

SUPERVALU[®] **PROPOSAL**

A communication of the
Surry County Economic Development Office

May 3, 2018

1



Presenters: Melissa Rollins & David Harrison



Discussion Points

- **Supervalu History & Brands**
- **Project Costs**
- **Project Funding & Financing**
- **Sample Layouts**
- **Project Timeline**
- **Community Support & Concerns**



- **One of the largest grocery wholesalers and retailers in the U. S**
 - **annual sales - \$16 billion**
- **Network of 3,324 stores (3,111 wholesale primary stores, 213 traditional retail grocery stores)**
- **Recently Announced - sell of 21 of its 38 Farm Fresh stores to three different retailers**
 - **Goal: to become the wholesale supplier of choice for grocery retailers across the U.S.**

SUPERVALU® operations

SUPERVALU currently operates five retail banners in seven states and the District of Columbia.

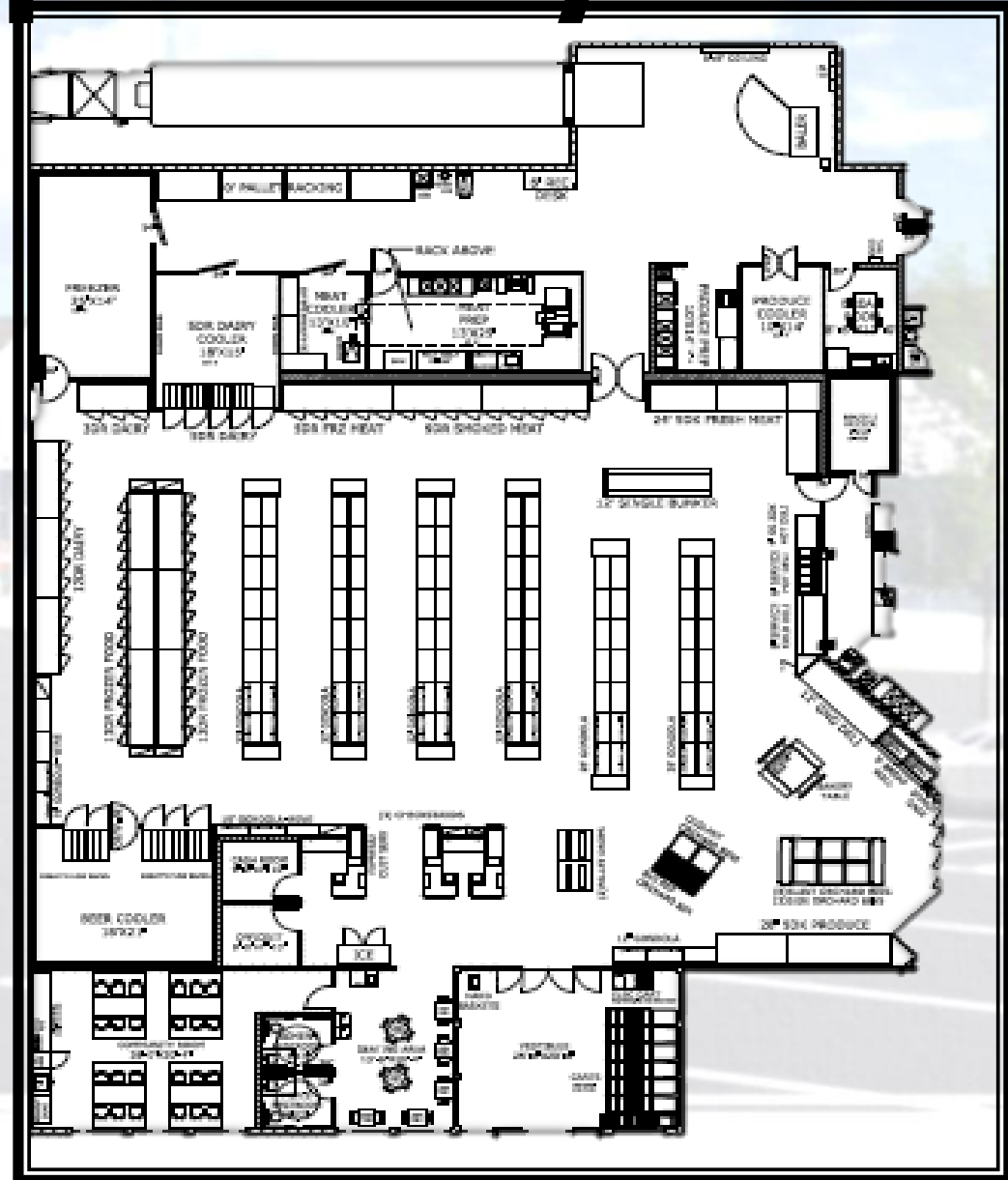
[FARM FRESH®](#), [CUB FOODS®](#), [SHOP 'N SAVE®](#), [HORNBACHERS®](#), and [SHOPPERS®](#).



