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The Urban Grocery Store: An Opportunity for Cedar Rapids

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An Opportunity for Cedar Rapids

City of Cedar Rapids
Department of Development

Property of Urban and Regional Planning
University of Iowa
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Prepared by:
Bridget Carberry, Mark Fabel, and Mike Wendt

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Executive Summary

Over the last eight years the City of Cedar Rapids has tried to establish a redevelopment plan for the First Avenue grocery store that is located on the fringe of the central business district. Despite continued efforts, the existing tenant, Hy-Vee Food Stores, has not been receptive to the idea of developing a new full service grocery store at this location. If Hy-Vee chooses not to renew its lease for the First Avenue site, the City will be presented with a unique challenge to take a proactive role in the recruitment of a modern full service grocer to the site. The city hopes to find a company that would develop a quality, full service grocery store that would serve the Mound View and Wellington Heights neighborhoods, as well as the high quantity of commuter traffic on First Avenue. The current owner of the majority of the property, the Sisters of Mercy/St. Luke's Hospital joint trust, is willing to work with the city and is flexible to any options that they might offer.

This study was conducted by Urban and Regional Planning graduate students at the University of Iowa as part of the Field Problems requirement. We focused our research on four areas that we believed would assist the City of Cedar Rapids in establishing a long-term grocer at this site. The first area of focus was the current national trends for urban grocery stores. Our research indicated that the lack of an urban grocery store creates economic and health related stress on the immediate community. We found that the three main reasons why urban grocery stores are leaving the city are the high operating costs, low sales margin, and pressure from suburban grocery stores. In order to survive in the urban market, the store needs to overcome these barriers. We highlight four elements that have been found to be crucial to the success of an urban store: strong management, community involvement, increased sales volume and adequate security.

We provide a brief demographic and market analysis of the surrounding community, with specific attention to the consumer income levels and racial diversity. We determine that
this high density, racially diverse community has the financial capacity to support an urban grocery store.

We believe that the roadblocks encountered by the city while trying to persuade Hy-Vee to redevelop on the First Avenue site are primarily due to the corporation’s long term strategy. Our interpretation of Hy-Vee’s corporate strategy is that they are moving in the direction of the suburban outer tier in order to capitalize on the increased profit margin from the improved economies of scale. Therefore, it appears unlikely that they would be interested in investing capital for a new store in Cedar Rapids’ urban market.

We recommend that the city purchase the First Avenue property for the purpose of redevelopment as a grocery site. The city would then be able to add new covenants that would require future owners to maintain a grocery store on that site. Immediately following the purchase of the property the city would write a request for qualification to prospective grocers and interview each company to ensure they select a qualified candidate. The city would need to select a company with strong management skills and a commitment to community involvement. We believe that this proactive approach is the best way for the city to guarantee a long-term grocer in the Mound View and Wellington Heights neighborhoods.
Introduction

Over the last eight years the City of Cedar Rapids has tried to establish a redevelopment plan for the First Avenue grocery store that is located on the fringe of the central business district. Despite continued efforts the existing tenant, Hy-Vee Food Stores, has not been receptive to the idea of developing a new grocery store at this location and if they choose not to renew their lease in the year 2000, the city will have the unique opportunity to take remedial action. The city hopes to find a company that would develop a quality, full service grocery store that would serve the Mound View and Wellington Heights neighborhoods, as well as the high quantity of First Avenue commuter traffic. The current owner of the majority of the property, the Sisters of Mercy/St. Luke's Hospital joint trust, is willing to work with the city, and is amenable to any options that they might offer.

We focused our research on four areas that we believed would assist the City of Cedar Rapids in establishing a long-term grocer at this site. The first area of focus was on the current national trends of the urban grocery store. This section addresses the importance of securing a quality grocer, the reason why many grocers leave and the negative ramifications of losing a grocer in the urban market. In order to remedy some of the difficulties urban grocers have encountered, we highlight four characteristics that have been found to be imperative in the development of a successful urban store. The second section details the demographic makeup of the surrounding community, with specific detail on the consumer income levels and racial diversity. Furthermore, we identify the capacity that the Mound View and Wellington Heights neighborhood’s offers as a viable market for a grocery store. The third section interprets the past and current relationship between the City of Cedar Rapids and Hy-Vee Food Stores. In order to understand the complexity of their relationship we outline the corporate strategy of Hy-Vee and how it may be indirectly hindering any future development at this site. The final section of the report contains options, an evaluation of possible approaches that may be used by the city to ensure a sustainable grocery store at the First Avenue site, as well as our recommendation.
Urban Grocery Store Trends

Over the last twenty years a majority of corporate grocery stores have focused their firm’s strategies on developing multi-service supermarkets outside of central cities. These companies are trying to take advantage of the lower costs and ease of access along the beltways of urban America. This movement has pressured many urban grocery stores to close due to the intense competition from the suburban supermarkets. Unfortunately, there are very few urban grocery stores left that have been able to compete within this new grocery store market. However, there is still a demand, and more importantly a need, for these urban grocery stores within the central cities of America.

Importance of the Urban Grocery Store

The urban grocery store plays a much larger role in the survival of its community than does the suburban grocery store. Many urban community members have limited access to automobiles and are dependent on the immediate proximity for their consumer needs. Therefore it is very important for the urban food market to provide the community with a diverse food selection that allows for a healthy diet. A community’s nutritional diet is often dependent upon its access to sufficient products.

The second most important role of an urban grocery store is to provide products at a reasonable and competitive price relative to suburban stores and the local convenience stores. Most urban grocery markets provide service to a variety of economic classes. In particular, lower income consumers are constrained by their grocery budget, and the urban grocery store allows them to purchase sufficient products at an affordable price. Fortunately, many urban grocers provide educational services that address both the budgeting and nutritional aspects of grocery shopping. The consumers that have attended such educational seminars have benefited greatly and recommend them to many of their peers.
Ramifications of a Loss of an Urban Grocery Store

It was not until many inner city communities lost their primary food source, in close proximity to the neighborhood, that people realized the importance of the urban grocery store. Most urban markets are made up of a diverse population with many unique dietary and pharmaceutical needs. Furthermore, many people in the community do not have access to transportation. The lack of mobility often magnifies the detrimental effects of not having access to an urban grocery store. These people are often forced to do their grocery shopping at the more expensive local convenience stores. There are two main problems that arise from this type of shopping behavior.

