



## SPECIAL REPORT

# Stimulating Supermarket Development in Illinois

**HEALTHIER PEOPLE, HEALTHIER COMMUNITIES,  
& A HEALTHIER ECONOMY**



*food for every child*

## **ACKNOWLEDGEMENTS:**

This report by The Food Trust was prepared by Caroline Harries, Ellen Holtzman, and Brian Lang with assistance from Duane Perry; it was released in July 2009. Members of the Illinois Food Marketing Task Force and officials from the City of Chicago and State of Illinois provided valuable input. The Robert Wood Johnson Foundation and Kraft Foods provided support to The Food Trust for this project.



**OFFICE OF THE GOVERNOR**  
SPRINGFIELD, ILLINOIS 62706

**Pat Quinn**  
GOVERNOR

Illinois Food Marketing Task Force:

I want to applaud the Illinois Food Marketing Task Force and all of its members for their hard work over the past year trying to ensure people across the state have access to fresh, nutritious food. Unfortunately, for many communities in Illinois, that just isn't the case.

At least 500,000 Illinoisans live in areas with no or distant access to mainstream grocery stores with fresh produce. In rural areas, long distances to supermarkets can further impede the availability of healthy food retail, especially in lower-income areas that lack public transportation and where many residents do not have cars.

This has created a healthcare crisis. Childhood obesity and diet-related disease are public health epidemics in Illinois. In a recent Illinois survey, almost 40 percent of 8-year-olds surveyed were already overweight. Studies have also found that when communities don't have grocery stores, residents are more likely to die sooner and at greater rates from diabetes, cancer, and cardiovascular diseases, as well as suffer from obesity and hypertension. Last year, Illinois' healthcare costs associated with obesity and diet-related disease exceeded \$3.4 billion.

When grocery stores locate outside of areas in need, people must travel great distances to buy fresh produce. Communities that need them the most lose out on the valuable jobs and the other investment a grocery store makes in a neighborhood.

The public and the private sector need to continue working together to both save lives and put more people to work. Bringing more grocery stores that sell fresh, healthy food to those communities that desperately need them will help us accomplish both of these critical goals.

I look forward to continuing this collaboration with the task force, the Illinois General Assembly, and others because having access to fresh food is something everyone is entitled to.



Sincerely,

A handwritten signature in black ink that reads "Pat Quinn". The signature is written in a cursive, flowing style.

Governor Pat Quinn



# Illinois Food Marketing Task Force

Deborah Harrington, President, Woods Fund of Chicago  
Mark Anderson, President, Supervalu Midwest/Southeast Region – Co-Chairs

Dear Colleague,

As co-chairs of the Illinois Food Marketing Task Force, we are pleased to present this report containing the recommendations of task force members on how city and state officials can increase the availability of nutritious, affordable food in communities throughout Illinois.

The task force convened nearly 60 experts from the private, public, civic, and nonprofit sectors with expertise in building and operating supermarkets, planning and financing the development of supermarkets, and working with communities and families who deserve better access to food. Over the past year, these experts met and developed 10 policy recommendations that the city and state could implement to stimulate more supermarket development in Illinois.

These recommendations require changes, but we believe they are realistic, pragmatic, and built on the work that city and state officials have begun. The City of Chicago is working closely with supermarkets interested in developing urban stores to identify suitable sites and to streamline requirements to facilitate the timely opening of stores across the city.

Every community deserves to have convenient access to fresh, affordable, and nutritious food. Taking advantage of this opportunity to overcome the barriers that impede supermarket development in underserved areas throughout the state of Illinois will strengthen public health, drive business investment, create new jobs, and contribute to the vitality of Illinois' communities.

Implementing the recommendations outlined in this report will require committed, broad-based leadership to market and attract new supermarkets to Illinois. We deeply appreciate the hard work and commitment of Illinois Food Marketing Task Force members as well as the support of the State of Illinois and the City of Chicago. Together we can work to ensure that there is fresh and nutritious food for every Illinois family.

Sincerely,

Deborah Harrington  
Co-chair  
President  
Woods Fund of Chicago

Mark Anderson  
Co-chair  
President  
Supervalu Midwest/Southeast Region

# ILLINOIS FOOD MARKETING TASK FORCE

**Miguel Alba**

Director of Public Affairs  
Jewel-Osco

**Mark Anderson**

Regional President  
Supervalu Midwest/  
Southeast Region

**Gaston Armour**

Illinois Department of  
Human Services  
Statewide Emergency  
Preparedness Coordinator  
Office of Security and  
Emergency Preparedness

**Adam Becker**

Executive Director  
Consortium to Lower Obesity  
in Chicago Children (CLOCC)

**Dennis Belcastro**

VP Customer Development  
and Industry Affairs  
Kraft Foods

**David E. Bennett**

Executive Director  
Metropolitan Mayors Caucus

**Joel Bookman**

Director of Programs  
LISC/Chicago

**Derek Crawford**

Director, State and Local  
Government Affairs  
Kraft Foods

**Kathy Dickhut**

Deputy Commissioner  
Sustainable Development  
Division, Department of  
Zoning and Planning,  
City of Chicago

**Mary Lou Eisenhauer**

Mayor's Office  
City of Chicago

**Dan Farrell**

VP of Real Estate  
Roundy's Supermarkets, Inc.

