



REINVESTMENT
FUND



Robert Wood Johnson
Foundation

INVEST HEALTH

Strategies for Healthier Cities



- BRING TOGETHER DISPARATE SECTORS
- HELP CITIES USE DATA AS A DRIVER
- TEST POTENTIAL SOLUTIONS
- ADVANCE SYSTEMS-FOCUSED STRATEGIES
- BUILD LASTING RELATIONSHIPS
- ATTRACT CAPITAL IN MID-SIZED CITIES

THE ROANOKE TIMES

roanoke.com

Sports Business Weather Life & Entertainment Opinion In depth Customer care Obituaries Classifieds

Ambitious plan aims to turn around Roanoke neighborhood

By Matt Chittum matt.chittum@roanoke.com 981-3331 Jul 19, 2014 (9)

Walk the streets in Roanoke's Lansdowne Park or through the Loudon-Melrose neighborhood and you'd have to pass 10 people to find two with jobs on average.

Half the people you pass will have some type of disability, a recent survey found.

Children here struggle more in school more and are less likely to graduate than other city kids. They're growing up in a neighborhood where crime is nearly two and a half times more frequent than the rest of Roanoke.

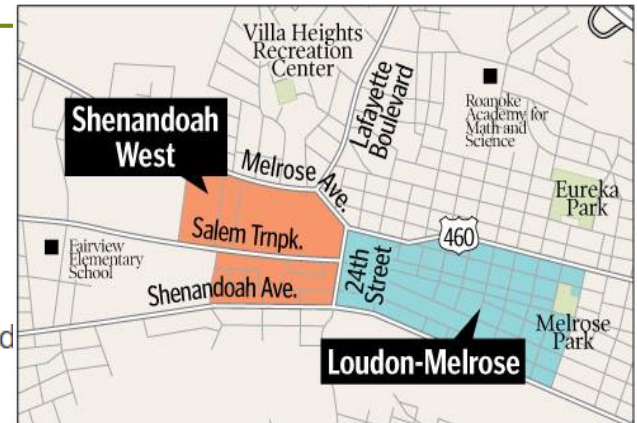
Poverty, and just about every ill associated with it, in other words, is about the only thing really thriving in this section of Roanoke.

All of which is why the area is the perfect target of a

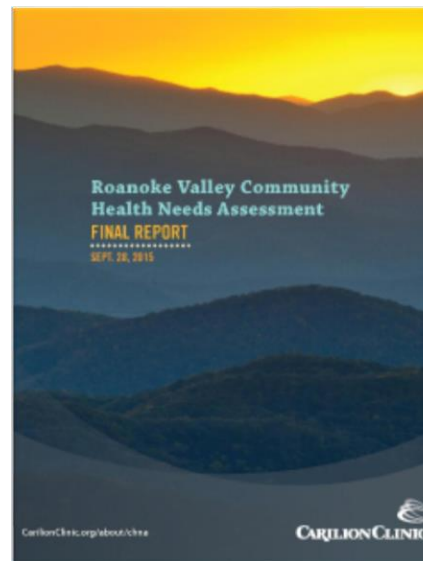
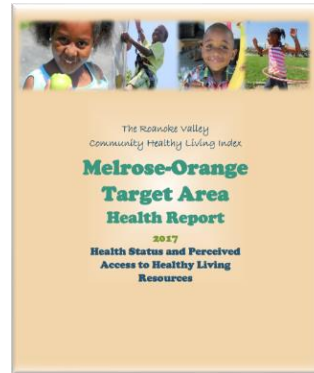
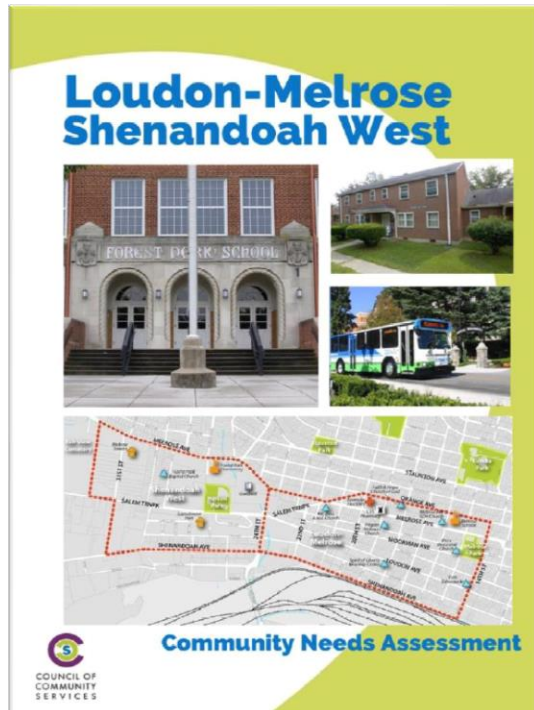
Loudon-Melrose and Shenandoah West neighborhoods

These areas of the city were targeted for a revitalization effort by the Roanoke Redevelopment and Housing Authority because of intense concentration of poverty and a variety of related issues documented by a survey of residents and data collected from Roanoke police and schools.

- 81 percent of survey respondents were unemployed
- 50 percent said they have a disability
- 45 percent of households reside in public housing
- 72 percent of students graduate on time, compared to 80 percent citywide
- 50 percent of children start



The Roanoke Times



STEP 1: Leverage Resident Voices

JUNE, 2017

INVEST HEALTH

Strategies for Healthier Cities

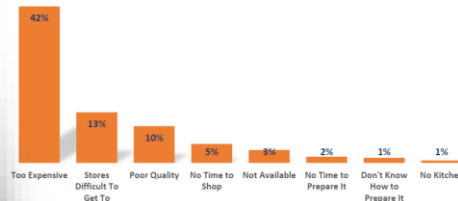
Northwest Roanoke Food Access Initiative

RESIDENT SURVEY RESULTS



(13%) or "produce is of poor quality" (10%); the distribution of responses did not differ across age groups or by use of food assistance vouchers. Other responses provided by participants included "allergies" (n = 1) and "transportation issues" (n = 2).