First, the community members that continually do their grocery shopping at the neighborhood convenience store jeopardize the quality of their diet due to the limited food selection. It is much more difficult for these people to adequately receive the needed produce and staples required for a healthy diet. Furthermore, the products that they do purchase are not of as high quality as the ones often found in grocery stores. The nutritional deterioration of these people’s diets is one of the most common results of a loss of the urban grocery store.

The second problem resulting from pressure to shop at the convenience store is the increase in cost incurred by each individual. The increased cost is due to two factors. The first factor is the inflated cost of each product within the convenience store. Since these stores have become the primary source of groceries in these urban neighborhoods they have the ability to charge a premium. Unfortunately, this problem is magnified by the fact that the goods that they are selling are often of much lower quality. The second factor contributing to increased costs to the people is the increased number of trips to the inadequate convenience store. The number of trips in the urban center increases because the convenience store selection is much smaller and their prices are much higher. The community is unable to afford multiple product purchases at the inflated prices, so they are forced to buy fewer items each trip.

Why do Inner City Grocery Stores Leave

In order to address the absence of food sources in the urban center, it is necessary to understand the reasons why grocery stores leave. There are three primary reasons why grocery stores leave
the urban centers for the large-scale suburban locations. Urban grocery store owners argue that they cannot survive the higher operating costs, low sales margin and suburban pressure.

**Higher Operating Costs**

The driving force behind a majority of the problems faced by the urban grocery store is higher operating costs. It is higher operating costs that have forced most urban grocery stores to decrease their sales margin to unprofitable levels. There are three main costs that are inflated due to the very nature of the urban grocery store. First, the physical design and structure of the urban grocery store often entails increased exterior lighting and maintenance cost. In order to provide a safe and inviting retail center for the urban community it is often necessary to have uncharacteristically high lighting costs to facilitate a safer and more secure location. Another physical cost is the increased maintenance that most urban stores experience. The higher occurrence of graffiti and general vandalism forces these businesses to continually invest in clean up measures that over time can become a major financial burden.\(^3\)

One cost that is often considered the most financially damaging is the cost of shrinkage. The cost of shrinkage (theft) can be the most difficult to control and is the most expensive for the urban grocery stores. One way to control shrinkage is to make the necessary investments and provide extra security. Another way, which is also expensive, is to design the store with more visual lines of site throughout each aisle. There have been successful examples of stores using unique floor layout to curb the theft. Other successful urban grocery stores have incorporated an increase in security staff. Typically, the store will encourage its employees to wear bright vests that indicate their security presence on the floor at all times. While there is no easy solution for this problem, stores that have made a commitment towards minimizing shrinkage have been quite successful.

**Low Sales Margin**

The urban grocery store margin is further eroded by the higher operating costs, making it a much more difficult business in which to succeed. The lower sales volume at the urban grocery store further exacerbates the problem of low margins. It is very common for the urban community to make more frequent trips to the grocery store while purchasing fewer items each time. It is
evident that this trend has been a major factor in the difficulties surrounding the low margin and low sales volume of the urban grocery store.

It is typical for the inner-city shopper to spend considerably less per shopping trip than the suburban shopper and those smaller purchases create higher operating costs for the store than the fewer large purchases. One example of this discrepancy is in Cleveland’s Finast Supermarket, where their urban shoppers average only seventeen dollars per purchase. Therefore, their urban store must serve 30,000 customers a week to produce the revenue that a suburban store receives from only 22,000 customers.\(^4\)

Another common sales concern of the urban grocery store is the frequency and timing of the average shopper. It is often the case for an urban store that their market community has a large population of government assisted families. The typical shopping trend for these families is to purchase a majority of their grocery needs immediately after receiving their government check at the first of the month and the middle of the month. Sales have been found to fluctuate up to 25% during the month.\(^5\) This trend makes it very difficult for the store to adequately staff and stock the shelves. This roller coaster purchasing could be alleviated through proper education that may be provided by the city or local community offices.

*Suburban Pressure*

Another influential reason why a grocery store may decide to leave the urban center are the positive attributes offered by the suburban market. In most real estate markets the cost basis is much less expensive in the suburban fringe of the city than it is in the urban center. This decreases the cost for a grocery store to rent or purchase property and would considerably decrease their operating expenses. When a low margin business like a grocery store finds new ways to cut costs and edge competition it is essential that they act quickly to maintain market share.

The second reason that urban stores are often challenged by the positive benefits of the suburban store is the greater access to people. The overall density of the suburban market area may be lower than that of the inner city; however, the ease of access is much greater in the suburbs.
Typically, there are more highways and major arterial feeds to the city in the suburbs. Therefore, with the increased space and greater capacity for parking the suburban store appeals to the quick shopper just looking to pick up some last minute groceries. The congested urban market does not often provide the consumer with the same kind of parking efficiency and quick stop shopping.

**Characteristics of a Successful Urban Store**

Despite the claims from many fleeing grocers that high operating costs, low margins and suburban pressures drove them away, there are still grocers that believe the urban center provides a strong and profitable market. These grocers are returning to the urban centers with an improved approach to serving the grocery needs of the community. To learn how these returning grocery stores have achieved success in the urban market, we studied the Food Marketing Institute’s report titled “Urban Supermarkets.” The report outlines thirty different urban grocery store developments across the country, detailing the government’s involvement, the community’s involvement and the preemptive measures that the projects took to ensure successful ventures. We found four qualities that were continually emphasized, throughout the report as critical components for an urban grocery store’s to be profitability and sustainability. These four qualities, in their order of effectiveness, are: strong management, community involvement, increased sales volume and adequate security.

*Strong Management*

The one characteristic that is repeated over and over again as the most critical for urban grocery store success is strong management. The successful grocers in the urban market have found a way to better merchandise and to hire good employees that want to work at these stores long term. The best description for this type of manager is an entrepreneurial person with vision and passion. These traits are often found in successful urban grocery store management teams. These types of managers are aware that it is necessary to be on site and build a bridge between the grocer and the community. This bridge will better allow the grocer to meet the merchandising needs of the consumers. The best merchandisers are able to match the products with the specific demographics in their market.
The other characteristic of a successful urban manager is the ability to keep good employees and to develop them into well-trained workers. One way that some grocers have approached this issue is to begin training programs for children that will soon be entering the job market. For example, in Riverside, California, the Jax Store created a summer job program that brought in 14-year-olds to work part time. The goal was to give young people the chance to learn what it is like to work in a supermarket and to be employed. The program stressed fundamentals, such as being reliable, being on time and dressing appropriately. This was mutually beneficial for both the children and the Jax grocery store because many of these children continued to work at the store after school began in the fall. Another type of training program is offered at the Mississippi Co-op in St. Paul, Minnesota. They offer a full time coach/mentor that emphasizes individual skills. This concept has been proven to lead to increased staff retention at their store.