**Joel Freehling**

Manager,  
Triple Bottom Line Innovations  
ShoreBank

**Robyn Gabel**

Executive Director  
Illinois Maternal & Child  
Health Coalition

**Mari Gallagher**

President  
National Center  
for Public Research and  
Mari Gallagher Research  
& Consulting Group

**Alexi Giannoulas**

Illinois State Treasurer

**Rob Grossinger**

Senior Vice President,  
Community Affairs  
Bank of America

**Deborah Harrington**

President  
Woods Fund of Chicago

**Joseph M. Harrington**

Assistant Commissioner  
Division of Chronic Disease,  
Chicago Department of  
Public Health

**Leonard Harris**

Former Owner  
Chatham Food Center

**Brian Jordan**

President  
Illinois Food Retailers  
Association

**Robin Kelly**

Chief of Staff  
Office of the State Treasurer

**Richard Koop**

Director  
Licensed Development - North  
Save-A-Lot Food Stores

**Michael T. Kozlowski**

Vice-President / Partner  
Fairplay, Inc.

**Trinita Logue**

President & CEO  
Illinois Facilities Fund

**Peggy Luce**

Vice President  
Chicagoland  
Chamber of Commerce

**Mary K. Ludgin**

Managing Director and Director  
of Global Investment Research  
Heitman LLC

**James E. Matanky**

President  
Matanky Realty Group

**Dawn Melchiorre**

Senior Policy Associate  
Voices for Illinois Children

**Lynn Miller**

Real Estate Director  
Safeway, Inc. /  
Dominick's Division

**Sheelah Muhammad**

Community Development  
Programs  
Oprah's Angel Network

**Rich Niemann Sr.**

Chairman of the Board  
Niemann Foods, Inc.

**Laura Oakleaf**

Senior Policy Advisor  
Office of the State Treasurer

**Maureen Palmer**

Deputy Director,  
Community Development Bureau  
Illinois Dept. of Commerce  
and Economic Opportunity

**Anthony Raden**

Deputy Commissioner for Policy  
Chicago Department of  
Children and Youth Services

**Wynona Redmond**

Public Affairs Director  
Dominick's

**Bradley Roback**

Coordinator of Sustainable  
Development  
Sustainable Development  
Division, Department of  
Zoning and Planning,  
City of Chicago

**Nicole Robinson**

Director of Community  
Involvement  
Kraft Foods, Corporate  
Community Involvement

**Gerald Roper**

President & CEO  
Chicagoland  
Chamber of Commerce

**Andrew Ross**

Deputy Chief of Staff  
Office of Governor Pat Quinn

**Michael Schuette**

President  
Schuette's SuperValu Markets

**Peter Skosey**

Vice President  
Metropolitan Planning Council

**Fran Spencer**

Former Assistant Commissioner  
Department of Planning and  
Development, Retail Chicago

**Jerry Stermer**

Former President  
Voices for Illinois Children  
Current Chief of Staff  
Office of Governor Pat Quinn

**Cathryn Taylor**

Chief Operating Officer  
Moo & Oink

**Larry Tobias**

Vice President  
Market Development  
SuperValu Midwest Region

**David F. Vite**

President & CEO  
Illinois Retail Merchants  
Association

**Wendy Walker Williams**

Assistant Commissioner  
Department of  
Community Development,  
City of Chicago

**Waden Weinzirl**

Regional Director of  
Retail Operations  
Save-A-Lot Food Stores

**Dave Wilkinson**

President  
Strack & Van Til Company

**Paula Wolff**

Senior Executive  
Chicago Metropolis 2020

**Mamie Yee**

Manager of Real Estate  
Food4Less

# INTRODUCTION

The Illinois Food Marketing Task Force, a group of leaders from the supermarket industry, government, and nonprofit, philanthropic, and civic sectors, believes that this list of 10 recommendations supports Illinois' commitment to protecting the health and welfare of its families and children. With strong leadership and dedicated resources from Illinois and Chicago, new supermarkets and quality food stores can improve people's health, create jobs, and contribute to community revitalization.

The Food Trust, a nationally recognized nonprofit organization, issued a special report entitled "The Need for More Supermarkets in Chicago" as part of an initiative to provide food for every child. The research study concluded the following:

- Chicago has too few supermarkets in low-income areas of the city.
- Low-income Chicago citizens suffer from diet-related diseases at rates significantly higher than the general population.
- Access to fresh, affordable, nutritious food must be improved if the health and well-being of Chicago citizens is to improve.

Starting in 2007, the Illinois Food Retailers Association, the Illinois Retail Merchants Association, Voices for Illinois Children, and The Food Trust, with funding from The Robert Wood Johnson Foundation, Kraft Foods, and LaSalle Bank (now Bank of America), began a concerted effort to convene the Illinois Food Marketing Task Force to educate the public, policy makers, and business leaders about the need for more supermarkets and to develop public policy recommendations intended to reverse the documented diet and health problems. The task force, co-chaired by Deborah Harrington of the Woods Fund of Chicago and Mark Anderson of SuperValu, met to craft a plan for supermarket and grocery store development in Illinois. The work of this group builds on the excellent work undertaken in the past several years by a variety of government, private, and civic leaders in the City of Chicago and the State of Illinois. With the advice and consultation of task force members, 10 recommendations are presented for action to the State of Illinois and local governments throughout the state.