Figure 18. Factors impacting produce consumption



VI. Northwest Roanoke Food Access Recommendations

Recommended Changes to Neighborhood Food System

echoing previous reports concerning resident-perceived areas of need in Northwest Roanoke, 98% of survey participants reported they would like to see changes in their neighborhood food system. Among participants seeking a change, 62% indicated a desire for a full-service, neighborhood-level grocery store; approximately 40% would like to see more fresh food options in existing neighborhood stores or farmers' markets (Figure 19). When asked explicitly if respondents would support a full-service grocery store within the neighborhood, 96% of participants indicated that they would actively support one (Figure 20).

Figure 19. Recommended Changes to Neighborhood Food System

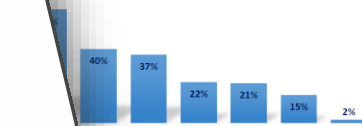


Figure 20. Support for Neighborhood Grocer

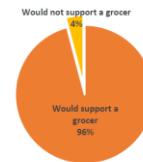


Figure 16. Important Services in Selecting a Food Store

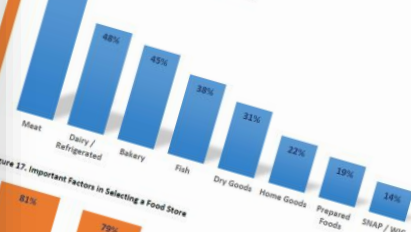
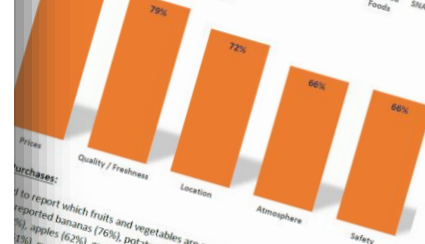


Figure 17. Important Factors in Selecting a Food Store



Purchases:

to report which fruits and vegetables are purchased most often, the majority of participants reported bananas (76%), potatoes (72%), broccoli (65%), green beans (65%), onions (64%), apples (62%), grapes (59%), corn (56%), collard greens (55%), oranges (54%), lettuce (53%), cucumbers (50%), and cabbage (49%). Conversely, the items least likely to be purchased included berries (25%), pears (23%), kiwi (18%), avocado (18%), plums (14%), and peppers (13%). Only 9% of participants felt they could not buy vegetables they like in their neighborhood and, among this group, the most frequently excluded "all of the above" (refers to items previously listed), "anything fresh", and "antipasto".

to exist which kept participants from eating fruits or vegetables, the most frequently cited responses included "prices are too expensive" (42%), "stores are hard to get to"

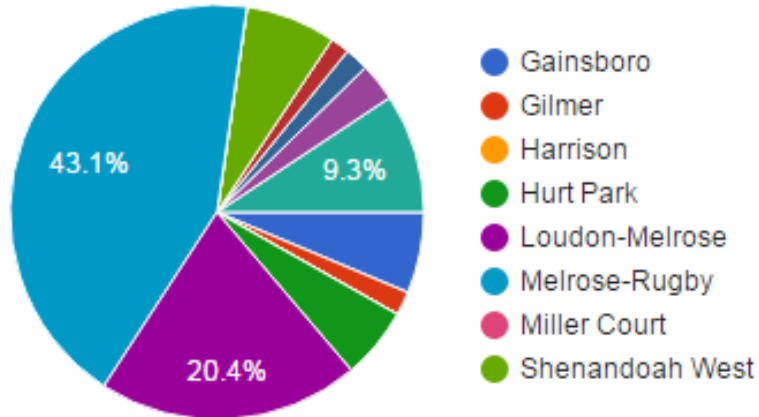
- 2,500 surveys; online / paper
- Door-to-door canvassing & stakeholder support

- Conversations with neighborhood associations

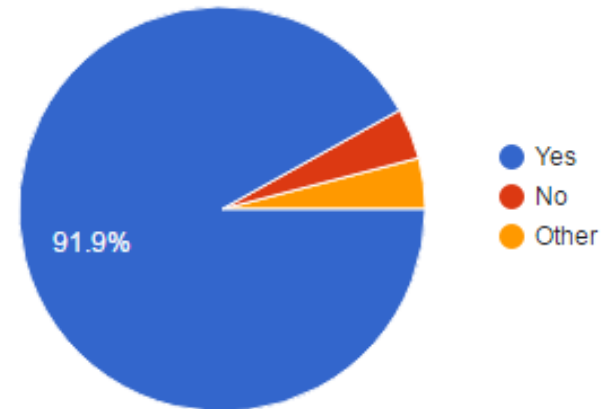
What would you like to see change in your neighborhood's food system?