Community Involvement
There are many ways that a grocer can work with the community to develop a mutually beneficial relationship. The first step in establishing this relationship is to encourage community involvement in the early stages of the redevelopment process. For example, in St. Paul, Minnesota the city issued a request for proposal and then held public forums in the neighborhood to generate support and market information. Following the public’s approval of a grocer, a nine-member board made up of elected community members was created to support and assist the store in maintaining a positive relationship with the surrounding neighborhoods.

The benefit of such community-grocer interaction is that the grocer will know the expectations of the community and will strive to meet them. A typical problem stemming from the lack of communication is the labor dilemma. The communities surrounding new urban stores have very high expectations pertaining to the number of positions that will be filled by the adjacent neighborhoods. For example, in Philadelphia, a Save-a-Lot store was unaware of the labor expectations of the local community and when they only needed to hire ten additional employees, the community became outraged. The community was unaware that the Save-a-Lot store was transferring many employees from another location and not hiring primarily from the
community. This negative reaction can have a detrimental affect on a new urban store and may bring damaging media attention to the grocer.

The approach used in Richmond, Virginia to establish a strong relationship with the community is to offer a neighborhood pride program that emphasizes education. The grocery chain has adopted schools and has initiated a citywide High Achiever Program. Students who earn high grades or have shown exemplary attendance records will receive a prize. The prizes are unique incentives from the stores vendors, such as Coca-Cola, General Foods and Kraft. Likewise, the families of the good student will receive a 10% discount on their total grocery bill the day the report card is provided. This has proven to be very successful for the growth of the community-grocer relationship.

One way that the state has helped build the relationship between the community and the grocery store is to offer nutritional and budgeting education at the store. In Anaheim, California the Department of Health and Benefits approached the Jax Store to offer their support in offering educational information. The program that they developed includes an ongoing series of posters, leaflets, and pamphlets on good eating habits, and occasional product demonstrations. These types of educational programs are common and have been welcomed by the local community.

*Increased Sales Volume*

The urban grocery store needs to increase sales volume and customer trips to compete with the suburban market and survive. The most frequently proposed solution for this is to provide more fresh products, such as a bakery that serves bagels, donuts and pastries. Similarly, some grocers have developed a kitchen that will package precooked meals that cater to nearby shift workers and office commuter traffic. Most importantly, the grocery store must focus on customer retention by providing the consumer with a store that they believe is their most attractive alternative for shopping. The sales volume at these urban stores is directly impacted by the physical deterioration of the building itself. The neglected appearance and presentation of the store becomes a factor in a customer’s decision to shop elsewhere.
Adequate Security

“Only violence itself deters business more than threats to the security of customers, employees and property.”¹² These security problems are very costly to the grocery stores and to consumers while driving up the costs of doing business. Therefore, security is a major concern for the urban grocers and is seen as a necessary cost for a successful venture. The best way to control crime in stores is to commit to continued vigilance and to make continued financial investment.¹³

The investment that is referred to can vary from a highly controlled secured environment or just to an increase in security awareness. The most common preemptive measures are the visible, on site uniformed security teams, the banks of cameras and other electrical devices and posters detailing the stores security measures. The greater the awareness of security, the more comfort their customers will have in the store.

The second technique, which is more extreme, is the architectural concept of a defensible or secured place. This approach uses a 6 to 8 foot high fence surrounding the property, delivery gates, TV monitors, and a policing tower inside the store. Another technique that is common in both approaches, is the use of increased lighting. For example, in the higher security stores the lighting is three to five times brighter than the industry standards.¹⁴ The more extreme security options can be overwhelming for a customer; therefore, it is best to adopt only the measures necessary to deter crime yet still provide a welcome environment for the consumer.
Market Analysis of First Avenue Site

In order to attract a high quality, full service grocery store to this site, it is necessary for the city to have an understanding of the demographic make up of the surrounding area. The following section provides a brief demographic profile and analysis of the market area surrounding the First Avenue site.

Population

The City of Cedar Rapids is a growing metropolitan area in the upper Midwest. The 1990 Census found 108,772 people residing within the city limits. Between 1990 and 1997 the population has increased by almost six percent to an estimated 115,700, and by 2002 the city is projected to have 120,000 residents, which amounts to an over nine percent increase in twelve years. There are thirteen major grocery stores in the City of Cedar Rapids. This includes six Hy-Vee Food Stores, two Econofoods, two Sun Mart Foods, one Fareway, one Randall Foods and one Save-A-Lot. Map 1 shows the locations of all Cedar Rapids grocery stores. By dividing the population by the number of grocery stores, an average population per store can be established. For 1997, the average number of persons per store is 8,900. Assuming that no new stores are added or no existing stores leave the market, there will be 9,231 persons per store in 2002.

The one-mile area surrounding the First Avenue site, according to 1997 estimates, is home to 12,655 residents, which represents almost eleven percent of the city’s population. If the population of the one-mile area is compared to other Iowa cities, the area would rank as Iowa’s twenty-fourth largest city in the 1990 Census. The one-mile area would fall between Newton (14,789) and Keokuk (12,451). Almost forty percent (44,654) of the city’s residents live within two miles of the site and nearly seventy percent (79,467) live within three miles of site. Using the average number of persons per grocery store in Cedar Rapids as rough estimate, it can be argued that the 12,655 residents within one mile of the First Avenue Hy-Vee store constitutes a solid customer base for the site. According to projections for 2002, both the areas within one mile and two miles of the store will experience slight population declines between 1997 and
2002. The one-mile ring surrounding the site will lose 247 people and the two-mile ring surrounding the site will lose 209. The entire city, however, will experience a population increase of 4,300 persons, with most of the increase occurring in areas of the city more than two-miles from the First Avenue site. Map 2 shows the First Avenue site with one-, two- and three-mile concentric circles. All references to one-, two- and three-mile areas are based on this map. Please note that the two-mile area includes the one-mile area and the three-mile area includes the one- and two-mile areas.