SUPERVALU® **Proposed layout**



- 13,500 SQ.FT
- **Community Room**
- Seating Area
- Fresh Deli
- Hot Food Bar
- Ample Parking
- Central Location



SUPERVALU® Sample community room

- ☐ Group Meetings
- ☐ Healthy Eating & Nutrition Classes
- ☐ Partnership with Health & Welfare Agencies
- ☐ Wellness Education
- ☐ Rental Options
- ☐ Social Networking & Interaction



SUPERVALU® brands

Fill Your Cart Without Emptying Your Wallet

SCAN and GO! Use the Great Valu APP and scan your barcode at checkout to receive these EXTRA Savings.

10 pk. 6 oz. pouches
Selected Varieties
Capri Sun Or
Roarin' Waters
Drinks **2/\$4**

16-20 oz. ctns.
Selected Varieties
Planters
Peanuts **2/\$5**

Heinz Or Simply Heinz
Tomato Ketchup **2/\$6**
-1.00
2/\$5 Final Cost

6.4 oz. btl.
Old Orchard
100%
Apple Juice **2/\$4**

27 oz. cans - Selected Varieties
Margaret Holmes
Greens Or
Green Beans
With Potatoes **3/\$5**

24 pk. 16.9 oz. btl.
Deer Park
100% Natural
Spring Water **3.99**

2/\$4
Keebler Ice Cream
Cones, Cups Or Bowls
Selected Varieties

3.99
Mazola Oil
Selected Varieties

.89
Essential Everyday
Yellow Mustard

1.99
Laurie's Seasoned Salt
Regular Or Low Sodium

.79
Castberry's Original
Hot Dog Chili Sauce

2/\$4
Nesin Cup Noodles
Selected Varieties

2.79
Nesin Top Ramen Noodles
Family Pack Or Individual

.89
Barilla Pasta
Selected Varieties

2.99
Essential Everyday
Grated Parmesan Cheese
Selected Varieties

2/\$4
Light 'n Fluffy
Or No Yolk Noodles
Selected Varieties

2.99
Essential Everyday
Peanut Butter
Creamy Or Chunky

3.79
Hershey's Or
Reese's Crunchers
Selected Varieties

2/\$7
Essential Everyday
Chunk Light Tuna
Selected Varieties

2.99
Essential Everyday
Strawberry Preserves
Selected Varieties

3.99
Essential Everyday
Peanut Butter
Creamy Or Chunky

Frozen & Dairy Treats FOR EVERYONE!