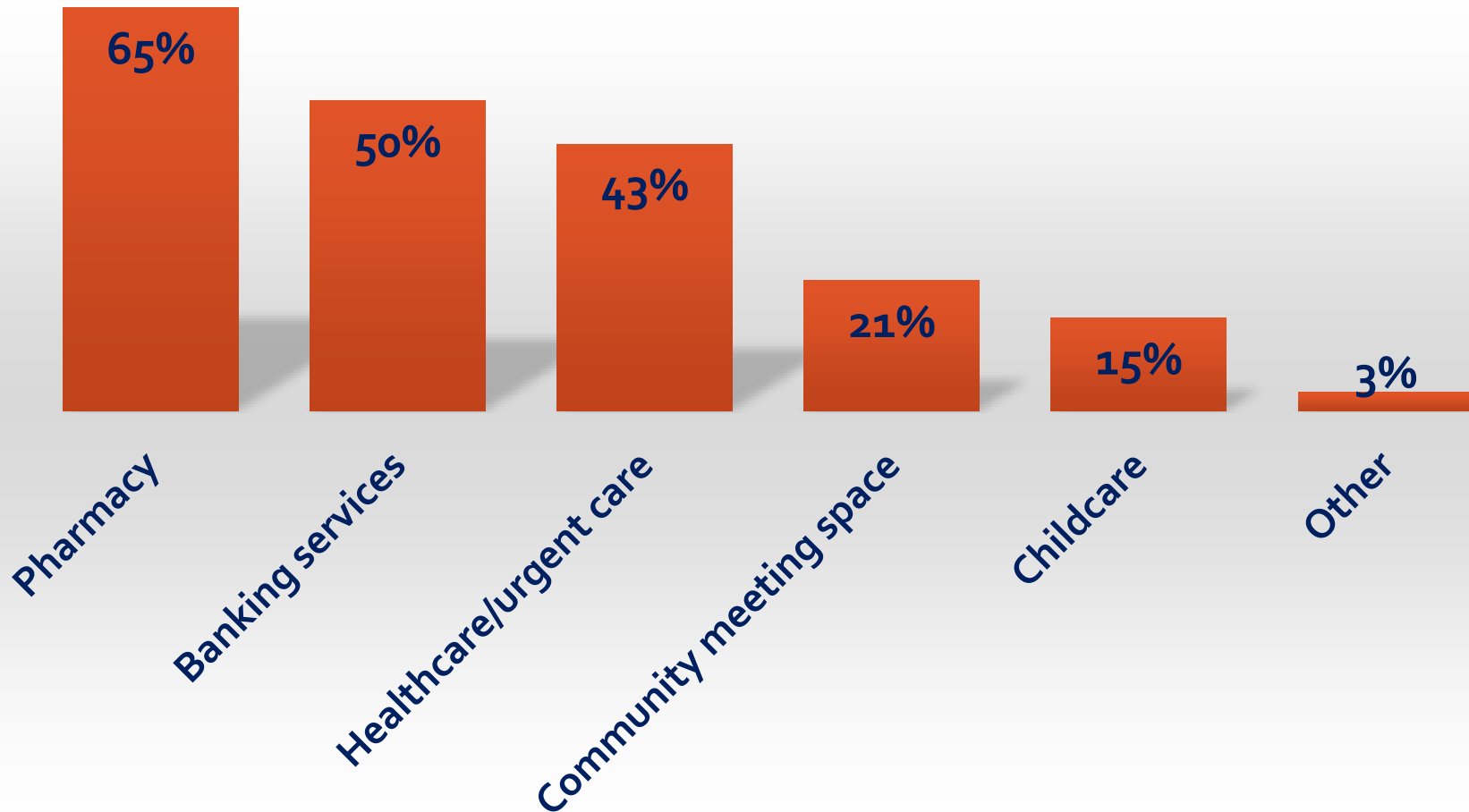
If a grocery store were to open in NW, where do you think it should be located?