Map 3 shows the 1997 population for the surrounding Census Block Groups that the Cedar Rapids Department of Development has identified as the store’s approximate trade area. These block groups overlap primarily with the one-mile ring surrounding the site, but go beyond the one-mile ring to the north, east and south. These fifteen block groups had an estimated 15,636 residents in 1997. Using the average number of persons per grocery store in Cedar Rapids as a rough estimate, it can be argued that there are a sufficient number of persons in the surrounding trade area to warrant the continued existence of a grocery store at this location. The 2002 projection indicates that the surrounding block groups will lose 384 people between 1997 and 2002, which represents a little less than three percent of the area’s 1997 population. Map 4 shows 2002 population projections by block group.

**Households**

In 1997 there were 5,192 households in the one-mile area surrounding the First Avenue site. In the surrounding block groups (identified in Maps 3 and 4) there were 6,243 households. Projections for 2002 indicate that both areas will experience a small decline in number of households. The one-mile area around the First Avenue site will lose five households and the surrounding block groups will lose seventy-two households. The broader area surrounding the site, those households within two- or three-miles of the store will see an increase in households from 1997 to 2002. The two-mile area will gain 215 households for a total of 18,929 households in 2002 and the three-mile area will gain 903 households for a total of 33,988 households. Household size is fairly constant between the three areas, but the households are smaller closer to the store. The average household size in 1997 for the one-mile area surrounding the store is 2.21 compared to the two- and three-mile rings, which have average household sizes of 2.27 and 2.33,
respectively. Projections for 2002 show all households getting smaller, with average household sizes of 2.16 for the first ring, 2.24 for the second and 2.30 for the third.

**Racial Composition**

According to a 1998 Woods and Poole estimate provided by the Cedar Rapids Chamber of Commerce, the Cedar Rapids Metropolitan Statistical Area (MSA) was 96.5% white, 2.2% black and 1.3% other races.\(^\text{16}\) Woods and Poole projects that the racial composition will remain constant through 2015, with only a slight decrease (less than one percent) in the percentage of white residents in the Cedar Rapids MSA over that period. The increase in minority population is split evenly between blacks and other races. Compared to the entire Cedar Rapids MSA, the one-mile area adjacent to the First Avenue site is much more racially diverse. A 1997 estimate shows that only 84% of the population in the one-mile ring surrounding Hy-Vee is white, and 12% is black, which is a differential of more than ten percentage points from the entire MSA. Projections for 2002 indicate that the one-mile area will continue to diversify, with a racial composition of 83% white and 13% black.

**Income**

The per capita income for the one-mile area surrounding the First Avenue site is more than $4,000 less than the per capita income for the two- and three-mile areas. The per capita income for the one-mile area is $16,742, compared to $20,939 for the two-mile area and $22,883 for the three-mile area. Projections for 2002 indicate that the per capita income for all areas will increase by at least $3,000, but large discrepancies will still exist between the areas. The 1997 median household income for the one-mile area surrounding Hy-Vee is $28,189, compared to $38,566 for the two-mile area and $43,919 for the three-mile area. Projections for 2002 indicate that median household income will increase for all areas, but again, large discrepancies will still exist among the areas. Maps 5 and 6 show the median income for 1997 and 2002 by block group. Please see Table 1 for a summary of 1997 income data.
Table 1: Summary of 1997 Income Data for Area Surrounding First Avenue Site

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<th>Area</th>
<th>Per Capita Income</th>
<th>Median Household Income</th>
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<td>$28,189</td>
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<tr>
<td>Two Mile Area</td>
<td>$20,939</td>
<td>$38,566</td>
</tr>
<tr>
<td>Three Mile Area</td>
<td>$22,883</td>
<td>$43,919</td>
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Automobiles

Estimates for 1997 indicate that each household within one-mile of the First Avenue site has an average of 1.21 cars. Households within two-miles had an average of 1.55 cars, and households within three-miles had an average of 1.68 cars per household. The figures remain constant through 2002 with only a slight increase in the two- and three-mile areas. According to 1997 estimates, 24% of households within a mile of Hy-Vee have no car. Many of the households in this neighborhood would have difficulties accessing a grocery store if the current store were to close.

Consumer Spending Potential

The consumer households spending potential for the block groups surrounding the First Avenue site gives an indication of the potential sales for a full-service grocery on the site. According to 1997 estimates, the total expenditures on food consumed at home were more than $15.1 million for the surrounding block groups. Spending on other categories of goods normally purchased at a grocery store such as tobacco products, reading material, pet supplies, prescription drugs, non-prescription drugs, film and film processing amount to more than $10.5 million, for a combined spending potential of more than $25.6 million for products normally purchased at a full service grocery store. This spending potential, coupled with the high traffic volume on First Avenue, make this site a viable location for a modern full service grocery store.

After a brief review of the demographic and market characteristics of the area surrounding the First Avenue site, it appears that the area could support a small scale, full service grocery store.
The area is densely populated, and could independently rank among Iowa’s largest cities. Home to 12,655 residents, the area would rank between Newton and Keokuk on a ranking of Iowa cities. Newton is home to two full service Hy-Vees, while Keokuk is home to one full service store. Both Newton stores and the Keokuk store offer numerous amenities including a video store, a bakery, Hy-Vee’s Kitchen, while one Newton store (Hy-Vee #1) even offers a floral department. Based on population alone, it appears that the First Avenue site could support a full service store. The population density, the spending potential of area households and the high volume of traffic on First Avenue, however, are all additional support for a full service grocery store at this site.
Currently the Mound View and Wellington Heights neighborhoods are being served by the Hy-Vee store located at 1556 First Avenue. Over the years the Hy-Vee has served the neighborhood and community with grocery service. Unfortunately, in recent years the relationship between the Hy-Vee management and the city has deteriorated. Communication problems coupled with, and somewhat caused by, a change in Hy-Vee’s corporate strategy, have left the surrounding community uncertain as to the future of its neighborhood grocery store.

**Communication Problems**
Communication is the key to any relationship, but unfortunately the relationship between Hy-Vee, the surrounding neighborhoods and the City of Cedar Rapids has been strained by very ineffective communication over the past decade. Correspondence shows that there have been problems since 1993. This rapport had deteriorated over time through miscommunication on both ends.