1.49
Essential Everyday
Waffles
Selected Varieties

2.99
Healthy Choice
Cafe Steamers Or
Modern Classics Dinners
Selected Varieties

3.59
Healthy Choice
Simply Cafe Steamers
Selected Varieties

2/\$4
Kid Cuisine Dinners
Selected Varieties

2.99
Land O Lakes
Cage Free Large
Brown Eggs
Selected Varieties

2.99
Essential Everyday
Lactose Free Milk
Selected Varieties

3.99
Hanover Value Pack
Vegetables
Selected Varieties

2/\$5
Arby's, Red Robin, Cheeser's,
Hidden Valley Ranch Or
Nathan's Fries Or Onion Rings
Selected Varieties

2/\$5
North Star Strawberry
Shortcake Ice Cream Bars
Selected Varieties

4.99
Starbucks Iced Coffee
Selected Varieties

2/\$3
Essential Everyday
Jumbo Biscuits
Selected Varieties

4.69
Sargento String Cheese
Selected Varieties

Household Savings

All Mighty Packs,
Fresh Clean Essentials Or
2x Liquid Laundry Detergent
Selected Varieties - 18.5 oz. bag or 30.32 oz. btl.

All Fabric Softener
Liquid Or Sheets
Pouch & Sheet - 32 oz. btl. Or 80 ct. box

Snuggle Fabric Softener Or Dry Sheets, Scent Boosters Or Scentables
Selected Varieties - 10.4-32 oz. btl. Or 20-40 ct. pkg.

3.99
Ziploc
Zip Sandwich Bags
Selected Varieties

4.99
Essential Everyday
Casual Foam Plates
Selected Varieties

2.99
Essential Everyday Napkins
Selected Varieties

2/\$4
Mennen Or Lady Speed Stick
Deodorant/Antiperspirant
Selected Varieties

6.99
Essential Everyday
Kitchen Or Trash Bags
Selected Varieties

2/\$4
Great Toothpaste Or Oral B
Healthy Clean Toothbrushes
Selected Varieties

Essential Everyday
Charcoal Briquets
Selected Varieties

Food-A-Rama

Great Valu Markets

Visit us at www.greatvalu.com

Seedless
Navel Oranges
Peak Season Flavor
4.99

Fresh Express Salads
8 oz. Spinach, 7 oz. Premium Romaine
Or Lettuce Trio Or 11 oz. Green and Crisp
2/\$3

Green Giant
Baby Cut
Carrots **\$1**

Plum
Tomatoes
Red & Ripe **\$1**

BIG \$1 SAVINGS SPECTACULAR!

See Back Page

2/\$4
Essential Everyday
Peanut Butter
Creamy Or Chunky

2.99
Essential Everyday
Grated Parmesan Cheese
Selected Varieties

2/\$4
Light 'n Fluffy
Or No Yolk Noodles
Selected Varieties

2.99
Essential Everyday
Peanut Butter
Creamy Or Chunky

3.79
Hershey's Or
Reese's Crunchers
Selected Varieties

2/\$7
Essential Everyday
Chunk Light Tuna
Selected Varieties

2.99
Essential Everyday
Strawberry Preserves
Selected Varieties

3.99
Essential Everyday
Peanut Butter
Creamy Or Chunky

Turkey Hill
Ice Cream
Selected Varieties
48 oz. ctns. **2/\$5**

Simply
100% Juice Or
Cocktails
Selected Varieties
52-59 oz. btl. **2.99**

Dannon
Activia
Yogurt
Selected Varieties
4 ct. 4 oz. cups **2/\$4**

Bagel
Bites
Selected Varieties
7 oz. boxes **2/\$4**

Maxwell House
Or Starbucks
Coffee Or
K-Cups
Selected Varieties
12-36.9 oz. pkg.
Or 6-10 ct. box **5.99**

Kellogg's Cereal
17 oz. Frost Flakes Or
19 oz. Frost Flakes
3/\$10

Xtra 2X
Liquid Laundry
Detergent
Selected Varieties
1.99

Bounty Basic
Paper Towels Or
Charmin Essentials Bath Tissue
6 ct. Big Rolls Or 8 ct. Regular Rolls
Select A-Size, White Or
Print Paper Towels Or
12 ct. Giant Rolls Soft
Or 12 ct. Giant Rolls Soft
2/\$10

Get ready to GRILL

Tyson
Whole Fryers
Fresh,
Grade "A" **.89** lb.