Illinois Food Marketing Task Force members and The Food Trust directors and staff will continue to advocate for better access to nutritious, affordable food for families, nutrition education in schools, and programs that deliver wholesome food for every child through the implementation of these recommendations and other activities.





## SUMMARY OF RECOMMENDATIONS

*To protect the health of children and families by ensuring access to affordable, nutritious food, state and local government should ensure a healthy balance of food retail as a priority for the comprehensive development of communities. Critical steps toward achieving that goal include:*

**Recommendation #1:** State and local government should explicitly adopt food retail as a priority for the comprehensive development of communities.

**Recommendation #2:** State and local government should create new and modify existing economic development programs and target them to the supermarket and grocery industry.

**Recommendation #3:** The State of Illinois should commit \$10 million in its capital budget to initiate a business financing program that provides grants and loans to local supermarket and grocery store development projects in underserved communities. Such a program should receive continued financial support over two to three years.

**Recommendation #4:** State and local government should reduce unnecessary regulatory barriers to supermarket and grocery store investment.

**Recommendation #5:** Local governments should give priority to assembling land for supermarket and grocery store development.

**Recommendation #6:** State and local government should encourage the use of innovative market assessment techniques to highlight unmet demand and buying power in communities.

**Recommendation #7:** State and local government and regional organizations, in partnership with groups such as local workforce investment boards and community colleges, should target new and expand existing training programs to ensure there is a quality workforce for supermarket and grocery store retailing.

**Recommendation #8:** State and local government should partner with commercial and retail security, policing, and community efforts to help ensure a safe and secure environment for both customers and store personnel.

**Recommendation #9:** The State of Illinois should continue its efforts to develop a new distribution schedule for the Supplemental Nutrition Assistance Program (SNAP) that disburses benefits more evenly throughout the month.

**Recommendation #10:** State and local government should convene an advisory group of leaders including the supermarket industry, real estate developers, the financial sector, public health officials, child advocates, and others to guide the implementation of these recommendations.

### 1 State and local government should explicitly adopt food retail as a priority for the comprehensive development of communities.

Illinois' neighborhoods would benefit from a strategic plan focused on stimulating new investments and improvements in the food retail sector. A strong statewide and citywide food retail initiative would identify strategies to expand and improve access to affordable and nutritious food in Illinois' neighborhoods. The initiative could include the following services:

- Centralized project management and government support for food retail projects.
- A single point of access for information about neighborhood retail development opportunities.
- Customized market information about specific development opportunities.
- A strategic plan to coordinate retail initiatives with neighborhood needs.

#### Example:

New York City and State have explicitly adopted food retailing as a priority in community development. On May 16, 2009, New York Governor David A. Paterson announced the Healthy Food/Healthy Communities Initiative which will adopt "comprehensive strategies to expand and encourage the growth of new grocery stores in underserved neighborhoods." To ensure that the goals for this program are met, a state fund of \$10 million has been established.

The governor also announced additional initiatives which make food retail a vital part of community development, including incentives for All-Affordable housing proposals to include food markets as part of the retail component, a permanent farmers' market grant program, and financial incentives for food retailers to be green and energy efficient.

Further demonstrating a genuine commitment to community development through supermarket development and retention, New York City Mayor Michael Bloomberg and City Council Speaker Christine Quinn recently announced the Food Retail Expansion to Support Health (FRESH) program. This new initiative will provide zoning and financial incentives to property owners, developers, and grocery store operators in areas of the city currently underserved by grocery stores.

"There are not enough healthy food options in many urban and rural communities throughout New York State. The lack of affordable, nutritious food is negatively impacting the revitalization of many communities and the health of New Yorkers," said Governor Paterson. "The Healthy Food/Healthy Communities program combined with New York City's FRESH program provides incentives to locate energy-efficient food markets in underserved communities and connect food markets with New York's agriculture products."





## 2 State and local government should create new and modify existing economic development programs and target them to the supermarket and grocery industry.

The food retail industry needs public support to overcome the costs of urban development, which are on average 30 percent higher than in the suburbs. Existing economic development financing programs are often not available to, or not marketed to, food retailers. Supermarkets and food retailers have not traditionally been viewed as drivers of economic growth. Retailers have often been specifically excluded from economic development programs. Food access is too important to be left solely to market forces. Public financing and tax credit programs should be reconfigured so that they can be made available for supermarket investments. These investments should include new stores and existing stores looking to expand their offerings.

### Example:

Cities across the country have successfully utilized economic development subsidies to bring supermarkets into select areas. Examples include a Shaw's in New Haven, an Albertsons in San Diego, a ShopRite in Philadelphia, the East Harlem Pathmark in New York City, and multiple chains in Washington, D.C.

