Point Food Distribution Center is needed to minimize its vulnerability to future disasters and to address the environmental, health and economic impacts on the Hunts Point community.

8. Integration Of The Hunts Point Community With The Hunts Point Food Distribution Center

Despite being the center of New York City's food supply, the Distribution Center is located in the poorest congressional district in the United States. The neighborhood suffers adversely from high rates of food insecurity and some of the highest rates of diabetes and obesity in the city. Even with all the food that travels through the Distribution Center, residents of Hunts Point still have minimal access to fresh food in their neighborhood. The U.S. Department of Housing and Urban Development's Rebuild by Design competition has proposed a permanent, six-day a week farmers' market near the Distribution Center to "provide a public face and retail portal to the wholesale cooperative markets."

To promote economic development in the Hunts Point area, non-profit organizations including the Bronx Environmental Stewardship Academy and SmartRoofs provide green job training to local residents to develop skills that can be utilized for resiliency projects at the Distribution Center. Local businesses such as the Casa Redimix Concrete Corporation, which has the capacity to produce precast elements for flood protection, can also be integrated into construction and resiliency projects at the Hunts Point Distribution Center.

The 15,000 trucks that make the trip to and from the Distribution Center daily contribute to the significant air pollution in the Hunts Point area. According to the New York City Panel on Climate Change 2019 Report, the rate of hospitalizations for asthma in adults in Hunts Point is twice the city-wide average.⁴⁰ To combat the heavy pollution from truck traffic, the South Bronx Greenway development program was built to provide a protected path along the busy truck route. The Greenway also attempts to improve the quality of life for residents by adding new bikeways, parks, and a safe connection between the waterfront parks and residential areas. The Hunts Point Clean Trucks Program aims to decrease air pollution by replacing or retrofitting older, polluting diesel trucks with 2010 and newer EPA emission-compliant vehicles. The program has replaced or retrofitted

⁴⁰ Rosenzweig, Cynthia and Solecki, William. Advancing Tools and Methods for Flexible Adaptation Pathways and Science Policy Integration. The New York Academy of Sciences. March 2019.
<https://www.nyas.org/annals/special-issue-advancing-tools-and-methods-for-flexible-adaptation-pathways-and-science-policy-integration-new-york-city-panel-on-climate-change-2019-report-vol-1439/>

more than 500 trucks to date, cutting back on dangerous truck emissions in the Hunts Point Area.

We at the Hunter College New York City Food Policy Center recognize the deep-rooted economic importance of the Hunts Point Distribution Center and stand ready to help in any way we can.

For more information about the Hunter College NYC Food Policy Center, visit our website at www.nycfoodpolicy.org or email Dr. Charles Platkin at info@nycfoodpolicy.org.

Thank you again for the opportunity to provide oral and written testimony.



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**Testimony of City Harvest
The Committee on Economic Development**

***Oversight Hearing on the Economic Impact of
the Hunts Point Food Distribution Center***

Good afternoon Chairperson Vallone and members of the Committees on Economic Development. Thank you for holding this hearing today on the impact of the Hunts Point Food Distribution Center (FDC). As one of New York City's largest and longest operating food rescue organizations, we recognize that Hunts Point FDC and the surrounding area stands out as a critical partnership for ensuring that we are able to provide a variety of quality-healthy produce to our network of emergency food programs partners that support nearly 1.2 million New Yorkers that face food insecurity. Over the past three years alone, we have procured over 5 million pounds of perfectly edible donated produce from the Hunts Point FDC.

Furthermore, the Hunts Point FDC also stands as a vital institution for supporting other critical food system policies and programs, including the New York State Department of Agriculture and Markets' Vital BK initiative and the City's Good Food Purchasing Program goals.

Rescuing Food from the Hunts Point Terminal and Area

Established in 1982, **City Harvest** is New York City's largest food rescue organization, putting healthy food within reach for nearly 1.2 million New Yorkers who are struggling to put meals on their tables. This year, we will rescue 64 million pounds of food from approximately 2,500 different food donors including farms, grocers, manufacturers, and restaurants, with fresh produce accounting for more than half of the food we collect. We will deliver this food, free of charge, to hundreds of food pantries, soup kitchens, and other community partners across the five boroughs.

The Hunts Point FDC and the surrounding area accounted for nearly 10 percent of all of City Harvest's food donations in FY19 (July 1, 2018 – June 30, 2019) and includes one of our top 5 local food donors. The volume of quality-donated-food that we receive from Hunts Point has been consistently high enough for us to dispatch up to three City Harvest drivers to pick up food from the area 4-days a week. In total, City Harvest has 8 weekly truck routes that are able to provide a variety of produce from the Hunts Point FDC to 47 different emergency food programs across the Bronx, Queens, and Brooklyn. Our fleet of City Harvest drivers rescued 2.69 million pounds of produce from the Hunts Point FDC and 2.75 million pounds from local retailers in the surrounding area last fiscal year. Through our partnership with the Hunts Point FDC and the addition of a full-time City Harvest staff

member to work with our portfolio of 21 produce vendors at the produce terminal market, we were able to increase the amount of food donations we pick up from Hunts Point from FY18 to FY19 by 82 percent. All of our 21 produce donors at the Hunts Point FDC are donating a combined 223,000 per month of quality produce for our emergency food network to provide access to healthy food for families that face food insecurity.