Although it appears all groups have been parties to this problem, it is the responsibility of the City of Cedar Rapids to ensure the relationship improves, especially if they expect Hy-Vee to sacrifice some corporate goal or strategy for the betterment of the community. It is not necessary to capitulate to the corporation, but keeping the communication lines open is a must for long term relationship building between the city, the neighborhoods and Hy-Vee.

The relationship has been strained because of the divergence in the priorities of the two parties. In the past, Hy-Vee’s concern was accessing the market. For this strategy the First Avenue store was ideal. This brought the city and Hy-Vee in line for a common goal, food service for this population. In recent years Hy-Vee’s change in corporate strategy has moved the two parties away from each other. The city is still committed to food service to this area, while Hy-Vee’s corporate strategy has moved away from this type of facility.
Hy-Vee’s Corporate Strategy
Retail in America in recent years has moved to focus on economies of scale. Stores like Wal-Mart have shown the profitability of well-run large “box” stores with many amenities. Hy-Vee has moved in this direction as well. The typical new Hy-Vee store now exceeds 45,000 square feet while the First Avenue site has only 11,000 square feet. Ease and convenience are key. Most new Hy-Vees include a deli, bakery, in-store bank, video store and pharmacy. Some even include optical labs or dry cleaning services.

While it is true that many of their stores do not include all of these modern conveniences of one-stop shopping mentioned above, all new stores are equipped to better serve the customers in a number of ways. The Hy-Vee on First Avenue is not a new store and is not equipped with these modern conveniences. It carries only a limited selection of items, and does not have a deli, bakery or pharmacy, due to its limited space. Because of this limitation the First Avenue store does not fit into the vision of the future of Hy-Vee.

Pricing Comparison
The First Avenue Hy-Vee store is a neighborhood grocery store located in the “urban” area of Cedar Rapids, and is very different from the suburban grocery stores that Hy-Vee maintains in the area. The store is about one-sixth the size of the store located on Collins Road store and does not have any of the amenities that most Hy-Vee stores enjoy.

The differences do not stop there. Comparing prices of the First Avenue and Collins Road Store we found that there is a noticeable difference in the price of many goods. For instance, the price of goods, including milk, cereal, meat, produce, cheese and laundry detergent, were on average over 9% more expense at the First Avenue Hy-Vee store. This noticeable difference in pricing addresses the issues of margins and operating costs mentioned earlier in this report. The differences in prices could be due to a number of factors. One factor that could explain the difference in prices is higher operating costs due to an older less efficient store. Another determinant could be that the 11,000 square foot First Avenue location can not meet the economies of scale that a 62,000 square feet store enjoys.
Table 2: Pricing Comparisons Between Two Hy-Vee Stores

<table>
<thead>
<tr>
<th></th>
<th>First Ave</th>
<th>Collins Rd</th>
<th>Difference</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Golden Grahams</td>
<td>$3.35</td>
<td>$3.37</td>
<td>($0.02)</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Wheaties</td>
<td>$4.29</td>
<td>$3.99</td>
<td>$0.30</td>
<td>7.0%</td>
</tr>
<tr>
<td>Grape Nuts</td>
<td>$2.98</td>
<td>$2.59</td>
<td>$0.39</td>
<td>13.1%</td>
</tr>
<tr>
<td>Raisin Brand</td>
<td>$2.99</td>
<td>$2.59</td>
<td>$0.40</td>
<td>13.4%</td>
</tr>
<tr>
<td>Detergent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tide Box</td>
<td>$7.99</td>
<td>$7.59</td>
<td>$0.40</td>
<td>5.0%</td>
</tr>
<tr>
<td>All Box</td>
<td>$5.99</td>
<td>$5.29</td>
<td>$0.70</td>
<td>11.7%</td>
</tr>
<tr>
<td>Tide Liquid</td>
<td>$5.97</td>
<td>$4.97</td>
<td>$1.00</td>
<td>16.8%</td>
</tr>
<tr>
<td>All Liquid</td>
<td>$4.98</td>
<td>$4.98</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Meat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80% Ground Beef</td>
<td>$1.19</td>
<td>$0.99</td>
<td>$0.20</td>
<td>16.8%</td>
</tr>
<tr>
<td>T-Bone Beef Loin</td>
<td>$5.99</td>
<td>$4.99</td>
<td>$1.00</td>
<td>16.7%</td>
</tr>
<tr>
<td>Milk*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apples (3lb)</td>
<td>$2.99</td>
<td>$2.69</td>
<td>$0.30</td>
<td>10.0%</td>
</tr>
<tr>
<td>Oranges</td>
<td>$1.29</td>
<td>$1.39</td>
<td>($0.10)</td>
<td>-7.8%</td>
</tr>
<tr>
<td>Cheese</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24oz Block</td>
<td>$4.88</td>
<td>$3.88</td>
<td>$1.00</td>
<td>20.5%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$57.15</td>
<td>$51.58</td>
<td>$5.57</td>
<td>9.7%</td>
</tr>
</tbody>
</table>

*The 1st Ave site also sold late date milk for $0.99. This was milk that had one or two days until its last sale date.

It is important to understand that differences in price can be explained by a number of factors. For instance, the age of the older First Avenue building could result in higher fixed costs that then would result in higher prices. Another reason could be the limited size of the First Avenue site, which is almost one-sixth the size of the Collins Road Hy-Vee. This difference in size results in a much smaller selection for a variety of products and lower sales volume to cover the fixed costs; resulting in higher prices.
Options

After reviewing the need for an urban grocery store, the demographics of the area and the current situation, it is evident that remedial action must be taken by the city in order to ensure that a grocery store remain in this location to serve the local community. However, if the city believes there to be no need for intervention, it could do nothing and allow the market to dictate the best use of the site. A more reasonable approach, however, given the city’s desire to see a modern full service facility at this location, would be to take a more proactive approach. If the city chooses this approach, it has several options from which it can choose. These options include offering economic development incentives, purchasing the site and leasing it to a qualified grocer or purchasing the site and reselling it to a developer of grocery stores. We have outlined each of these options below. It is our recommendation, however, that the city acquires the site and then resells it to a qualified grocer.

Do Nothing
The city can continue its current practices and allow market forces to dictate the use of the site. If the city decides to pursue this option, there is no guarantee that the site will remain as a grocery store. Additionally, it appears that the city would risk losing the grocery store that is currently located on the site. The city cannot influence the process unless it takes a more proactive step like offering economic development incentives or purchasing the site and either reselling it or leasing it to a grocer.