Whole
Pork
Picnic
Fresh **.99** lb.

Boneless
Sirloin
Steaks
Star Ranch Angus Choice Beef **4.99** lb.

Boneless
New York
Strip Steaks
Star Ranch Angus Choice Beef **7.99** lb.

Chicken
Wings
IQF
5 lb. bag **9.99**

Salmon
Filets
7.99 lb.

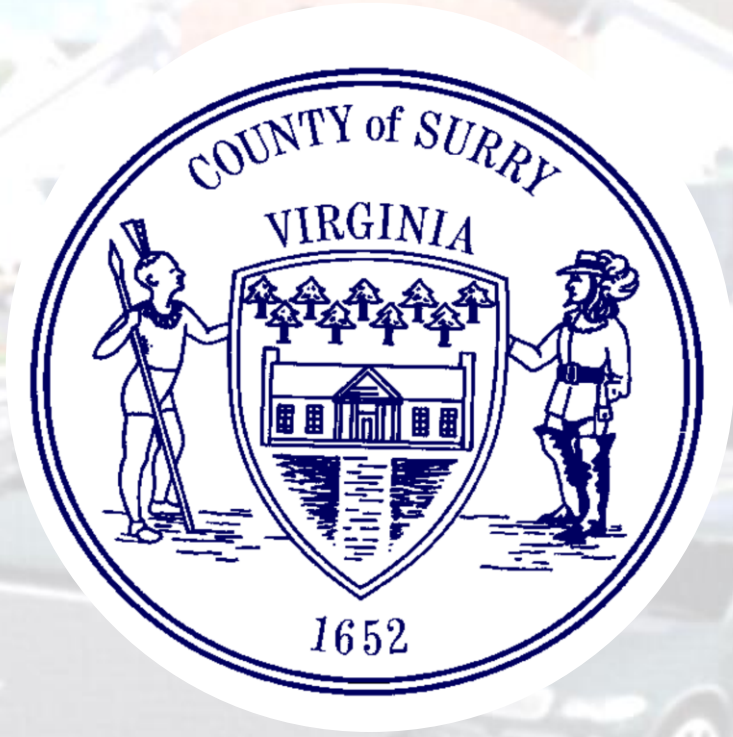
- Brand names consistent with community expectations

- Affordable pricing

- Quality Meats, Produce & Other Products

SUPERVALU®

LOCAL FOCUS



- **Offerings tailored to the needs of the community**
- **Experienced in supplying stores in rural communities**
- **Branding partnership with county**
- **Opportunities for local producers**
- **Investment in community...jobs/business citizen**