In addition to the generous volume of healthful food donations we receive from the Hunts Point FDC, City Harvest's network of emergency food providers and drivers, whom are trained in food safety and have rescued food from the terminal for over 35 years, have indicated that the variety and quality of the fresh produce we rescue from the terminal continues to improve and meet the needs of emergency food program providers. Through a survey of our partner emergency food programs, we have found that over 96 percent indicated that the variety of donations they receive from Hunts Point are medium or high and that over 93 percent indicated that the food donations are of medium or high quality. Through our survey of our drivers that pick up from Hunts Point FDC, they indicated that our program partners are able to accept the majority of their food donation deliveries from the terminal, with limited storage space and capacity to receive all of donations being one of the factors why they may not be able to accept the full donation.

Terminal's Implication for Other Food Access Policies/Initiatives

In addition to City Harvest's emergency food operation, we also advocate for policies and programs that improve food access and buttress the local food system. **Through our Policy and Government Relations efforts, we also recognize Hunt Point FDC as a critical resource for the viability of the NYS Department of Agriculture and Markets' existing programming and support of their work in Gov. Cuomo's Vital BK initiative to improve access to fresh produce in central Brooklyn, and the City's Good Food Purchasing Program goals to procure more local produce in city agencies.** In order to increase local food procurement for City agencies like the Department of Education, which provides meals for 1.1 million children daily, and in order to overcome the infrastructural limitations to establish a food hub model in Central BK---as laid forth by the Governor's Vital BK agenda---the resources, expertise and the success of the Hunts Point FDC is an important asset to both food access policies.

Conclusion

Thank you for holding today's oversight hearing on the Hunts Point Food Distribution Center. City Harvest continues to partner with the Hunts Point FDC to secure healthy and quality produce for our emergency food program partners so that families that face food insecurity are able to access fresh quality produce. The Hunts Point FDC remains a critical staple in our local food system and food access operations. We are aware of concerns about the resiliency of the Hunts Point area and its ability to withstand flooding and climate change, as well as other externalities attached to the general operation such as traffic control. In that vein, City Harvest welcomes the City Council's attention to the needs,

opportunities and physical and technical resources that Hunts Point brings to our local food system and encourage the City to be mindful of climate externalities and barriers for Hunts Point. With well over 5000 jobs and accounting for over 60 percent of New York City's produce sale, the viability of the Hunts Point terminal and the surrounding area warrants the City's attention. We look forward to collaborating with the City on efforts that underline the viability of the Hunts Point Food Distribution Center.

Jerome Nathaniel, Associate Director of Policy and Government Relations

Jnathaniel@cityharvest.org

646-412-0722



MAIN OFFICE: 39 Broadway, 10th fl, New York, NY 10006, T: 212.566.7855 F: 212.566.1463
WAREHOUSE: Hunts Point Co-op Market, 355 Food Ctr Dr, Bronx, NY 10474, T: 718.991.4300, F: 718.893.3442

**Testimony prepared by Food Bank For New York City for the Committee on Economic Development on The Economic Impact of the Hunts Point Food Distribution Center
November 20, 2019**

Good afternoon, Chairman Vallone and members of the Committee on Economic Development. Thank you for the opportunity to provide testimony today regarding the economic impact of the Hunts Point Food Distribution Center. My name is Lauren Phillips and I am the Government Relations Manager for the Food Bank For New York City.

Food Bank's home in the Hunts Point Market is a 90,000 square foot warehouse where we safely store and distribute fresh produce, protein, and nonperishable items through partnerships such as with New York City's Emergency Food Assistance Program (EFAP). Thanks to investments from the City Council, we are also able to distribute personal care products like shampoo, deodorant, diapers, and menstrual products. This inventory stored in our warehouse is delivered daily to a network of nearly 1000 charities - food pantries, soup kitchens, shelters, senior centers as well as schools. Support from Hunts Point Market makes that possible.

Food Bank relies on donated items and we are grateful that the produce distributors and wholesalers of the Market have been longtime Food Bank donors. 36 years ago our founders recognized that the best way to secure sustainable donations for New York City's food bank was to be neighbors with the other largest food distributors in the City. Our relationship with vendors in the Market has grown so that last year alone, the Market donated more than 1 million servings of fresh produce that we distributed to food pantries and soup kitchens in every corner of the city.

