

## Newark Supermarket Development Initiative Launched



Brick City Development Corp. (BCDC) has rolled out Newark, N.J.'s Supermarket Development Initiative. The aim of the initiative is to bring new grocery stores to the underserved city in keeping with Newark-based BCDC's stated commitment to sustainable development and healthy communities.

The primary economic development catalyst for Newark, BCDC is taking a private-sector approach to achieve growth, including the Supermarket Development Initiative.

Having found eight potential sites able to accommodate a full-service grocery store, ranging from 15,000 to 40,000 square feet, throughout Newark, BCDC is currently completing demographic analysis and site-specific due diligence. The corporation added that it could provide financing for site acquisition, development and construction costs.

"Understanding the real estate is a vital component of our approach, and the lack of available sites has been one of the chief barriers preventing store development in the past," noted Lyneir Richardson, CEO of BCDC. "We have identified eight sites in viable trade areas that have visibility, access and parking to generate solid sales volume. We are now going to be marketing those sites to the grocery industry and private developers. Our goal is to get at least three of these sites under construction in the next 12 to 24 months."

According to Richardson, BCDC has created a "tool box" to support the initiative and expedite the process for grocers. The tool box offers such items as financing through grants and loans, an inventory of sites, technical assistance, and current market and demographic data. Additionally, to boost awareness about opportunities in Newark, BCDC is contacting grocers directly, as well as grocery industry associations, and developers.

The grocery industry is beginning to respond to the tremendous demand for new stores in the city. The National Supermarket Association (NSA) plans to bring a group of its members to Newark in January for a briefing by BCDC and to tour the sites. "We have heard Richardson's pitch and believe there is opportunity in Newark for independent grocery store chains as well as the big chain store operators," said William Rodriguez, president of Flushing, N.Y.-based NSA.

"Residents of Newark currently only have access to two full-service stores, and a city with a population of 270,000 can easily support three more real grocery stores," explained Richardson. "Our mission is to bring those new stores to market."

The capital available to support the initiative comes from several sources, among them the recently introduced Living Cities \$15 million Integration Initiative. Newark was one of only five cities chosen nationally to receive this grant. BCDC also worked to get \$4 million allocated for loans and grants for grocery store development and mom-and-pop store renovations in Newark. Additionally, through the Integration Initiative, the city is eligible for as much as \$15 million in grants, commercial loans and program-related investments (PRIs) to support its efforts, including underwriting the development of new supermarkets and further investments in small stores under the Small Grocers Program.

“BCDC recently invested over \$100,000 in funds to upgrade and strengthen two local neighborhood stores,” said Richardson. “Three other stores are in various stages of completion. The focus on new supermarkets is the next step in providing a thorough offering of grocery alternatives in Newark.”