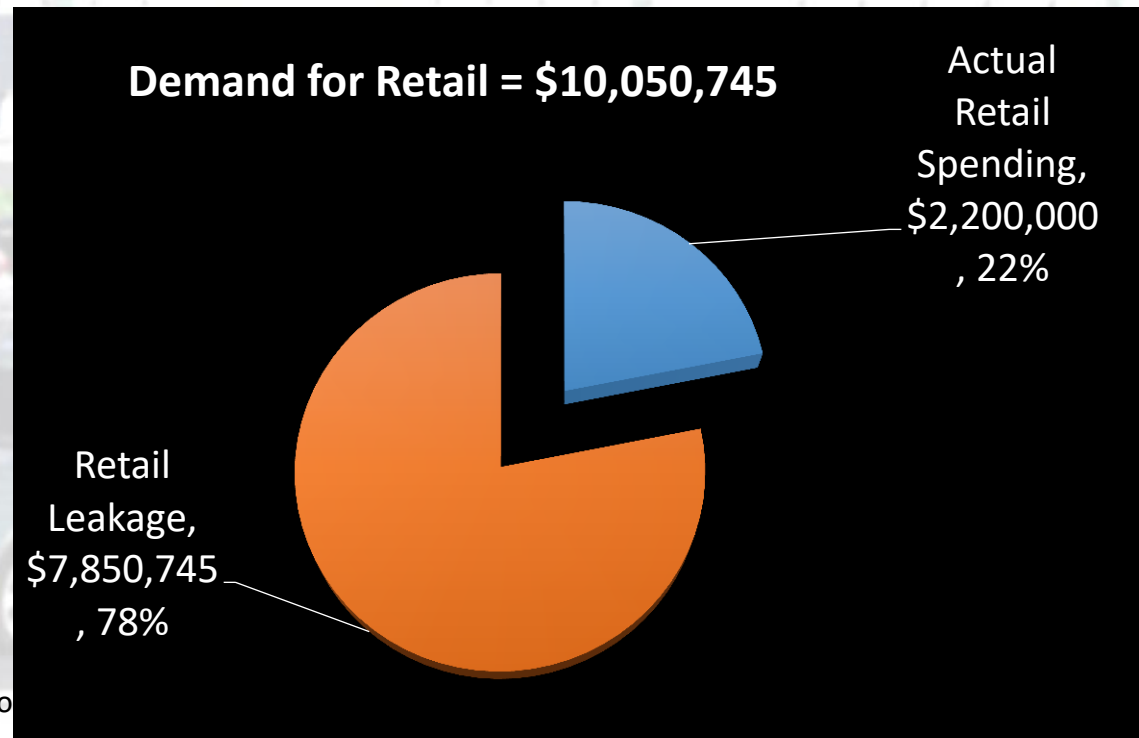
The background of the slide features a faded, grayscale image of a SuperValu store building and its adjacent parking lot. Several cars are parked in the lot, and the store's architecture is visible. The SuperValu logo is prominently displayed in the top left corner in a bold, red, italicized font.

SUPERVALU® Community Benefits

- **Job opportunities**
- **Improve access to fresh food**
- **Capture and retain demand for food in the County**
- **Use of Local suppliers & farmers**
- **Increase local property values**
- **Tax Revenue Creation**
- **Anchor for retail development**
- **Creates Partnerships (School Ag Programs)**
- **Reduce commute time to access needed grocery & other staples**
- **Promotes a Healthier and Revitalized Community (Quality of Life)**
- **Increase Marketability**

SUPERVALU® Grocery Retail vs. Demand

Leakage - Surry's demand exceeds supply. In other words, retailers outside the market area are fulfilling the demand for retail products needed by Surry residents; therefore, demand is "leaking" out of the community.



ESRI reports \$10,050,745 as the demand for a gro

SUPERVALU® Job Creation

- **# of Jobs = 8 Full Time & 20 Part Time**
- **FT Average Wage = \$23,123**
- **PT Average Wage = \$10,000**

Est. Economic Wage Impact

FT - \$184,984

PT - \$200,000

Total \$384,984

POSITIONS & ESTIMATED WAGE	
Butcher (Avg. Hrly \$15.30)	\$31,740
Meat Department Assistant (Avg. Hrly \$12.10)	\$25,000
Cashier (Avg. Hrly \$9.20)	\$19,000
Stocker (Avg. Hrly \$9.20)	\$19,000
Deli/Food Attendant (Avg. Hrly \$9.20)	\$19,000
Custodian (Avg. Hrly \$12.10)	\$25,000
TOTAL	\$138,740
Average Wage	\$23,123.33

Sales Tax Revenue

Store Size	13,500 sq. feet		
Average Weekly Sales (1) per sq. ft.	\$5.00	\$4.50	\$4.00
Weekly Sales	\$67,500	\$60,750	\$54,000
Avg. Annual Sales	\$3,510,000	\$3,159,000	\$2,808,000
Monthly Sales	\$270,000	\$243,000	\$216,000
Annual Sales Tax Revenue @ 1.0% to locality	\$32,400	\$29,160	\$25,920
Current Sales Tax Projection	\$379,000		
Percent (%) Increase	8.55%	7.69%	6.84%