The importance of the market in serving in times of crisis cannot be underestimated. The early 2019 government shutdown was a hit to New Yorkers who struggle to make ends meet, and put a spotlight on what being financially vulnerable means in New York City. That month, as a missed paycheck for federal employees and a gap in SNAP benefits coincided with a snowstorm, and school break Food Bank mobilized to serve those impacted by creating emergency food packages distributed at iconic locations like the Barclay Center and Yankee Stadium as well as schools and public housing sites in Brooklyn, Queens, the Bronx, and Staten Island. Donations from our partners in the Market helped fill emergency bags of fresh produce, protein, dairy, and personal care items to ensure everyone who came through our lines during this crisis left with essentials.

This was not the first time that our partnership with the Market proved critical during a disaster. As a member of VOAD (Voluntary Organizations Active in Disaster), Food Bank's work to support those impacted by Hurricane Sandy would not have been possible without the continued operation of the Market. Strengthening its infrastructure to ensure uninterrupted operations in the face of disaster is essential and we encourage continued investments in resiliency planning and support efforts that ensure its long-term security.

We are grateful to be partners with the Hunts Point Market, and look forward to continued partnership to do the critical work of feeding New Yorkers in need.



**Hunts Point
Produce Market™**
WE KNOW BEST.

Good afternoon,

My name is _____. I am the _____. To my left are _____ To my right are _____. Thank you for providing us the opportunity to share with you, our passion, the Hunts Point Terminal Produce Cooperative Association Inc, also known simply as The Hunts Point Produce Market.

We appreciate you hearing about us this afternoon and invite those of you who have not yet taken a tour of our Market. Please give us a call and we will arrange one for you.

The Market is fully occupied, presently with 31 owners, 33 companies as two of the owners and their families own two companies. We have outgrown the 113 acres that we call home. We are space constrained and we are in need of additional refrigerated space in order to operate efficiently in order to accommodate the produce demands of the City. Sitting in trailers based on a recent study by Market Management, their finding was that 12,000 pallets were waiting to be transferred to the various warehouses area sitting in 700 trailers. If in a unit we would need two additional rows of units in the Market, half again the size of the Market's existing facility. Pallets presently contained in our warehouses stands at 20,000 to 22,000 pallet positions of produce.

With our triple net lease we are spending over \$18 million this year to maintain an aging and crumbling facility, as the pictures contained in your folder indicate.

At the present time we have approximately 3,000 direct employees of which 1300 are members of The United Brotherhood of Teamsters Local 202, providing good paying Union jobs. There is a spread sheet in your folder that indicates not only their salary level but their pension and welfare. Members contribute \$10 a week for their welfare coverage. In addition to Local 202 is the Perishable Food Industry Local 153 with 140 office workers also receiving pension and welfare with contributions to the welfare fund of \$15 per week. Further, our Public Safety employees belong to SPBA, Special Patrolman's Benevolent Association also with good paying jobs and a matching IRA savings plan.

In order to maintain the operation of the Market we have our own Janitorial, Grounds Keeper, Maintenance, Toll Takers and Clerical employees. All are members of Local 202.

Among the roster of Public Safety employees is an additional 18 Fire Guards, that are New York State Security Guards, providing additional protection of Firewatch for the facility. The additional coverage is in place until the Market can install a new fire alarm system for the ware house area mandated by the Fire Department of New York City. The total cost of both the Public Safety Department is \$3,755,669.



In order to properly secure the entrance of the facility, the total cost to operate the Toll Plaza is \$1,563,187.

In order to maintain an aging facility the cost of maintenance is \$2,700,000 while Janitorial costs are \$1,142,419. The cost for Sanitation for the Cooperative's common property is \$1,911,943.

The Market moved from Washington Street in March of 1967 to its present location. Along with the good paying Union jobs our system includes customers and Market Vendors who provide various services for Cooperators and the Cooperative. We have another 1800 direct employees and 5,000 indirect employees. We have approximately 4,838 Active Id's in our system for a total of approximately 9800 jobs.

In your folder are cards given to all Customers, Vendors and employees relating to Food Safety. The Market is compliant with the Federal Food Safety Modernization Act which meets all requirements regarding the cold chain.

Within a 50 mile radius the Market is the primary supplier of fresh produce for the 23 million people or 7% of the population of the United States. Moreover, produce is distributed by merchants and customers as far north as Maine, as far south as Florida and as far west as Chicago. An incredible 3 billion plus pounds of produce flow through the Market yearly with a customer base that includes the corner push carts to the neighborhood bodegas to 2500 independent green grocers to Wegmans and Wholefoods and everything in between. Most of the City locations do not have adequate refrigeration. As a result in order to supply the consumer, your constituency, with fresh produce, these customers need to shop daily. Of the 25,000 restaurants we like to say if there is produce on the plate, either directly or indirectly, it is coming from the Hunts Point Produce Market. Sales at the Market have remained steady at approximately \$2.4 billion yearly.

While terminal markets in the rest of the country are suffering a down tick in business, we flourish because of the vast array of ethnicities in this great City of ours. The biggest thing slowing down our future expansion is the lack of modern refrigerated space.

Charity donations as of October 1, 2019 total 6,500,000 pounds with a dollar value of \$6,500,000. Along with the donation of produce made by the merchants, other financial donations are made throughout the year by both the merchants and the Cooperative.

