



Proposed Save-A-Lot Grocery Store Project in Northeast Central Durham

Presented by:

**Kevin Dick, Director
Office of Economic and
Workforce Development**

January 3, 2012

DURHAM



1869
CITY OF MEDICINE

The Need

- **Northeast Central Durham is an urban neighborhood that needs affordable, quality food options**
- **A relative lack of existing facilities and developable tracts of land require infill development for significant projects**
- **Durham residents need job opportunities**

DURHAM



1869
CITY OF MEDICINE

The Project

- **Save-A-Lot is proposing:**
 - **Renovation of blighted vacant building (the Old Winn Dixie) at the corner of Liberty St. and Alston Ave. and operation of 12,202 square foot Save-A-Lot retail grocery store**
 - **\$1.9 million in private capital investment in 2012**
 - **Creation of 13 full time equivalent jobs by the end of year one**
 - **Range of Salaries for positions - \$8 per hour to \$62,000 per year**
- **Nature of jobs – grocery store management, departmental supervision, store clerks, cashiers**

DURHAM



1869
CITY OF MEDICINE

The Company

- **A community minded grocery chain with approximately 1,300 locations in urban and rural communities spanning 40 states**
- **A wholly owned subsidiary of parent company SUPERVALU**
 - **Named the 2007 Champion of Diversity by Supermarket News**
 - **Include emphasizing diversity at the board of directors level**
 - **Launching initiatives to increase associate diversity at all levels of the company**
 - **Tailoring stores to local demographics**
 - **Received Chicago United Bridge Award for diversity**
 - **Sav-A-Lot Commitment to enter into Workforce Plan to recruit talent from Durham JobLink**

DURHAM



1869
CITY OF MEDICINE

The Company

SuperVALU/Sav-A-Lot Community Enrichment Activities

- Joins local food banks and non profits to fight hunger
- Provides education to customers regarding dietary health and nutrition
- Supports environmental stewardship
- Provides healthy and nutritious foods at an affordable prices



Opportunities for the City of Durham

- **The completed project will be a key step in implementing the Neighborhood Assessment Plan that was approved by City Council in 2006.**
- **A Workforce Development Agreement will ensure that Durham residents get the first opportunity to apply for positions through Durham JobLink.**
- **A Durham-based Business Plan to offer small and disadvantaged businesses opportunities to bid on work associated with the redevelopment project.**
- **Visible improvements to this property will act as a catalyst for additional investment and added tax base.**

DURHAM



1869
CITY OF MEDICINE

The Incentive

- **The Save-A-Lot proposed project will produce \$1.9M in private investment with a \$150,000 incentive for a total project cost of \$2.1M, yielding a 1:13 ratio of public to private funding for this project.**
- **Incentive is within policy limits.**
- **Incentive payment made only if the project is completed and a certificate of occupancy is issued.**



The Return on Investment – Why An Incentive for This Project Makes Sense for the Durham Taxpayer

- **Revitalizes a vacant, dilapidated piece of property.**
- **The completed project would be a catalyst to attract additional businesses, retailers, services and promote home ownership opportunities to this area.**
- **The project is expected to create approximately 13 jobs.**
- **Company is committed to diversity in hiring.**
- **There is no financial risk to the City if the contract tenets are not met.**
- **An investment project ratio of over 1:13 ratio of public to private dollars based upon a \$150,000 public investment.**



The Return on Investment – Why This Project Makes Sense for the Durham Taxpayer

- **With the funding of the project, the City would be supporting a vital activity in the community capacity building outlined in the Neighborhood Assessment Plan and NECD Livability Initiative.**
- **Helps lessen “food desert” in NECD**
 - **The availability of healthy produce and fresh meats**
 - **Commitment to partner with local not for-profits in providing food**