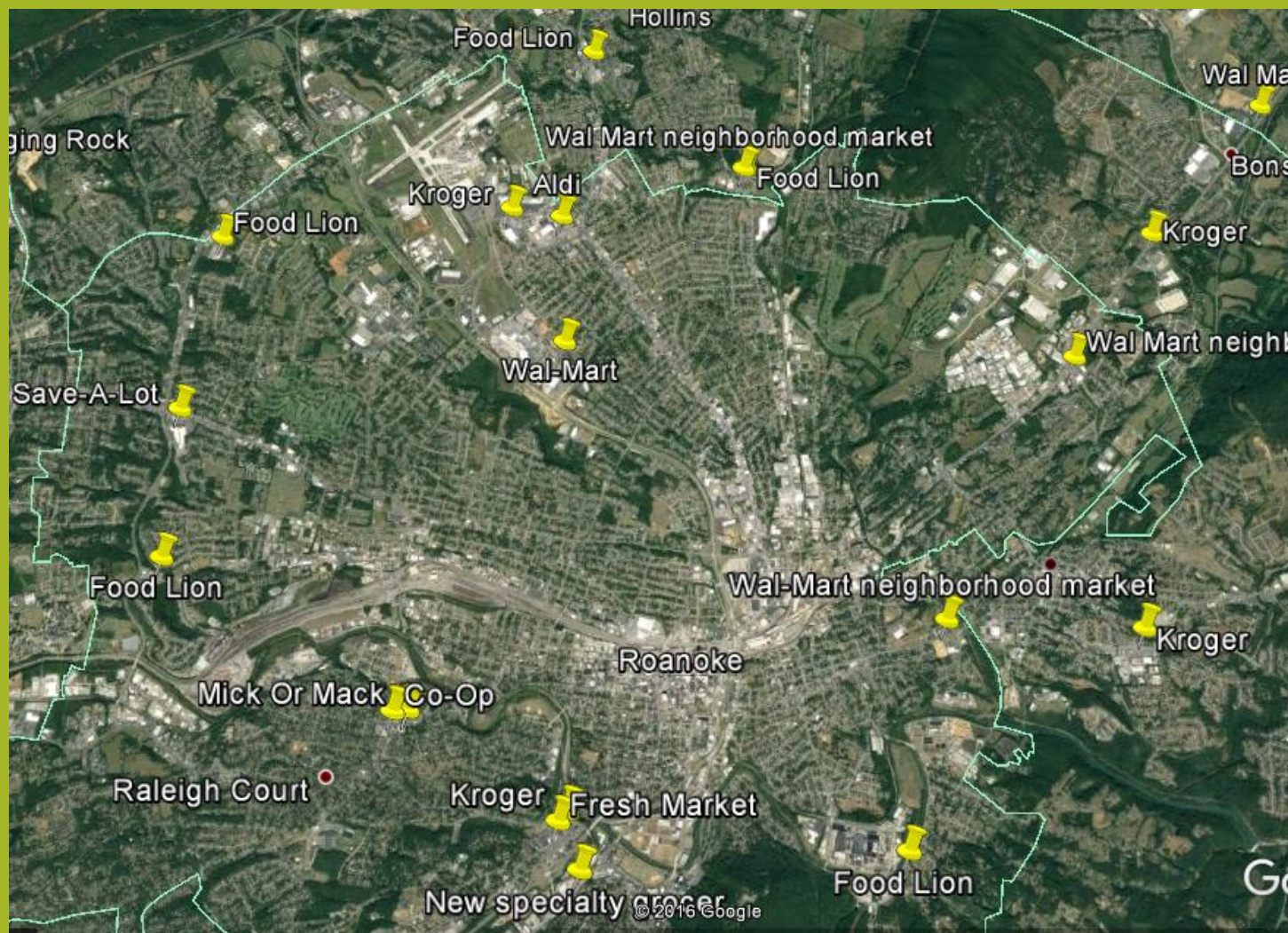


Would you support and shop at a new grocery store in your neighborhood?



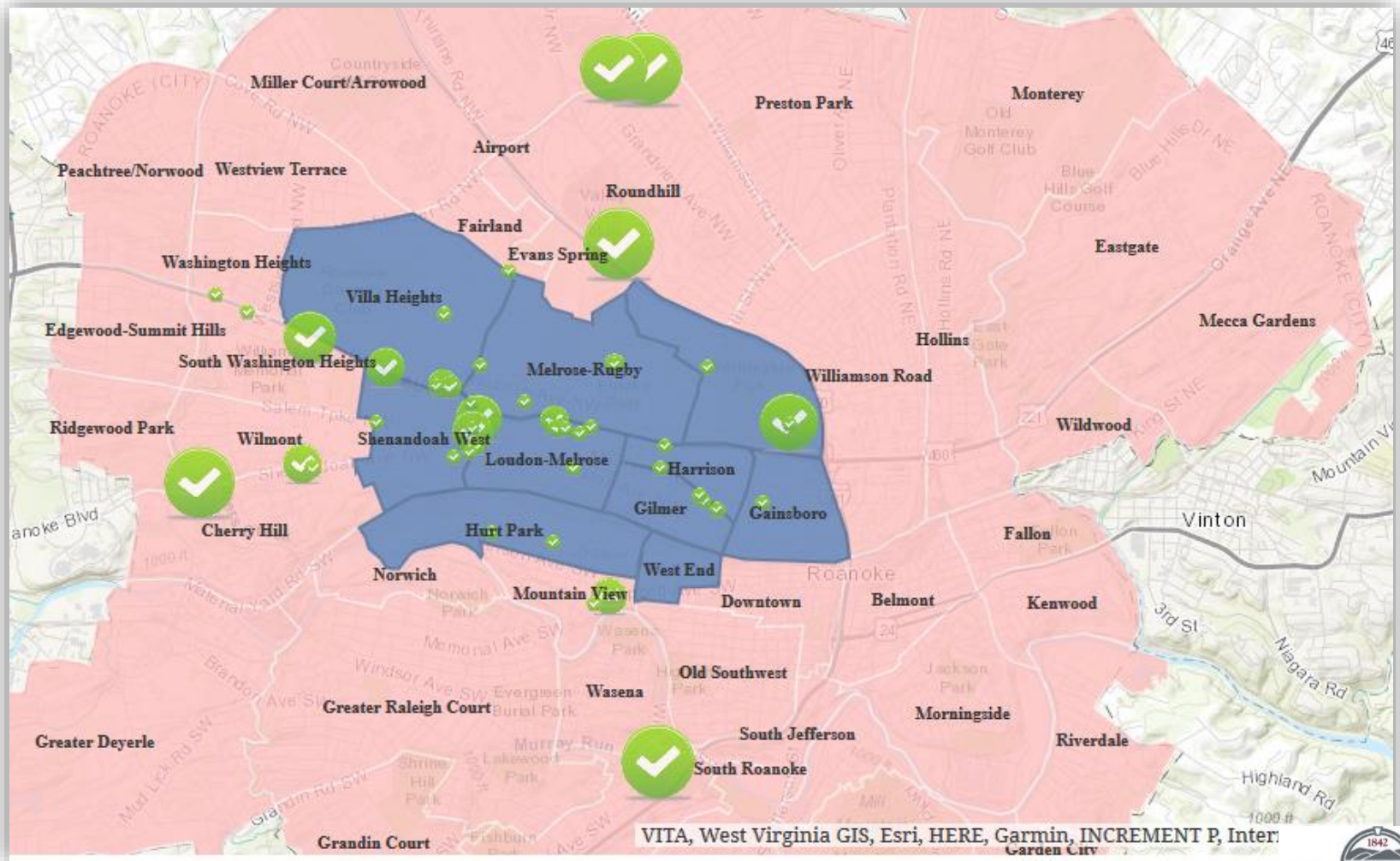
What other services would be important to you?