As previously mentioned, due to space constraints, the necessary use of inefficient storage trailers, cost the merchants yearly \$5,811,602.



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Produce Market™**
WE KNOW BEST.

Insurance for the Cooperative and the merchants continues to escalate with a present figure of \$4,865,556. Workers' Compensation for the Cooperators and the merchants is \$4,343,325.

Our position in the economy of the Bronx has an impact of \$485 million.

We are committed to staying an economic force in the Bronx. We have tried for over 25 years to address this failing facility. There is an urgent need for a rebuild in order for the Market to be more efficient and productive and compete successfully in decades to come. A redevelopment plan would make us more efficient and engender growth to the Market and be accompanied by an increase in jobs. We need the support of the City Council to move a rebuild project forward so that we can continue to serve the people of the City and surrounding areas with fresh healthy produce and fair prices.

Please join the merchants of
Hunts Point Produce Market
for

Our annual *Give Back* event

Saturday, November 16, 2019

Julio Carballo Little League Field
1230 Lafayette Avenue
Bronx, NY 10474
12 PM–3 PM

Proudly
contributing
over
25,000
pounds of produce
annually to our
community



**Hunts Point
Produce Market**

WE KNOW BEST.

Hunts Point Produce Market is New York City's hub for the freshest, most vibrant variety of produce, with more than 30 merchants bringing generations of trusted expertise to customers throughout the city and beyond.

Learn more at huntspointproducemkt.com.

We know *Giving*



**Hunts Point
Produce Market**
WE KNOW BEST.

LOCAL UNION 202									
YEAR	Avg. Hrs of work	HOURLY RATE	WEEKLY	ANNUAL	1300 warehouseman financial burden	WAGES	<u>PENSION@ \$10,017.28/Year</u>	<u>WELFARE@ \$13,500. /Year</u>	<u>DISABILITY@ \$23.40/Year</u>
2019	8 (Days)	\$17.97	\$718.80	\$37,377.60	x 600. day workers	\$22,426,560.00	\$610,368.00	\$8,100,000.00	\$43,056.00
	8 (Nights)	\$22.97	\$918.80	\$47,777.60	x 700. night workers	\$33,444,320.00	\$712,096.00	\$9,450,000.00	\$50,232.00
			Total for 1,300 workers /40hrs per week:			\$55,870,880.00	\$1,322,464.00	\$17,550,000.00	\$93,288.00
	40 HOURS	GRAND TOTAL 2019 (WAGES, PENSION, WELFARE & DISABILITY)				\$74,836,632.00			
	10 (2 OT Days)	\$19.47	\$973.50	\$50,622.00	x 600 day workers	\$30,373,200.00	\$6,292,872.00	\$8,100,000.00	\$43,056.00
	10 (2 OT Nights)	\$24.47	\$1,223.50	\$63,622.00	x 700 night workers	\$44,535,400.00	\$7,341,684.00	\$9,450,000.00	\$50,232.00
			Total for 1,300 workers /50hrs per week:			\$74,908,600.00	\$13,634,556.00	\$17,550,000.00	\$93,288.00
	50 HOURS	GRAND TOTAL 2019 (WAGES, PENSION, WELFARE & DISABILITY)				\$106,186,444.00			

HUNTS POINT TERMINAL PRODUCE COOPERATIVE ASSOCIATION, INC

TRAFFIC BY CLASS

DAY PASS UNIT SALES

10 months data January 1 to October 31, 2019

	Lane 1	Lane 2	Lane 3	Lane 4	Lane 5	Total lanes 2 to 5 For 10 months	Estimate for 12 Months
Day Passes Sold		33540	35818	33130	33138	135626	162,751
	0	33540	35818	33130	33138	135626	162,751

TOLL ENTRY UNIT SALES

10 months data January 1 to October 31, 2019

	Lane 1	Lane 2	Lane 3	Lane 4	Lane 5	Total lanes 1 to 5 For 10 months	Estimate for 12 Months
Express Lane Entry Only	326812					326812	392,174
Class 1(Car) \$2		29564	28229	26781		84574	101,489
Class 2(Van) \$5		45450	56497	53763		155710	186,852
Class 3(Straight) \$10		11168	18204	20353		49725	59,670
Class 4&(Semi) \$30		7887	13016	8899		29802	35,762
	326812	94069	115946	109796	0	646623	775,948

MEETING:

OVERSIGHT OF THE ECONOMIC IMPACT OF THE
HUNTS POINT FOOD DISTRIBUTION CENTER



**Hunts Point
Produce Market™**
WE KNOW BEST.

**“HUNTS POINT TERMINAL
PRODUCE MARKET
INFRASTRUCTURE ISSUES”**

NOVEMBER 20, 2019



Fire Hydrant at East Bay Ave and Halleck Street in Front of bus stop



Exterior wall at Bust stop on Halleck Street



Sidewalk at Bust stop on Halleck Street, tree roots pushing up sidewalk



Sidewalk on Slaviv Blvd and Ave A



Dock on Ave A, adjacent to exit Gate at Slavin Blvd



Catch Basin at Ave B



Ave B pot holes in street



Old Beams and new Beams



Exterior wall at Bust stop on Halleck Street



Exterior wall at Bust stop on Halleck Street



Pot hole at Row B, cement failing around sewer



Narrow Roadway between Buildings A & B, potholes



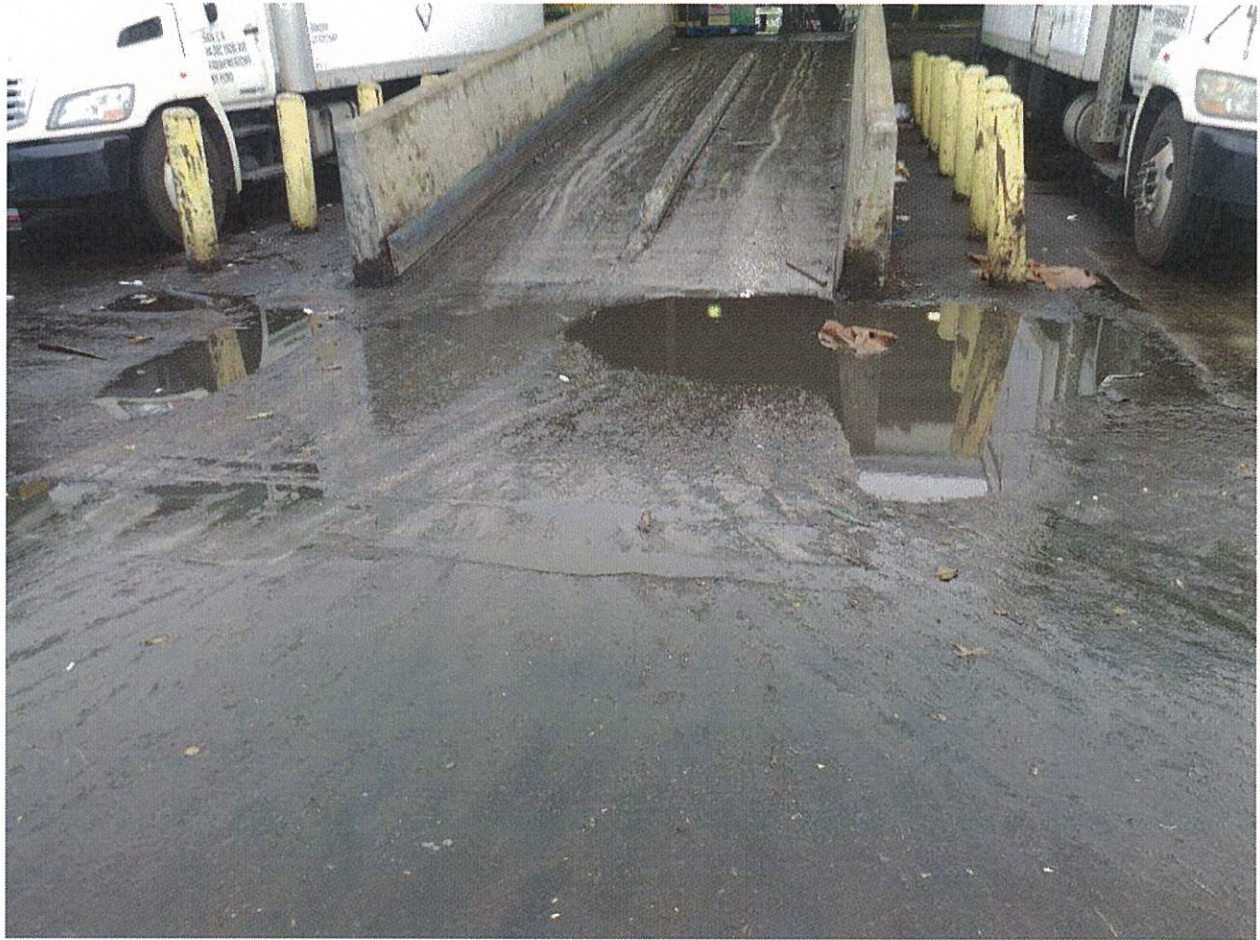
Pot holes Row B, cracking and failing of sewer cement