Economic Development Incentives
The city has the ability to offer economic development incentives to a company to operate a modern full service grocery store on the site. The economic incentives that are available and appropriate include the use of Tax Increment Financing and the Urban Revitalization Tax Exemption. There are, however, several common incentive programs that the project would be ineligible for because of its retail nature. These include enterprise zones, industrial revenue bonds and the state-funded economic development programs like RISE (Revitalizing in Iowa’s Sound Economy), CEBA (Community Economic Betterment Account) and EDSA (Economic
Development Set Aside). The area is in an enterprise zone, but the incentives provided under the enterprise zone program do not apply to retail activities like a grocery store. Nonetheless, the existence of the zone could have implications if redevelopment were to occur on a broader scale in this area that attracted eligible activities.

**Tax Increment Financing (TIF)**

The use of Tax Increment Financing would allow the city to finance public improvements or provide financial assistance to private development in designated urban renewal areas, such as the First Avenue site, with the property tax increase created by the private development. In a TIF area, the new taxes created by development are used to pay for the public or private investment, instead of going to the general fund of the city, county and school district. Taxes are paid on the total value of the property, but the tax increment (the tax due on the increase in value) can be returned to the owner if terms of the negotiated TIF agreement are met, or used to reimburse the city for public infrastructure improvements on the site. When the improvement bonds are paid off, the tax increment returns to the taxing authorities. An advantage of using a TIF is that it gives the city the ability to place restrictions on the developer or to require an annual performance review. In order for the city to utilize a TIF for this project, the City Council must:

- Designate the area as an *urban renewal area*
- Create and adopt an *urban renewal plan* for the area
- Adopt a *tax increment ordinance* that establishes the base property valuations for the TIF area
- Enter into a *redevelopment agreement/TIF agreement* with Hy-Vee or another grocer that specifically outlines the responsibilities and obligation of the developer and the city, including number of jobs created or retained
- Incur debt for the project
- Use the tax increment collected to retire the debt

**Urban Revitalization Tax Exemption**

Through the use of an Urban Revitalization Tax Exemption, the city could exempt from taxation a portion of the actual value of any new construction or improvements made on the site. In order
for the city to do this, the area must first be declared an Urban Revitalization Area and the project must be deemed to comply with the city’s Urban Revitalization Plan. There are two exemption schedules outlined in the Code of Iowa (Chapter 404). For commercial projects the exemption can either be a 100% exemption for three years or a graduated exemption over 10 years (year 1-80%, year 2-70%, year 3-60%, year 4-50%, years 5 & 6-40%, years 7 & 8-30%, year 9 & 10-20%). The ten-year declining schedule would save the developer approximately 44% of new property taxes over the ten year period. The Urban Revitalization Tax Exemption is significantly less cumbersome than the use of a TIF, as the Urban Revitalization Tax Exemption does not require the city to consult with other taxing authorities such the County or School District.

With either the TIF or the Urban Revitalization Exemption, the grocer that occupies the site would need to submit to the city a site development plan for the new facility, a cost estimate for the project including demolition, site preparation, site improvements, constructions costs and other related costs, and a proposal for city involvement. The city, in turn, would need to determine the most appropriate incentive, either the Urban Revitalization Tax Exemption or the TIF, and adopt a Neighborhood Improvement Plan for the area to include commercial redevelopment incentives.

The city could also assume certain project costs as an incentive. The city could pay for demolition of the existing structure and other costs related to site clearance or on- or off-site improvements. This incentive could be used by itself or in conjunction with either the TIF or the Urban Revitalization Tax Exemption.

If the city’s objective is to have a full-service grocery store on this site, then the use of economic development incentives does not necessarily guarantee that the city’s objective will be met. Even through a redevelopment agreement with the grocery store, the city cannot maintain the kind of control that would be necessary to meet the objectives discussed previously in this report. The use of economic development incentives does, however, allow market forces to determine the viability of the site. Financially, the offering of incentives could be less risky for the City because it’s only costs would be the administration of the TIF or Urban Revitalization Tax.
Exemption. There would be costs, however, if the City offered to do site improvements or demolition as a development incentive. Additionally, there would be losses to the taxing districts (i.e. school district, the City of Cedar Rapids and Linn County) on the incremental value of improvements.

**Public Acquisition of the Site**

Cedar Rapids also has the option of becoming a more active participant in the development of the First Avenue site. This would include the acquisition of the site from The Sisters of Mercy / St. Luke's Hospital Joint Trust. It is also important to know that two out lots, currently serving as parking, are owned by Hy-Vee. By acquiring the land, the City of Cedar Rapids would increase the control they have over what is to develop on the land. This would allow the city to have direct control over new management of the site, as well as a hand in the redevelopment of the entire area between 16th Street and Center Point Road.

If the City of Cedar Rapids were to buy the property, the amount of control they could exercise would increase dramatically. This option would spawn a number of alternatives the city would have at its disposal to encourage the development of a well run grocer at this location. These options include selling the property up front to a grocer or property manager, leasing the property, or creating a Community Development Corporation to manage the development. These options could be beneficial to the First Avenue grocer. Either leasing at a lower than market rate or selling the property at a reduced cost would be a good incentive to bring in new management.

To acquire the property, the first step the city would have to take is to make the area an Urban Renewal Area (Iowa State Code 403). The city would have to decide the scope of the redevelopment, whether it would be site specific to the grocer or include adjacent properties. Upon consultation with affected taxing districts, schools and county, the city council would determine whether to designate the area an Urban Renewal Area.
Once the area is deemed an Urban Renewal Area, the city can then use tax increment revenues to secure a bond issue. This bond would be a general obligation bond. Financing from the bond issue can then be used to pay for the acquisition of the property.

The decision to lease or sell the property is an important one for the city, should they decide to acquire the property. It is a decision between the long-term commitment of the leasing proposal, verses the short-term control if the property is sold. It is important to analyze both options, but it is also important to understand that the decision may not totally be in the hands of the city. The market may make this decision.

*Community Development Corporation*

Currently the City of Cedar Rapids does not have a Community Development Corporation (CDC) which is a helpful tool in city-driven redevelopment. The option of a non-profit CDC would give the City of Cedar Rapids more flexibility for property management of future redevelopment sites. The CDC would be a development arm of the city and could help by acting as a redevelopment manager working on behalf of the city. Unfortunately, the City of Cedar Rapids does not currently have a CDC, so this option is not a viable one at present.