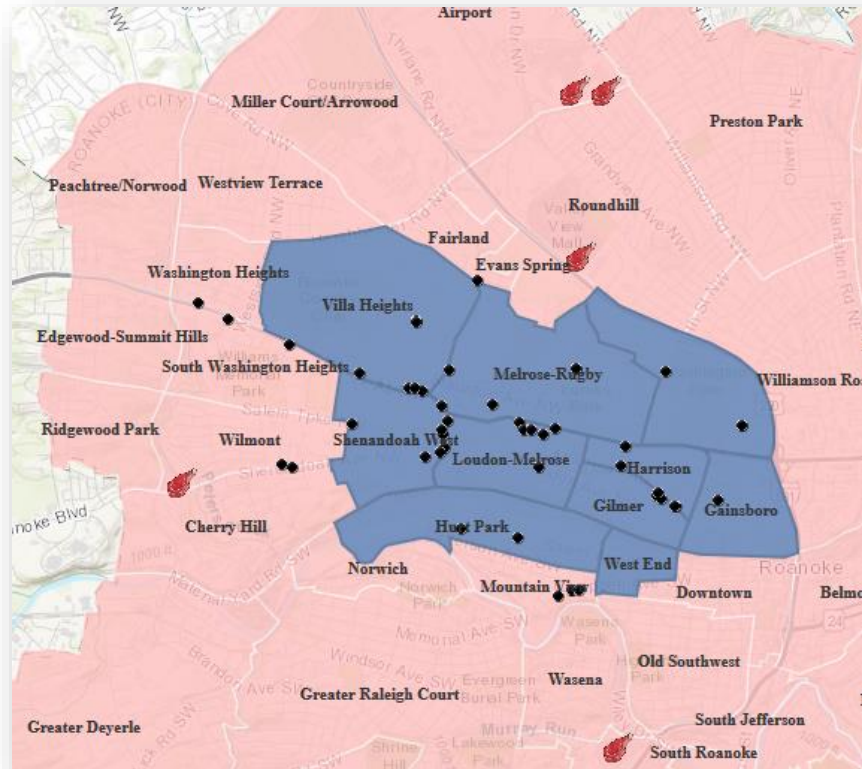
Step 2: Establish Local Context

Quality of available retailers

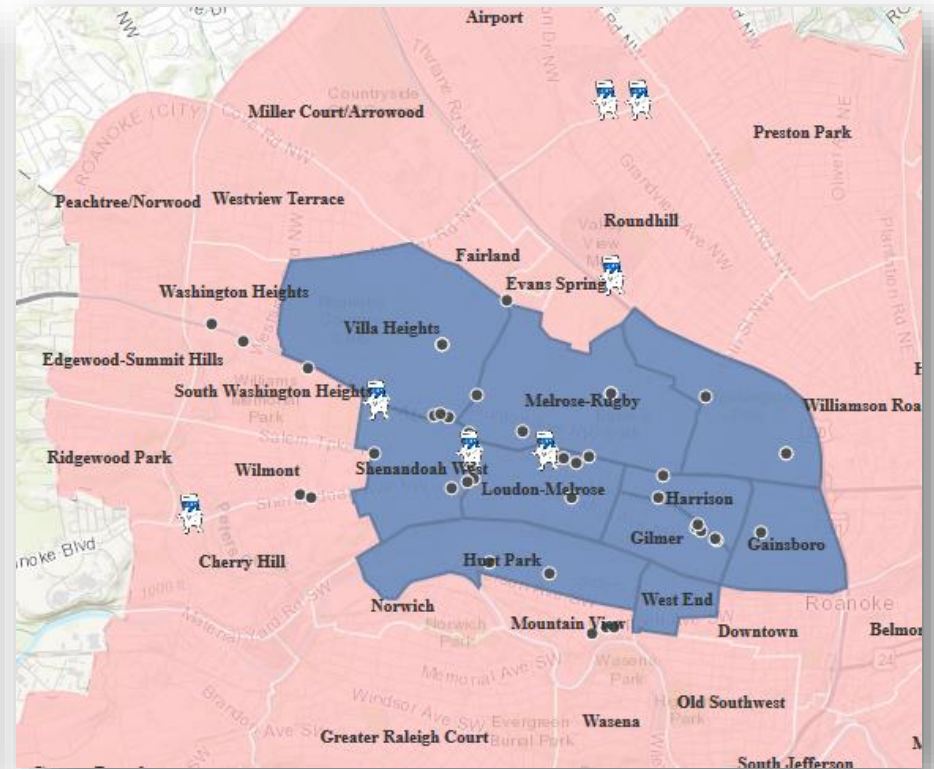


Availability of staple food items

1. Meat

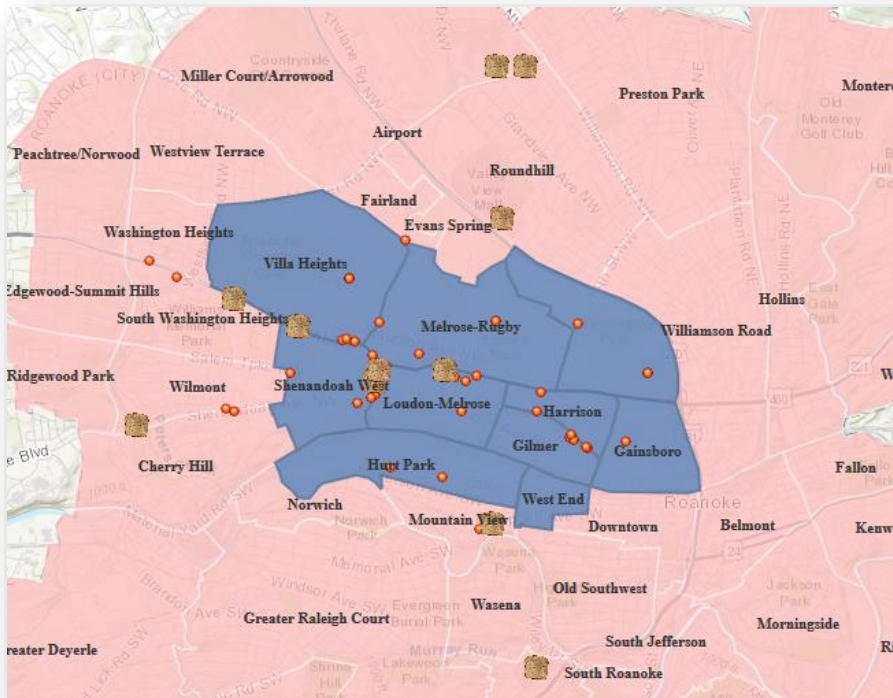


2. Dairy

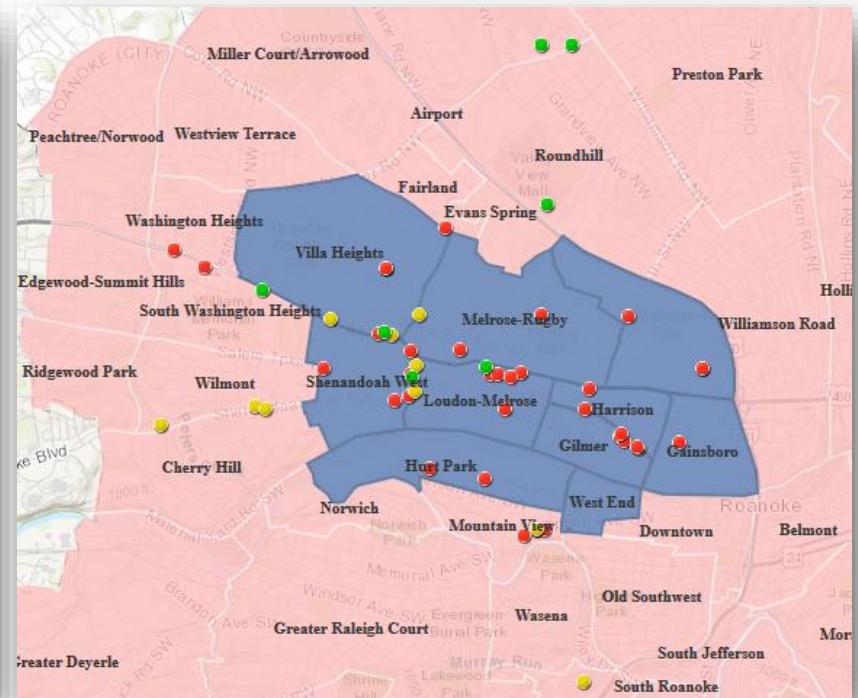


Availability of staple food items and incentive programs

3. Bakery



4. Incentives (SNAP/WIC)



Step 3: Build Support - Local, Regional and National Levels



More than **1.7 MILLION** Virginians, including **480,000** children, live in lower income communities with limited supermarket access.¹

28% of Virginians do not think it easy to find fresh fruits and vegetables to buy in their neighborhood or community.²

88% of Virginians are concerned that 480,000 of Virginia's children do not have access to fresh fruits and vegetables.³



THE PROBLEM

More than half of Virginia's voters believe state and local governments should do more to improve access to neighborhood stores where people can buy healthy foods.³



Robert Wood Johnson Foundation



REINVESTMENT FUND



Step 4: Understand the Market

KEVIN R. ANDERSON CONSULTING

ROANOKE, VA

Evaluation for a Small Format Supermarket within the Northwest Area of Roanoke, VA

Kevin R Anderson
May 2017

Erin E. Anderson, 336 Lashburn Way, Greenville, SC 29615. Cell: 864-484-2742

square footage of \$4.44. The Target (P/fresh format) has limited fresh/perishable selection and a less limited grocery/dairy/frozen food selection. There are no dedicated produce or meat managers and the labor is handled via existing store personnel.

Sam's Club has one unit affecting the study area at the Town Square Mall, with average weekly volume of \$1,100,000 with selling area of 65,000 square feet yielding \$16.92 per square foot performance. This store is the only membership warehouse club in the area and draws it sales from a larger distance. As with most Club stores this unit specializes in club packages and low price per item, of national brands. A large portion of the sales at a Sam's Club are from smaller business such as restaurants and smaller convenience stores.