- (1) Based on information received from Virginia Community Capital on industry average for proposed sized store in project area

SUPERVALU®



Potential Lease Payments

Buildout	Assumption	Annual Lease	Monthly Lease
Retail Store Space- 13,500 sq. ft.	\$4.00 per sq. ft.	\$54,000	\$4,500
(3) Smaller Retail Spaces – 2,000 sq. ft.	\$1.25 per sq. ft.	\$30,000	\$2,500

Source: Virginia Community Capital – typical lease arrangements for this prototype range from \$3.00 to \$5.00 per square foot.



Return on Investment of \$3.40 million

Average Weekly Sales (1) per sq. ft.	\$ 5.00	\$ 4.50	\$ 4.00
Projected Sales Tax Revenue	\$ 32,400.00	\$ 29,160.00	\$ 25,920.00
Projected Lease Payments (slide 23)	\$ 54,000.00	\$ 54,000.00	\$ 54,000.00
Job Creation Wages (Annually)	\$ 384,984.00	\$ 384,984.00	\$ 384,984.00
Projected Annual Return (Grocery Store Component)	\$ 471,384.00	\$ 468,144.00	\$ 464,904.00
No. of Years to Yield Return	7.21	7.26	7.31

(1) Based on information received from Virginia Community Capital on industry average for proposed sized store in project area

SUPERVALU® Retail Development Opportunities

Community Business Gaps

- **Pharmacy**
- **Dry Cleaners**
- **Laundry**
- **UPS Store**
- **Bakery**
- **Coffee Shop**
- **Food Retailer**

Retail development is a significant component of a community's economic development strategy, retail districts:

- ☐ generate property tax revenue
- ☐ draw people to a community
- ☐ paint a picture of economic vitality
- ☐ New retail development may provide competition for existing retailers, but it may also.....
- ☐ attract more shoppers to an area, thereby providing support for neighboring businesses.

Preliminary Project Costs & Resources

**\$3.40
Million**

Soft Costs	\$ 90,000
Site Construction	\$ 160,000
Building Construction	\$ 1,860,500
Equipment	\$ 1,286,100
Base Costs	\$ 3,396,600

County Commitment of Fund Balance

Virginia Grocery Investment Fund

Obici Foundation

Virginia Community Capital (VCC)

Optional Project Costs

Cost = \$1,065,000



Grocery Store Component	\$3,400,000
Community Room	\$ 84,000
Retail Spaces	\$1,065,000
Estimated Costs (All Options)	\$4,549,000**

**Excludes A & E and other site work costs

Cost = \$84,000



County's Financial Health

- Excellent Financial Position

Projected Unassigned Fund Balance, 6/30/19	*	\$ 10,500,707
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* As presented by County & Financial Advisor on April 17th

The Virginia Grocery Investment Fund



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



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



Appropriated by General Assembly

+



As a result, significant private capital is leveraged.