*Lease of Site*

Leasing would give the city a long-term hand in the management of the property. They would have a long-term contract that would allow them to be in more constant contact with the grocer, because, in fact, the grocer would be using city property to do business. The lease could be structured to meet the needs of the new grocer. Lower rates are just one option; the city could also build a graduated lease. This type of lease could be structured in a way that it would reduce payments in the beginning years of the lease. This type of lease could be beneficial because it would alleviate some cash-flow strain in the first few years of the store. Moreover, the option to lease would reduce capital outlay and, therefore, the risk of a grocer and make the project more appealing. Over time, hopefully, as the grocer optimizes operations and the store becomes stable, the increase in lease payments would be more easily met.
This approach results in added control, yet the use of city property for private business may turn out to be a negative. Giving a lower than market lease to a business, on property that was bought with public funds could be politically unwise. The backlash to what may be perceived as favoritism or using public money to benefit a store that would compete against already established stores could lead to some protest in the community. Another negative to this approach would be the need of a property manager for the lease. With the absence of a CDC, this could cost the city with more bureaucracy, or take city workers away from existing projects.

Sale of Site
The city could decide to sell the property to the best-qualified new grocer. This would give the city control on the front side of the development by choosing the developer, but then would yield control to the free market. This short-term commitment would allow the city a hand in choosing a grocer, but would free them from a long-term contract of property management. While some long-term control would be lost by selling the property, land use restrictions and a well-tuned Request for Qualification (RFQ) process could result in the long-term stability of a grocery store on the site.

The financial risks of this option must be understood. The monetary burden that the city would undertake would be upwards of $500,000, based on the assessed value of the land. If the project was not to work and a new buyer could not be found, then the city would lose both financially and politically. Assuming that the city bought the property at market value, their investment could be recovered by selling the property on the market with no restrictions. The loss that the city would incur in this case would be the property tax due during the period of city ownership, as well as transaction costs. The city would also gain or lose some amount on the sale depending on whether the real estate market was up or down when they sold the property. The real loss would be political; because if the city was to fail at this venture then future attempts at this type of city involved development would be met with great reluctance.

Land Use Restrictions
With ownership of the property, the city would be able to increase its control on the site over the long-term by putting restrictions on the contract. For instance, there could be a covenant
attached to the deed obligating the new owner to keep the property as a grocery facility for a certain number of years. Because it was a deed restriction, it would be extended to include all subsequent property owners. This, in essence, would restrict the property to being a grocery store for the community for an extended period of time. This requirement could be tempered in that a clause could be included that would allow a waiver of the covenants with council approval, or something to that effect. This would be important because in the future this site may not be a realistic location for grocery service and could better serve the community in a different use.

Included in the property sales agreement could also be a hiring agreement that would require that a certain percentage of the employees come from the surrounding neighborhoods. The principle would be the same as the one used in the state’s Enterprise Zone Program. If this was to be included in the contract the city would have to make a commitment to job training that may be needed for local residents to be able to serve the needed capacity. Requiring the new management to hire people from the neighborhood, even if they are not qualified could be detrimental to the project, so if there is this mandate in the contract it is important that the city make this commitment so the new management is able to hire qualified personnel.

*Sale of Property at Lower than Market Price*

Due to the restrictions on land use, the city would sell the property at less than market value. This reduction in price may be necessary to entice entrepreneurs to take a chance on the community. Anytime a public entity purchases land and sells it back to the private sector at a lower than market value, there are often objections because of allegations of favoritism and unfair business practices. The restriction placed on the land is the defense needed to pursue this approach, because anytime there is a restriction on the use of land, the value decreases.

*Request for Qualifications (RFQ)*

Whether the city decided to lease or sell the property, the first step in choosing a new management would be to issue a Request for Qualifications (RFQ). The RFQ would outline the city’s expectations on how the grocery would be run, thereby ensuring that the leasees or buyers of the property have a well-developed plan of operation. In reviewing the proposals, the city would presumably look for sound business fundamentals that will assure long-term success, and
not a business that is just looking for short-term profit at the expense of the surrounding neighborhoods.

This RFQ process is crucial to the success of the store. As was found in the national trends section of this paper, the city must interview potential grocers to make sure they understand the pitfalls that plague unsuccessful urban grocery stores. An understanding that a successful urban store must have strong management, community involvement, increased sales volume and adequate security will increase the chance of long term success for this site.

Cedar Rapids will have a number of advantages on their side if they decide to acquire the property. Long-term assurance of grocery store use is first on this list. The ability to control the use of the property through covenants or deed restrictions will be invaluable. The city will also be able to screen potential owners through the RFQ process to ensure long-term commitment of the new vendor. The control can be justified because of the city’s commitment to supply the property at lower than market value. The experience of being involved with the establishment of the new property developers will be invaluable when creating a marketing plan for the redevelopment of the urban renewal area.

Additional Recommendations
Regardless of which of the above options the city chooses to pursue, we have identified several additional steps that can be taken to improve the safety and appearance of the entire area. It is our belief that any approach that is pursued by the city must be done in conjunction with a broader redevelopment plan for the urban renewal area, spanning along First Avenue from 16th Street to Center Point Road.

Redevelopment of the Area
The redevelopment of this site could be the perfect catalyst for a development program that encompasses a larger area. The dense population residing within a mile, along with the high traffic count that passes the store everyday gives the property and the surrounding area potential that is unequaled in most of Cedar Rapids. With the redevelopment of a neighborhood grocery store, the city should take advantage of the momentum and work to redevelop the entire
commercial area fronting First Avenue between 16th Street and Center Point Road. A commitment from the city would do two very important things. First it would attract a larger number of potential developers to the grocery site. If the new developers could see the commitment by the city to improve the surrounding properties, they would be much more willing to take a chance on the site. The new developers would count on a larger capture rate of traffic if the area were better developed. A patron who stops in at one store in this area is much more likely to run next door to pick up their groceries.

This would also work for others considering redeveloping surrounding properties. With the insertion of a new grocery facility that could be viewed as a catalyst for change, many would see this area turning around, and worthy of further investment. The expansion of Coe College and proximity to St. Luke’s Hospital are stabilizing factors that should be built upon. Currently the local businesses include consignment shops, check cashing and rent-to-own stores. An aggressive plan could bring more diversity to the businesses in the area, which would benefit all involved.