Study Area Chain Coordinates
Northwest Angle
Roanoke, VA

Average Weekly Volume		
Total	Average	Net Volume
040,000.00	\$100,000.00	\$100,000.00
060,000.00	\$120,000.00	\$120,000.00
080,000.00	\$133,333.33	\$133,333.33
100,000.00	\$140,000.00	\$140,000.00
120,000.00	\$150,000.00	\$150,000.00
140,000.00	\$166,666.67	\$166,666.67
160,000.00	\$180,000.00	\$180,000.00
180,000.00	\$190,000.00	\$190,000.00
200,000.00	\$200,000.00	\$200,000.00
220,000.00	\$220,000.00	\$220,000.00
240,000.00	\$240,000.00	\$240,000.00
260,000.00	\$260,000.00	\$260,000.00
280,000.00	\$280,000.00	\$280,000.00
300,000.00	\$300,000.00	\$300,000.00
320,000.00	\$320,000.00	\$320,000.00
340,000.00	\$340,000.00	\$340,000.00
360,000.00	\$360,000.00	\$360,000.00
380,000.00	\$380,000.00	\$380,000.00
400,000.00	\$400,000.00	\$400,000.00
420,000.00	\$420,000.00	\$420,000.00
440,000.00	\$440,000.00	\$440,000.00
460,000.00	\$460,000.00	\$460,000.00
480,000.00	\$480,000.00	\$480,000.00
500,000.00	\$500,000.00	\$500,000.00
520,000.00	\$520,000.00	\$520,000.00
540,000.00	\$540,000.00	\$540,000.00
560,000.00	\$560,000.00	\$560,000.00
580,000.00	\$580,000.00	\$580,000.00
600,000.00	\$600,000.00	\$600,000.00
620,000.00	\$620,000.00	\$620,000.00
640,000.00	\$640,000.00	\$640,000.00
660,000.00	\$660,000.00	\$660,000.00
680,000.00	\$680,000.00	\$680,000.00
700,000.00	\$700,000.00	\$700,000.00
720,000.00	\$720,000.00	\$720,000.00
740,000.00	\$740,000.00	\$740,000.00
760,000.00	\$760,000.00	\$760,000.00
780,000.00	\$780,000.00	\$780,000.00
800,000.00	\$800,000.00	\$800,000.00
820,000.00	\$820,000.00	\$820,000.00
840,000.00	\$840,000.00	\$840,000.00
860,000.00	\$860,000.00	\$860,000.00
880,000.00	\$880,000.00	\$880,000.00
900,000.00	\$900,000.00	\$900,000.00
920,000.00	\$920,000.00	\$920,000.00
940,000.00	\$940,000.00	\$940,000.00
960,000.00	\$960,000.00	\$960,000.00
980,000.00	\$980,000.00	\$980,000.00
1,000,000.00	\$1,000,000.00	\$1,000,000.00
1,020,000.00	\$1,020,000.00	\$1,020,000.00
1,040,000.00	\$1,040,000.00	\$1,040,000.00
1,060,000.00	\$1,060,000.00	\$1,060,000.00
1,080,000.00	\$1,080,000.00	\$1,080,000.00
1,100,000.00	\$1,100,000.00	\$1,100,000.00
1,120,000.00	\$1,120,000.00	\$1,120,000.00
1,140,000.00	\$1,140,000.00	\$1,140,000.00
1,160,000.00	\$1,160,000.00	\$1,160,000.00
1,180,000.00	\$1,180,000.00	\$1,180,000.00
1,200,000.00	\$1,200,000.00	\$1,200,000.00
1,220,000.00	\$1,220,000.00	\$1,220,000.00
1,240,000.00	\$1,240,000.00	\$1,240,000.00
1,260,000.00	\$1,260,000.00	\$1,260,000.00
1,280,000.00	\$1,280,000.00	\$1,280,000.00
1,300,000.00	\$1,300,000.00	\$1,300,000.00
1,320,000.00	\$1,320,000.00	\$1,320,000.00
1,340,000.00	\$1,340,000.00	\$1,340,000.00
1,360,000.00	\$1,360,000.00	\$1,360,000.00
1,380,000.00	\$1,380,000.00	\$1,380,000.00
1,400,000.00	\$1,400,000.00	\$1,400,000.00
1,420,000.00	\$1,420,000.00	\$1,420,000.00
1,440,000.00	\$1,440,000.00	\$1,440,000.

Projected 5 Year Average Weekly Sales
Assumes Conventional Supermarket w/ Deli and Bakery
Roanoke, VA

Assumes Conventional							
Roanoke, VA							
Scenario	Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	Market Share
Scenario #1: 25-Minute Smart Separate Bus	1000	\$131,140	\$151,260	\$176,967	\$197,070	\$168,640	6.7%
Scenario #2: 30-Minute Smart Separate Bus and Orange Avenue	1000	\$48,344	\$90,120	\$165,860	\$151,052	\$102,421	1.7%

Notes: Values are in thousands of dollars. All values are estimates and should be used as a guide only. They do include fuel and electricity sales otherwise noted.

Note: These volumes are for the grocery portion only. They do include fuel or pharmacy sales otherwise stated.

ASSUMPTIONS

The previous sales forecasts were derived using the following assumptions:

1. Historic population will remain stable for the most future for the Stray Area.
- a. Between the decennial censuses of 2000 and 2010 there was a net growth of 567 persons or 0.20%. Population increased to continue to grow with projected 28,575 in 2010. This growth from 31,041 to 32,010 persons between years 2017 to 2021.
- b. The neighborhoods identified as Northwest Roanoke, had an estimated 31,161 persons in 2010 with a projected population of 14,067 by 2016. This is a modest growth where some form of government assistance and that 35% of the households are in poverty. We have estimated an average PCW (Per Capita Weekly) expenditure potential for supermarket and convenience lines of \$38.53 for a total potential of \$542,035.

Northwest Area Neighb
Roanoke, VA

[illegible]

MAP KEY: #3000
Proposed

MAP KEY: #3000
Proposed Site #1 #
2502 Melrose Ave NW, & 24th Street NW SWC
Roanoke, VA 24017
Record No. 1784 Date

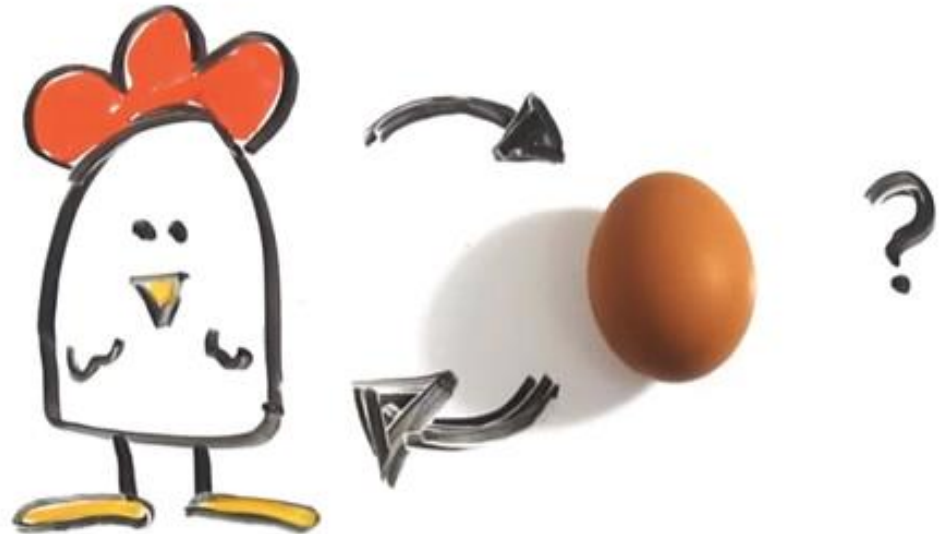
Page 112

[illegible]