Narrow Roadway Row B



Cement around the sewer is cracking and failing



Ponding at the bottom of ramp from Building B



Repaired Expansion joint Row B



Row B, Catch Basin sinking



Lane 2 depression and incline causing vehicles to come into contact with booth



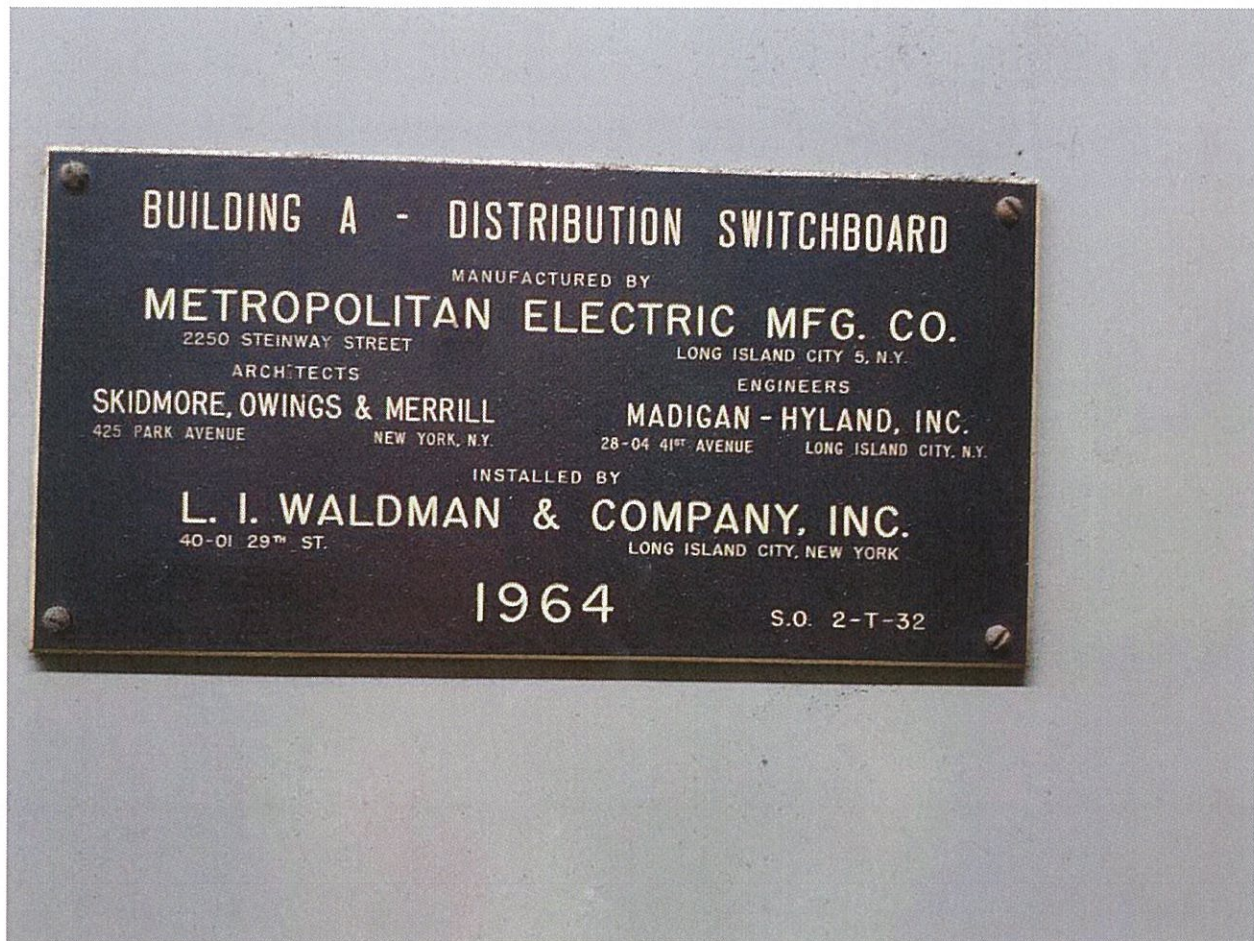
Catch Basin at Row B, cracking and depression



Fire Hydrant at Row B, Out of Service



Deteriorating ramp stairs



Market Electrical Equipment installed 1964



Aging out Market Equipment for Electrical Vaults



Aging out Market Equipment for Electrical Vaults



Deterioration of Platforms – major Voids



Row B street ramp in need of replacement, rails failing, paint chipping



Deterioration of Platforms – major Voids



Voids underneath the platform (various locations)



Temporary steel plates - dock side



Expansion Joint Row B (various locations)