=



Virginia Grocery Investment Fund is created

Program Impact



Increased access to healthy foods for thousands of Virginians



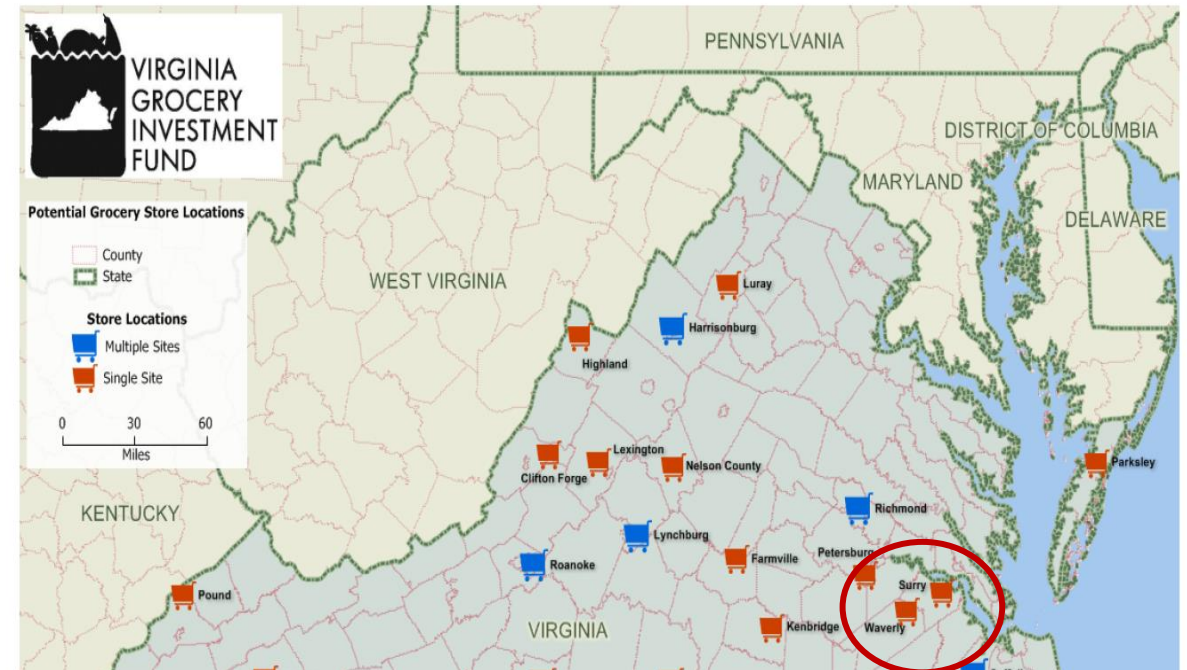
Healthy food retail projects



Average estimated new and retained jobs per grocery store

Funding Opportunities

The following are potential pipeline projects that could be eligible for the Virginia Grocery Investment Fund that include new store development as well as existing store renovations:



The Fund would create a public-private partnership by providing flexible loan and grant financing to leverage private investments for the development of supermarkets and other healthy food retail stores.

Project Funding Opportunities

Without easy access to affordable and healthy foods, a nutritious diet and good health are out of reach, and as a result, diet related disease, like diabetes and heart disease – especially among children – are on the rise. And all Virginians are impacted directly or indirectly by decreased workforce productivity and higher healthcare costs.



The Closer to My Grocer campaign is working to increase healthy food retail in underserved areas. Ultimately, the campaign seeks to establish a Healthy Food Financing Initiative, the Virginia Grocery Investment Fund.

[About](#) [Media](#) [Resources](#) [Join Us](#) [Share](#)



4 Dec 2017 | Kimberly Chidester

Stories from the Field: Fresh Food in Every Community

Across Virginia, from Roanoke to Danville to Surry County, more than 1.7 million Virginians are living in low income areas, with limited access to healthy food; this has real public health and economic development consequences.

[Read more](#)

Closer to My Grocer Action

Advocate for the Virginia Grocery Investment Fund.

Visit our [#CloserToMyGrocer](#) Action Center!