Anchored by a 56,000-square-foot Shaw's supermarket, the Dwight Place development in New Haven, CT, brought a much-needed supermarket to the heart of the city. The project was made possible with funding from a variety of public and private sources including the Office of Community Services-U.S. Department of Health and Human Services and the U.S. Department of Housing and Urban Development; \$3 million in financing from Local Initiatives Support Corporation's The Retail Initiative (TRI); and a \$1 million grant from the State of Connecticut. The project also received additional assistance from the City of New Haven and Yale University. With this development, Shaw's became the first major supermarket to locate within the City of New Haven in decades, improving fresh food access for the city's residents and creating over 200 jobs.

Tax exemptions can encourage developers to include supermarkets over other competing retail uses. In Washington, DC, the Department of Planning and Economic Development approved the Supermarket Tax Exemption Act in 2000. This act is part of a citywide supermarket attraction and retention effort which has resulted in several new store openings and expansions in targeted areas throughout the city. New stores include Giant, Safeway, and Harris Teeter supermarkets. In addition to benefiting from the tax exemption, the new developments received additional incentives from the city, including Community Development Block Grant funding.

While these successes speak to the potential for public incentives to influence supermarket development and help close the financing gap, a comprehensive program is needed to stimulate supermarket development in neighborhoods throughout Illinois.





# 3 **The State of Illinois should commit \$10 million in its capital budget to initiate a business financing program that provides grants and loans to local supermarket and grocery store development projects in underserved communities. Such a program should receive continued financial support over two to three years.**

The State of Illinois should dedicate funds to stimulate the development, renovation, and expansion of supermarkets in underserved communities, in the form of grants and loans to fund soft costs, including feasibility and marketing studies, as well as to offset development and construction costs.

## **Example:**

In 2004, the Pennsylvania legislature enacted a nationally significant economic stimulus package (SB 1026) containing provisions supporting the development of supermarkets in underserved communities throughout Pennsylvania. Promoted by Governor Edward G. Rendell and an alliance of food and farming interests, this legislation positions Pennsylvania as a national leader in developing supermarkets in underserved communities and promoting the sale of Pennsylvania farm products at farmers' markets.

The state appropriated \$30 million over three years to create the Fresh Food Financing Initiative (FFFI). State funding was leveraged by The Reinvestment Fund, a Community Development Financial Institution, to create a flexible financing pool that provides grants and loans to supermarkets investing in underserved communities.

FFFI is an innovative program designed to meet the financing needs of supermarket operators that want to operate in these communities, where infrastructure costs and credit needs are often higher and unmet by conventional financial institutions. The initiative helps new supermarkets get off the ground and existing ones to refurbish and replace old capital to improve efficiency and lower costs. FFFI provides grants and loans to qualified food retail enterprises for predevelopment costs including, but not limited to, land acquisition financing, equipment financing, capital grants for project funding gaps, construction and permanent financing, and workforce development. To be eligible, stores must be located in low- to moderate-income areas that are currently underserved and must also provide a full selection of fresh foods.

In just four years, the Fresh Food Financing Initiative has funded over 65 projects across Pennsylvania, resulting in the creation or retention of approximately 3,700 jobs and 1.4 million square feet of food retail space. These projects have included regional chains and stores of up to 69,000 square feet, as well as smaller local, independently operated stores. The initiative was named one of the Top 15 Innovations in American Government for 2008 by Harvard University's John F. Kennedy School of Government.

One of the first projects financed by the FFFI was the ShopRite of Island Avenue, a 57,000-square-foot supermarket located in the Eastwick section of Philadelphia. The supermarket received a \$5 million loan for construction and renovation of the store and \$250,000 in grant funding to help with workforce development training costs. The supermarket has created 258 quality jobs in the community, most of which provide attractive employee benefits.





## State and local government should reduce unnecessary regulatory barriers to supermarket and grocery store investment.

State and local government approval processes can add several years and substantial cost to a supermarket project in an underserved area. Government can show preference to development it wants to encourage by expediting approval processes, thereby reducing project costs. Creating a single point of access for interacting with government would help supermarket operators navigate the complex process of developing a supermarket in underserved communities. Codes should be reviewed with consideration given to shortening the length of time it takes to develop a supermarket.

### Example:

Local governments can expedite the permit approval process for development they want to encourage. The Chicago Department of Buildings (DOB) has developed an expedited permit process for projects that incorporate innovative green building strategies, and similar strategies could be used for supermarket and grocery store development in underserved communities. The DOB Green Permit Program provides developers and owners with an incentive to build green by streamlining the permit process timeline for their projects. Projects accepted into the Green Permit Program can receive permits in fewer than 30 business days or as little as 15 business days, a significant improvement over standard processing times. The number of green building elements included in the project plans and project complexity determines the length of the timeline. Including more green building elements results in a reduced timeline to obtain a permit. Applicants that demonstrate an extraordinary level of green strategy implementation may have their consultant code review fees waived. Similar strategies could be employed to encourage real estate developments that plan for a supermarket.





## Local governments should give priority to assembling land for supermarket and grocery store development.

It can be difficult to identify and assemble adequate sites to accommodate supermarkets in the areas where they are needed most. Illinois should give priority to acquiring, assembling, and conveying land for new supermarket development. In addition, local governments should offer density bonuses or other preferences in their zoning codes for projects that include a supermarket.