Cracking and deteriorating voids in dock



Docks deteriorating - prepping for epoxy filling



Dock Voids – temp steel plate to avoid further damage



Chipping, peeling paint throughout Market



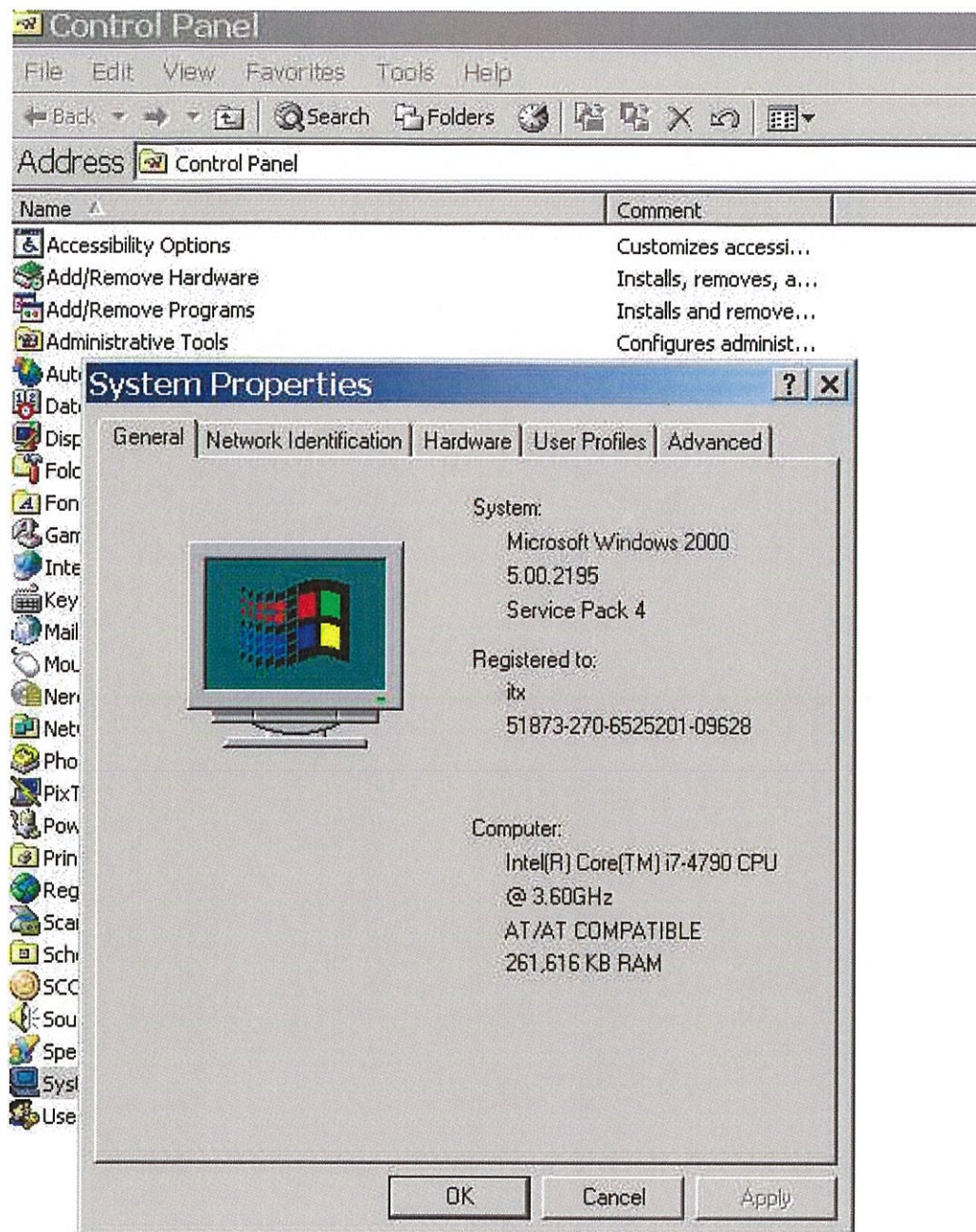
Dock plate used to avoid depression in street from collapsing roadway at drain point



Dock plate used to avoid depression in street from collapsing roadway at drain point



25 year old roof in need of repairs, storm caps missing, detrimental to our Food Safety Plan



Antiquated Toll Plaza System – Windows 2000



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***Oversight Hearing on the Economic Impact of
the Hunts Point Food Distribution Center***

Good afternoon Chairperson Vallone and members of the Committees on Economic Development. Thank you for holding this hearing today on the impact of the Hunts Point Food Distribution Center (FDC). As one of New York City's largest and longest operating food rescue organizations, we recognize that Hunts Point FDC and the surrounding area stands out as a critical partnership for ensuring that we are able to provide a variety of quality-healthy produce to our network of emergency food programs partners that support nearly 1.2 million New Yorkers that face food insecurity. Over the past three years alone, we have procured over 5 million pounds of perfectly edible donated produce from the Hunts Point FDC.

Furthermore, the Hunts Point FDC also stands as a vital institution for supporting other critical food system policies and programs, including the New York State Department of Agriculture and Markets' Vital BK initiative and the City's Good Food Purchasing Program goals.

Rescuing Food from the Hunts Point Terminal and Area

Established in 1982, **City Harvest** is New York City's largest food rescue organization, putting healthy food within reach for nearly 1.2 million New Yorkers who are struggling to put meals on their tables. This year, we will rescue 64 million pounds of food from approximately 2,500 different food donors including farms, grocers, manufacturers, and restaurants, with fresh produce accounting for more than half of the food we collect. We will deliver this food, free of charge, to hundreds of food pantries, soup kitchens, and other community partners across the five boroughs.