Facade Improvement Loan Program
The City of Cedar Rapids could also take an active role in the development of the First Avenue area by encouraging improvements of existing structures in the area. One option would be to institute a façade improvement loan program for the area. A façade improvement loan program would allow the city to establish a revolving loan fund that would offer low-interest loans to small businesses to improve their storefronts. By making this corridor more visually appealing, a façade improvement loan program would work to improve the overall economic vitality of the neighborhood. The façade loan program could be financed with Community Development Block Grant (CDBG) funds or from the city’s general fund, but would more likely be financed by TIF money if included in the Urban Renewal Area.

Marketing Program
With the commitment to the local neighborhood and the development of the businesses fronting First Avenue, the city must take a proactive approach that will increase the visibility of the project. For an area like this, it is important to let the local community know that there is a
commitment to them and their neighborhood. During the redevelopment of the grocery store, a well designed sign with a slogan of redevelopment placed at the site would encourage even more development and increase goodwill between the city and the neighborhood. Additionally, it would let the citizens of Cedar Rapids know that the city is committed to this neighborhood. The marketing program must be a combination of advertising and community involvement.

Community involvement is key to the success of this redevelopment, after all the community is the reason for the city’s involvement in the project. Including citizens in the process will ensure success because community often brings a sense of ownership that in turn promotes usage and problem solving between grocers and customers.

*Traffic Calming / Reengineering*

In the neighborhood surrounding the First Avenue site, more than twenty-four percent of residents do not own or have access to cars. This leaves them dependent on commercial businesses within walking distance or accessible by public transit routes. The property in question abuts the second busiest street in all of Iowa. According to the City’s Engineering Department, between 26,000 and 31,000 cars pass by this site daily. While this is good for the property because it can attract people going to or from downtown to work, the high-volume of speeding traffic is a deterrent and somewhat dangerous for those who frequent this business district on foot.

One option the city could pursue for this area would be a reengineering of the traffic flowing past the site. This could involve a slowing of traffic to allow safer pedestrian passage across First Avenue from the Wellington Heights neighborhood, and to make stopping in the area to shop much more convenient. By calming the traffic in the area, entering and exiting from the facility by both car and by foot would be much easier and safer, therefore, increasing patronage of the local stores.

This reengineering would be politically difficult because of the high use of First Avenue as a main arterial across town. Those who use the street to cross Cedar Rapids would probably object to the lengthening of their commute through town due to lower speeds in this area. This is why
we believe that by simply identifying crosswalks better, as well as lengthening the walk times at the corners would make pedestrian crossing much easier and safer, especially for the elderly in the local neighborhoods.

**Security / Improved Lighting**

It is obvious that security is a crucial part of the success of any grocery store, especially in an area that has historically been viewed as suffering form high crime. The City of Cedar Rapids Police Department has collected police report data throughout the metropolitan area and the results are not as clear as one may assume. According to police reports complied from January of 1998 to the present, the First Avenue store has reported thirty-five thefts as opposed to twelve reported thefts at the Collins Road site. However, Hy-Vee’s Johnson Avenue store reported forty-five thefts in that same time period. Even though the First Avenue store had much more theft at the site than the Collins Road store, a study of the surrounding area within two blocks shows that the Collins Road area reported ninety-two thefts, while the First Avenue area had less than thirty.\(^\text{17}\) Another statistic that should be considered is assaults in the area. These crimes are violent and are reported heavily in the media. Because of the nature of this type of crime, areas that experience high rates of assault are usually considered by citizens to be unsafe. The First Avenue area reported fifty assaults since January of 1998 as compared to only six in the Collins Road area. This may be one reason that the area is considered unsafe, and security should be addressed by the city.

One response the city could take toward this problem would be to put a police sub-station in the area. This community based policing approach has been successful in a number of areas that have been plagued by high levels of crime. The commitment by the city to place this sub-station, would promote goodwill and reassure not only the local patrons, but also customers whom may visit the site while traveling on First Avenue.

Cedar Rapids could also boost the public image of the area by improving the lighting around the property. This new lighting will show a commitment on the part of the city to the neighborhood. Studies have shown that increased lighting instills a sense of security and decreases crime in an
area. Improvements could be made to increase pedestrian traffic from Coe College, the hospital, and the local neighborhoods like Mound View and Wellington Heights.
Conclusion

The role of government in the private sector is always a touchy subject, but we feel that we have found a solution that meets the needs of the citizens of Cedar Rapids, as well as its business community. We have shown that there is a large population with focused needs in the immediately surrounding area, and because of that there is a market for an urban grocery store. Trends in the market have been explored and show why many stores have left the urban core. This information can help Cedar Rapids avoid pitfalls that have hampered grocery access in other urban areas.

We suggest that Cedar Rapids purchase the site and begin plans for redevelopment of the location as well as the surrounding area immediately. We feel that the best solution would be the purchase of the site and then sell it with deed restrictions back to a grocer or developer. Because the city has no Community Development Corporation, we feel that purchasing the site, issuing an RFQ and reselling it is the best option available. Since Hy-Vee’s lease ends in the coming year, the city must act quickly if they are committed to the purchase of this property. While the plan is not without risks, we believe that the rewards far outweigh the potential shortfalls. By formulating a plan that includes the purchase of the property, an RFQ process, resulting in the resale of the site, along with a commitment to help in the redevelopment of the entire area, the City of Cedar Rapids would be serving its citizens in this area.
References


Endnotes

15 All demographic information, unless otherwise noted, was provided by Tracy Peters, Marketing Analyst-Database Operations for Gazette Direct Marketing Services in Cedar Rapids, Iowa. All demographic information was obtained from the 1997 Market Statistics/Scan/USS CD-ROM
17 The Collins Road site is located in a heavy retail area, which may explain the high theft rate in the surrounding properties.
Appendix

Maps

Map 1: Cedar Rapids Area Grocery Stores
Map 2: One, Two and Three Mile Rings
Map 3: 1997 Population by Block Group
Map 4: 2002 Population by Block Group
Map 5: 1997 Median Income by Block Group
Map 6: 2002 Median Income by Block Group
Map 2: One, Two and Three Mile Rings
Map 4: 2002 Population by Block Groups

Approximate Trade Area for First Avenue Site

Surrounding Census Block Groups

- Hy-Vee Food Store
- Sun Mart Foods
- Save-A-Lot