### Example:

St. Petersburg, FL, assisted in assembling 32 parcels of land to develop the Tangerine Plaza shopping center in an economically distressed area. This 47,000-square-foot neighborhood shopping center is anchored by Sweetbay Supermarket, the first full-service grocery store and pharmacy in the neighborhood. The city bought the land, cleared the liens and other encumbrances against the properties, and rezoned the site for neighborhood commercial development. Once the land was ready for construction, the city leased the property to the developer for 99 years for an annual payment of \$5. Since opening its doors, the Sweetbay Supermarket in Midtown has set sales records for the Florida-based company. In addition, the property tax revenue for the city increased from \$6,000 to over \$110,000 per year.





# 6

## State and local government should encourage the use of innovative market assessment techniques to highlight unmet demand and buying power in communities.

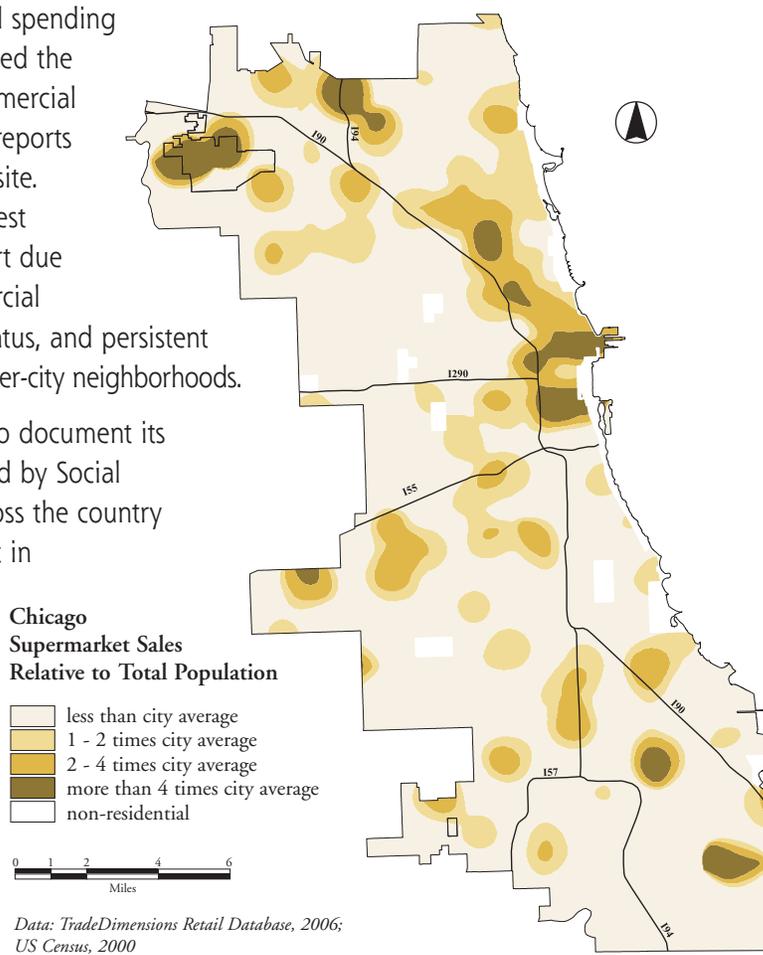
Accurate information about the underlying market potential of city neighborhoods is crucial to attracting new food retail investment. Chicago and cities throughout Illinois should follow the lead of other major cities by funding and disseminating an innovative retail analysis of its neighborhoods.

In the last 10 years, a new consensus has emerged that urban retailers have underestimated the potential of emerging markets in inner-city areas. New data-driven market analysis techniques have shown that many national market analysis consulting firms undercount city residents, make generalizations, and do not include local data in trend analysis. These models often miss many positive developments in today's dynamic, diverse metropolitan economy. Using new, more accurate data sources, metrics, and modeling techniques can reveal the unmet demand for food retail in urban areas.

### Example:

The City of Milwaukee's Department of City Development has successfully used independent data analysis to attract new supermarket chains to the city. Milwaukee utilized a state-of-the-art methodology relating detailed income tax filing data and other current information on residents' spending patterns to describe the income concentration and spending power around commercial districts. The city mapped the purchasing power and economic assets of all commercial districts in the city. The purchasing power profile reports were then posted on the City of Milwaukee's website. Milwaukee's data showed that some of the strongest retail markets in the city have been ignored in part due to marketing stereotypes promulgated by commercial marketing firms, misconceptions about income status, and persistent "urban legends" about the absence of workers in inner-city neighborhoods.

The City of Baltimore is using similar techniques to document its unmet demand for food. Recent research compiled by Social Compact, a coalition of business leaders from across the country who are promoting successful business investment in lower-income communities for the benefit of current residents, indicated that an estimated \$217 million in grocery leakage could support an additional 633,000 square feet of grocery retail space in Baltimore. The analysis uses information similar to that used by the City of Milwaukee, including local tax assessments, building permits, consumer credit bureaus, and utility bill payment data.





## 7 State and local government and regional organizations, in partnership with groups such as local workforce investment boards and community colleges, should target new and expand existing training programs to ensure there is a quality workforce for supermarket and grocery store retailing.