The Hunts Point FDC and the surrounding area accounted for nearly 10 percent of all of City Harvest's food donations in FY19 (July 1, 2018 – June 30, 2019) and includes one of our top 5 local food donors. The volume of quality-donated-food that we receive from Hunts Point has been consistently high enough for us to dispatch up to three City Harvest drivers to pick up food from the area 4-days a week. In total, City Harvest has 8 weekly truck routes that are able to provide a variety of produce from the Hunts Point FDC to 47 different emergency food programs across the Bronx, Queens, and Brooklyn. Our fleet of City Harvest drivers rescued 2.69 million pounds of produce from the Hunts Point FDC and 2.75 million pounds from local retailers in the surrounding area last fiscal year. Through our partnership with the Hunts Point FDC and the addition of a full-time City Harvest staff member to work with our portfolio of 21 produce vendors at the produce terminal market, we were able to increase the amount of food donations we pick up from Hunts Point from FY18 to FY19 by 82 percent. All of our 21 produce donors at the Hunts Point FDC are donating a combined 223,000 per month of quality produce for our emergency food network to provide access to healthy food for families that face food insecurity.

In addition to the generous volume of healthful food donations we receive from the Hunts Point FDC, City Harvest's network of emergency food providers and drivers, whom are trained in food safety and have rescued food from the terminal for over 35 years, have indicated that the variety and quality of the fresh produce we rescue from the terminal continues to improve and meet the needs of emergency food program providers. Through a survey of our partner emergency food programs, we have found that over 96 percent indicated that the variety of donations they receive from Hunts Point are medium or high and that over 93 percent indicated that the food donations are of medium or high quality. Through our survey of our drivers that pick up from Hunts Point FDC, they indicated that our program partners are able to accept the majority of their food donation deliveries from the terminal, with limited storage space and capacity to receive all of donations being one of the factors why they may not be able to accept the full donation.

Terminal's Implication for Other Food Access Policies/Initiatives

In addition to City Harvest's emergency food operation, we also advocate for policies and programs that improve food access and buttress the local food system. **Through our Policy and Government Relations efforts, we also recognize Hunt Point FDC as a critical resource for the viability of the NYS Department of Agriculture and Markets' Vital BK initiative to improve access to fresh produce in central Brooklyn, and the City's Good Food Purchasing Program goals to procure more local produce in city agencies.** In order to increase local food procurement for City agencies like the Department of Education, which provides meals for 1.1 million children daily, and in order to overcome the infrastructural limitations to establish a food hub model in Central BK---as laid forth by the Governor's Vital BK agenda---the resources, expertise and the success of the Hunts Point FDC is an important asset to both food access policies.

Conclusion

Thank you for holding today's oversight hearing on the Hunts Point Food Distribution Center. City Harvest continues to partner with the Hunts Point FDC to secure healthy and quality produce for our emergency food program partners so that families that face food insecurity are able to access fresh quality produce. The Hunts Point FDC remains a critical staple in our local food system and food access operations. We are aware of concerns about the resiliency of the Hunts Point area and its ability to withstand flooding and climate change, as well as other externalities attached to the general operation such as traffic control. In that vein, City Harvest welcomes the City Council's attention to the needs, opportunities and physical and technical resources that Hunts Point brings to our local food system and encourage the City to be mindful of climate externalities and barriers for Hunts Point. With well over 5000 jobs and accounting for over 60 percent of New York City's produce sale, the viability of the Hunts Point terminal and the surrounding area warrants the City's attention. We look forward to collaborating with the City on efforts that underline the viability of the Hunts Point Food Distribution Center.

Jerome Nathaniel, Associate Director of Policy and Government Relations

Jnathaniel@cityharvest.org

646-412-0722

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☐ in favor ☐ in opposition

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Name: Cheryl Garcia

Address: B/C (100 Church St.)

I represent: New York City Business Integrity

Address: Commission

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I represent: NICEDC

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Name: Cecilia Kushner

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Date: 11/20/19

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Name: Phillip Grant

Address: _____

I represent: Hunts Point Produce Market

Address: _____

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Date: 11/20/19

(PLEASE PRINT)

Name: Steve Lentman

Address: _____

I represent: Hunts Produce Produce Market

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Date: 11/20/9

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Name: Joel Eisenman

Address: _____

I represent: Hunts Point Produce Market

Address: _____

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Date: 11/20/9

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Name: Matt D'Arcy

Address: _____

I represent: Hunts Point Produce Market

Address: _____

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Date: 11.20.19

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Name: Jerome Nathaniel

Address: 6 E 32nd St, New York, NY 10016

I represent: City Harvest

Address: _____

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Name: CHARLES PLATKIN

Address: 17 E 17, NYC

I represent: HUNTER College NYC Food Policy Grp

Address: 2180 3rd, NYC

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Date: 11/20/19

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Name: LAUREN PHILLIPS

Address: 560A QUINCY ST BK, NY 11221

I represent: FOOD BANK FOR NEW YORK CITY

Address: 355 FOOD CENTER DRIVE BX NY

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HUNT'S Point Produce Market Date: 11/24/19

(PLEASE PRINT)

Name: Phil Grant, Joel Fierman, Steve Katzman, Matt D'Amico

Address: Arthur Goldstein

I represent: HUNT'S Point Produce Market

Address: _____