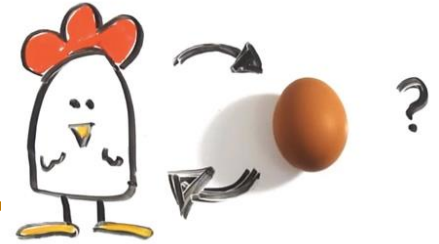
Step 5: Understand the Challenging Landscape of Grocery Development

- **Start-up costs:** \$3-5 million
- **Expected profit:** 1-2%
- **Changing landscape:** Online, delivery, meal service

- **Grocer Planning**
- **Site Planning**

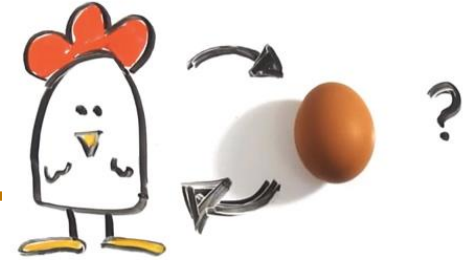


Grocer Planning



- **Identifying grocer format and grocery distributor**
 - Chain, co-op, owner-operated, outside operator, non-profit?
 - Scope of services (e.g. bakery, butcher, deli, food service kitchen)?
 - Co-located services (e.g. healthcare clinic, financial institution, childcare provider, community meeting space, educational kitchen)
 - *MUST* consider resident preferences, shopping behaviors, projected sales
- **Grocer operator recruitment**
 - Grocery distributor recruits from network of potential store operators in similar location
- **Operator business plan (pro forma)**
 - Grocery distributor and grocery operator develop cohesive business plan with financial projections (first three years)

Site Planning



- **Site analysis/identification**

- Resident demographics, population density, ease of access, public transport, proximity to other food retail, parking needs / availability, building size requirements
- Quality and availability of existing neighborhood services are critical!

- **Capitalization Strategy and Financing Plan (\$)**

- Low-interest capital, tax credits, investors
- Pre-development (CDBG), construction, loans, and grants

- **Site acquisition**

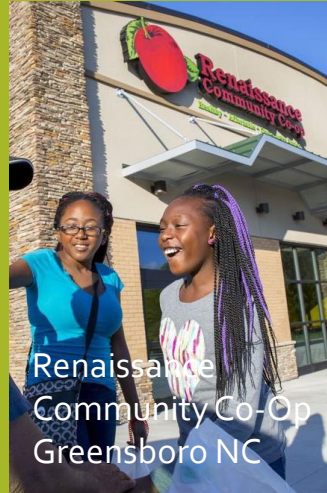
- Closely intertwined with the store's ownership and leasing structure

- **Develop site plans and concept drawings**

- Community decision-making is *critical*; begin with concept drawings
- Should occur concurrently with operational strategy (grocery operator) with significant community input



ReFresh Project
New Orleans LA



Renaissance
Community Co-Op
Greensboro NC



Brown's Shop-Rite
Greater Delaware Valley



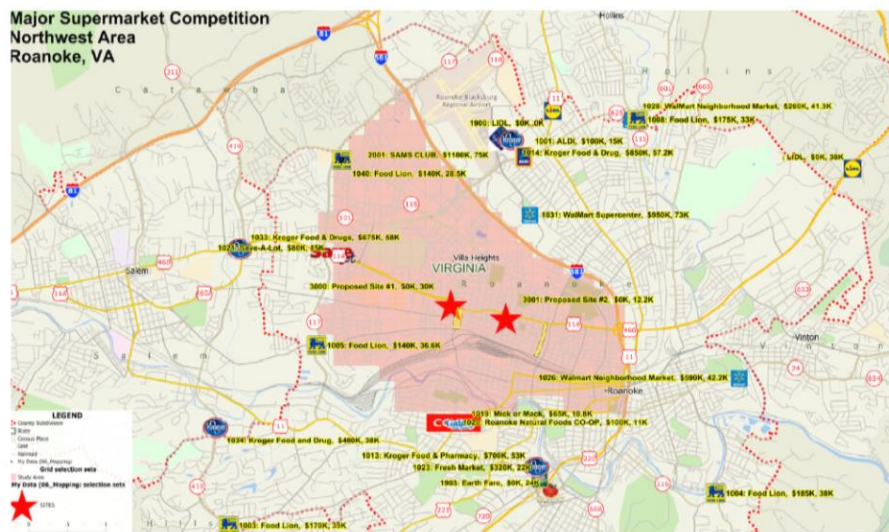
Wright's Market
Opelika AL

Progress: Grocery Planning

- Grocery format / grocery distributor
 - *Independent model (MDI)*
- Grocery operator
 - *Site, financing structure needed*
- Business plan
 - *Grocery operator needed*
- *Resident input; incentives programs*



Major Supermarket Competition
Northwest Area
Roanoke, VA



Progress: Site Planning

- Site Identification
 - *Exploration of multiple sites; 24th & 17th as key areas*
- Capitalization Strategy
 - *Dependent on site; VA grocery fund not supported; VCC & RF ready to support*
- Site Acquisition
 - *Grocery operator & distributor need to be determined*
- Concept drawings
 - *Site dependent*

Next Steps



- Developer / lead organization must be identified
- Continue to pursue independent model (?); distributor can reach out to potential operators once developer commits
- Pursue policies to support a more robust local food system