The supermarket industry cites the lack of an available workforce as a barrier to supermarket and grocery store development. Often it is difficult to find candidates who have had suitable job training. Industry leaders are cognizant of the value of their labor force and the need to educate that workforce to address issues of shrinkage, best practices, effective customer service techniques, and employees' rights and obligations. New and existing programs should ensure that a quality workforce is available for grocery store retailing once a store opens in a community. Programs should be coordinated and targeted for grocery retail.

### Example:

For Ben Fligner, the answer to how to train employees for his downtown Lorain, OH, grocery store came in the form of a \$1,300 matching grant from Project TEN (Train Employees Now). Unveiled in 2007, Project TEN is the result of an effort by Lorain County to leverage workforce development monies distributed by the State of Ohio. The matching grant made it possible for Fligner to send five employees to an Ohio Department of Agriculture training program which certified the workers in meat handling. This provided the needed workforce training to complement Fligner's recent expansion from a 12,000-square-foot operation to a 32,000-square-foot one that included a new full-service meat counter. The grocery store was also able to establish a wholesale meat business and a catering department. The supermarket, which used to employ 32 workers, is now able to support a staff of 90.

In Philadelphia's Eastwick community, residents were devastated when the area's only grocery store decided to close. Left with no convenient access to fresh food in the area, many residents had to catch rides with family and friends or take multiple buses to shop at stores in neighboring suburbs. Fortunately, things greatly improved when grant and loan assistance from the Pennsylvania Fresh Food Financing Initiative helped to offset higher construction and workforce development costs in the neighborhood, allowing the Brown's ShopRite of Island Avenue to open its doors.

As a result, the 57,000-square-foot supermarket has brought 258 quality, union jobs to the area. Most of the employees are residents of the surrounding community, which is predominantly African-American and West African. Many of these employees are returning to the workforce from welfare or are new entrants into the workforce. Through funding from the initiative, a local workforce development agency has developed a customized training program for the Island Avenue ShopRite and five of Brown's other stores. This program improves employee retention and helps employees advance in their careers – setting employees on the path for long-term success within the grocery industry.





## **State and local government should partner with commercial and retail security, policing, and community efforts to help ensure a safe and secure environment for both customers and store personnel.**

A 2007 report by Local Initiatives Support Corporation (LISC) Bay Area and PolicyLink found that for retailers, "neighborhood crime decreases their ability to attract workers and increases operating costs in the form of additional security and increased shrinkage, or loss of inventory. It is often a perception of crime and/or history of crime, as opposed to current actual crime, that hinders development in underserved markets."

Grocery store retailers and consumers desire a safe, clean environment to locate and shop. Neighborhood blight, poorly lit streets, and areas of known criminal behavior can contribute to the continuing decline of a neighborhood as well as deter the opening of a much-needed supermarket. Community groups and community revitalization programs can partner to ensure a safe environment. Making significant changes to the physical safety of an area coupled with publicizing the changes made can go a long way toward changing perceptions.

### **Example:**

For the past seven years MetLife Foundation and LISC, the nation's leading nonprofit dedicated to community development support, have partnered to recognize and award innovative partnerships between community organizations and local police enforcement. The honored initiatives promote neighborhood safety and crime reduction as well as economic development outcomes such as real estate development, business attraction, and job growth. "Partnerships between community groups and police are vital to reducing crime and increasing housing, economic activity, and opportunities for residents" said Sibyl Jacobson, president of MetLife Foundation.

Among the honorees is the Coalition for Responsible Community Development which partnered with the Los Angeles Police Department in Los Angeles, CA. This community development organization hires local youth and young adults to improve public safety and the appearance of local streets in South LA by abating 80,000 square feet of graffiti per week. The abatement crews follow a 30- to 50-mile daily route covering 12 square miles including commercial corridors with high crime rates and 55 known gangs. The graffiti served to deter individuals from feeling safe in this commercial district and provided reasons for businesses to disinvest. The community partnership served to tackle difficult economic and social problems resulting in an increased perception of safety in the neighborhood and the creation of a better retail business environment.

As a result of this program, long-term partnerships between law enforcement agencies and community developers are formed to target persistent crime, disorder, and fear in troubled communities. According to LISC's web site, "By the unconventional linking of innovative policing with economic development, police and developers aim to attract the kinds of social and financial investments that make communities safer and more vibrant." Similar types of linkages between police enforcement and commercial/retail partners can have the effect of providing safer communities surrounding grocery store development.





# 9 The State of Illinois should continue its efforts to develop a new distribution schedule for the Supplemental Nutrition Assistance Program (SNAP) that disburses benefits more evenly throughout the month.

In Illinois, 70 percent of SNAP/food stamp recipients receive their benefits on the first day of the month; the remaining 30 percent of benefit issuances are staggered throughout the month. As a result, grocery stores experience a tremendous surge in business early in the month that produces myriad unintended consequences including long lines at checkout, overcrowding, and an inability of the state's poorest consumers to conveniently access fresh fruits and vegetables throughout the month. Grocers have also had difficulty providing adequate hours for their employees over the course of the month because of the increased business at the beginning and the lull toward the end. These challenges make some retailers hesitant to operate in areas with a high percentage of customers who rely on food stamps.

To reduce the strain on grocers and provide a more dignified shopping experience for food stamp recipients, the state should stagger food stamp issuances throughout the month, as it currently does with a small portion of issuances. Spreading out the distribution of shoppers will make fresh foods available throughout the month and ensure that grocery stores can properly serve consumers in areas of high food stamp volume.





# 10

**State and local government should convene an advisory group of leaders including the supermarket industry, real estate developers, the financial sector, public health officials, child advocates, and others to guide the implementation of these recommendations.**

Lessons from other cities and states show that leadership from the supermarket industry, public officials, and the civic sector is crucial to the redevelopment of supermarkets in urban and rural areas. The complementary strengths of the public and private sectors should continue to guide the implementation of these recommendations.

### Example:

Closing the financing gap faced by many supermarket developments will take visionary leadership from both the public and private sector. In San Francisco, Local Initiatives Support Corporation (LISC) was critical to fulfilling Mayor Gavin Newsom’s promise to bring a new full-service grocery store to Bayview-Hunters Point, a predominately low-income neighborhood. Even after the mayor’s Office of Economic and Workforce Development (OEWD) connected Fresh & Easy, a company of U.K.-based Tesco, with the developer of housing units in the neighborhood, financing for the deal fell short. Fortunately, LISC stepped in to provide New Markets Tax Credits to help close the gap in the project. The New Markets Tax Credit program, run by the U.S. Department of Treasury, is designed to stimulate investment and economic growth in low-income urban neighborhoods. Additional city support has helped to expedite the necessary zoning and traffic approvals, and the store is scheduled to open later in 2009, a flagship in broader efforts to support the revitalization of the neighborhood.

Public leadership has also proved critical to the development of supermarkets in low-income neighborhoods. In Rochester, NY, the mayor ran his re-election campaign promising a new supermarket in a low-income neighborhood called Upper Falls.

Despite several overtures from city planners, local retailers showed little interest in the neighborhood. Tops Markets, Inc., the region’s second-ranked supermarket chain wanted to develop multiple stores in Rochester to counter a competitor’s expansion into its home base in Buffalo, NY. The city utilized the Federal Enterprise Community Zone program, the Community Development Block Grant program, the Urban Renewal Trust Fund, and the HUD 108 program to help Tops develop four stores and expand another.



## SELECTED RESOURCES

- City and County of San Francisco. Office of the Mayor. [http://www.sfgov.org/site/mayor\\_index.asp](http://www.sfgov.org/site/mayor_index.asp)
- City of Chicago. Department of Buildings. <http://egov.cityofchicago.org/city>
- City of Milwaukee. Department of City Development. <http://www.mkedcd.org/PurchasingPower>
- City of Rochester. Rochester Economic Development Corporation. <http://redco.net>
- Coalition for Responsible Community Development. *Neighborhood and Community Beautification*. [www.coalitionrcd.org/nacb.html](http://www.coalitionrcd.org/nacb.html)
- Commonwealth of Massachusetts. Massachusetts Smart Growth Energy Toolkit. [http://www.mass.gov/envir/smart\\_growth\\_toolkit](http://www.mass.gov/envir/smart_growth_toolkit)
- Cotterill, R.W. and Franklin, A.W. (1995). *The Urban Grocery Store Gap*. Storrs, CT: Food Marketing Policy Center, University of Connecticut.
- Gottlieb, R. and Fisher, A. et al. (1996). *Homeward Bound: Food-Related Transportation Strategies for Low Income and Transit Dependent Communities*. Los Angeles, CA: University of California Transportation Center.
- Fitzgerald, K. (1995). *Access Denied: An Analysis of the Problems Facing East Austin Residents in the Attempts to Obtain Nutritious Food*. Austin, TX: The Sustainable Food Center.
- Hamer, J. (2007). "Shopping Plaza Sparks Renaissance in Florida Community." *Partners in Community and Economic Development*, 17(3). Atlanta, GA: Federal Reserve Bank of Atlanta.
- Hartford Advisory Commission on Food Policy (1998). *The Bus Stops Here: Challenges to Food Security in Hartford*. Hartford, CT: The Hartford Food System.
- Illinois State Energy Research and Development Authority. <http://www.nyserda.org>
- Institute for a Competitive Inner City (1998). *The Business Case for Pursuing Retail Opportunities in the Inner City*. Boston, MA: ICIC.
- Kaufman, P. et al. (1997). *Do the Poor Pay More for Food? Item Selection and Price Differences Affect Low-Income Household Food Costs*. Washington, DC: USDA, Economic Research Service. Agricultural Economics Report No. 759.
- LISC (2009). *LISC and MetLife Foundation Honor Community-Police Partnerships*. [www.lisc.org/content/article/detail/7683](http://www.lisc.org/content/article/detail/7683)
- Mari Gallagher Research & Consulting Group (2006). *Examining the Impact of Food Deserts on Public Health in Chicago*. <http://www.marigallagher.com>
- Moran, J. (2001). *Incentives for Supermarket Development*. Hartford, CT: Connecticut General Assembly, Office of Legislative Research.
- Morland, K. et al. (2002). "The Contextual Effect of the Local Food Environment on Residents' Diets: the Atherosclerosis Risk in Communities Study." *American Journal of Public Health*, 92(11), 1761-1767.
- Pawar, J. and Quin, L.M. (2001). *Exposing Urban Legends: The Real Purchasing Power of Central City Neighborhoods*. Washington, DC: The Brookings Institution.
- Pennsylvania Department of Community and Economic Development. <http://www.newpa.com>
- PolicyLink and Bay Area LISC (2008). *Grocery Store Attraction Strategies: A Resource Guide for Community Activists and Local Governments*. San Francisco, CA: PolicyLink.
- Pothukuchi, K. (2005). "Attracting Supermarkets to Inner-City Neighborhoods: Economic Development Outside the Box." *Economic Development Quarterly*, 19, 232-44.
- Pride of Illinois, Illinois Department of Agriculture and Markets. [http://www.agmkt.state.ny.us/AP/PrideOfNY/pride\\_index.html](http://www.agmkt.state.ny.us/AP/PrideOfNY/pride_index.html)
- Progressive Grocer (2008). *Price Chopper Breaks Ground on Green Store*. <http://www.progressivegrocer.com>
- Pulse, Lorain County's Magazine (Fall 2008). *Project Employee Training*. <http://www.pulselorainmag.com>
- Rural Assistance Center. 2009 MetLife Foundation Community-Police Partnership Awards. [http://www.raconline.org/funding/funding\\_details.php?funding\\_id=386](http://www.raconline.org/funding/funding_details.php?funding_id=386)
- Shenot, C. (2006). *Community Health and Food Access: the Local Government Role*. Washington, DC: ICMA Press.
- Social Compact (2008). *Baltimore Neighborhood Market DrillDown: Catalyzing Business Investment in Inner City Neighborhoods*. Washington, DC: Social Compact, Inc.
- State of New York. Office of the Governor. [http://www.state.ny.us/governor/press/press\\_0516091.html](http://www.state.ny.us/governor/press/press_0516091.html)
- The Food Trust (2008). *Special Report: The Need for More Supermarkets in Illinois*. Philadelphia, PA: The Food Trust.
- The Food Trust (2009). *Special Report: Stimulating Supermarket Development: A New Day for New York*. Philadelphia, PA: The Food Trust.
- Vallianatos, M. (2006). *Transportation and Food: the Importance of Access*. Los Angeles, CA: Center for Food Justice, Urban Environmental Policy Institute, Occidental College.
- Weinberg, Z. (1995). *No Place to Shop: The Lack of Supermarkets in Low-Income Neighborhoods*. Washington, DC: Public Voice for Food and Health Policy.



The Food Trust

## **BUILDING STRONG COMMUNITIES THROUGH HEALTHY FOOD**

The Food Trust, a nonprofit organization based in Philadelphia, was founded in 1992 in response to the critical need for stable, nutritious, and non-emergency food supplies in urban neighborhoods. Now in its second decade, the Trust is a national leader in the increasingly active dialogue concerning the diet-related health problems that are endemic in America's lower-income communities.

With partners at The Reinvestment Fund and the Greater Philadelphia Urban Affairs Coalition, the Trust manages the Fresh Food Financing Initiative (FFFI), a public/private partnership that works to increase supermarkets and healthy corner stores in economically disadvantaged communities throughout Pennsylvania. To date, the FFFI has financed more than 65 food retail projects in low-income communities across Pennsylvania, which will create or retain more than 3,700 jobs and 1.4 million square feet of retail space. The initiative was named one of the Top 15 Government Innovations in American Government for 2008 by Harvard University's John F. Kennedy School of Government.

The Trust works in Philadelphia-area schools and recreation centers, teaching and motivating youth in grades K-12 to adopt healthier lifestyles, including choosing more nutritious foods and getting regular physical activity. In addition, the Trust developed and implements the Kindergarten Initiative, an innovative school-based program that teaches young children about healthy eating by providing nutrition education and fresh fruit-and-vegetable snacks in the classroom as well as field trips to local farms. Trust educational programs are geared to children and families from economically disadvantaged communities in which culturally diverse, minority populations predominate. The Kindergarten Initiative was chosen as the model for a statewide initiative in Pennsylvania, which provides grants to schools across the state to start similar programs.

As the Regional Lead Agency for the Mid-Atlantic Farm to School Network, The Food Trust promotes and provides technical assistance to farm-to-school projects in the Mid-Atlantic region (Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, and Washington, DC). The Trust also operates 30 regional farmers' markets with community partners and advocates for public policies that promote good nutrition in schools and communities.

For more information or to order additional copies of this report, visit [thefoodtrust.org](http://thefoodtrust.org) or contact The Food Trust at:

THE FOOD TRUST  
One Penn Center, Suite 900  
1617 John F. Kennedy Blvd.  
Philadelphia, PA 19103  
Phone: 215-575-0444  
Fax: 215-575-0466

Email: [contact@thefoodtrust.org](mailto:contact@thefoodtrust.org)  
Website: [thefoodtrust.org](http://thefoodtrust.org)



*food for every child*



The Food Trust

One Penn Center, Suite 900 • 1617 John F. Kennedy Blvd. • Philadelphia, PA 19103 • 215-575-0444 • 215-575-0466 FAX  
Email: [contact@thefoodtrust.org](mailto:contact@thefoodtrust.org) • Website: [thefoodtrust.org](http://thefoodtrust.org)