[ACT NOW](#)



1-11-18

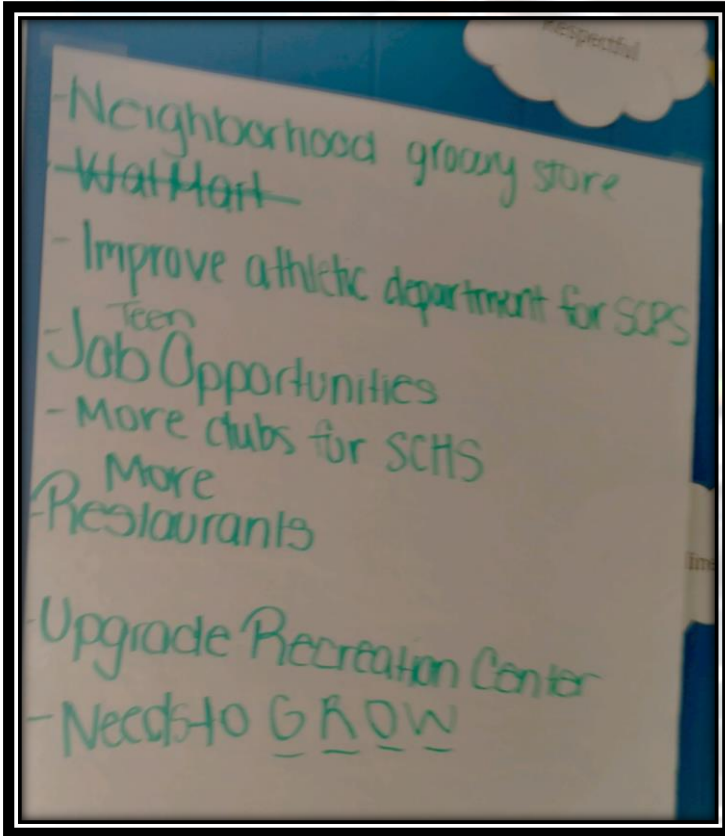
Legislative Press Conference on Virginia Grocery Investment Fund

"Across Virginia, from Roanoke to Danville to Surry County"

Return on Investment

ROI

- Sales & Other Tax Revenue
- Lease Payments from Tenants
- Use of Community Room
- Reduction in Local Unemployment Rate (3.8% - Feb. 2018)
- Improved Perception of the Community



Display Courtesy of Surry Department of Youth & Family Resources - Jewels Program -April 2018

SUPERVALU® project timeline

●Phase 1 – Retailer Kick off

●Phase 2 – Concept Plans –5 weeks

●Phase 3 – Professional Services Proposal – 13 weeks

●Phase 4 – Planning & Design – construction document – 17 weeks

●Phase 5 – Bids issued, all costs finalized – 9 weeks

●Phase 6–Build Out and stock store – 22 weeks

PHASE 7 – GRAND OPENING

Hypothetical:
A Oct 1 start date could
result in a grand opening by
Spring 2020

**TOTAL 16 and 1/2
months**

SUPERVALU® Addressing Community concerns

- **Property Management Firm – How will the project and store managed once operational?**
 - Manage lease agreement including collection of lease payments
 - Market for leasing purposes & to retain and attract commercial vendors
 - Manage all aspects of facility/property maintenance
- **Tax Rate Implications – Will my taxes increase?**
 - County is financially stable
 - Commitment to use fund balance does not necessitate a tax rate increase
- **Other Concerns – Will it be patronized & supported?**
 - Community as stakeholders

S.L. NUSBAUM Realty Co.
Since 1906

SMITHFIELD SQUARE SHOPPING CENTER
1911 – 1940 SOUTH CHURCH STREET
SMITHFIELD, VA 23430

FOR LEASE

**7,000 SF IN-LINE
20,618 SF OUTPARCEL
NOW AVAILABLE!**

- Shopping Center is anchored by Food Lion.
- Located in the heart of Smithfield's Retail Corridor (S. Church Street / Hwy 258 / 10).
- Area Retailers: Domino's, McDonald's, Hardee's, VA ABC Store, CVS Pharmacy, and Subway.

DEMOGRAPHICS (2017 ESRI):

	1 MI	3 MI	5 MI
Population	3,396	12,929	21,006
Households	1,287	4,934	8,134
Avg. HH Income	\$83,938	\$89,878	\$90,282

FOR MORE INFORMATION, PLEASE CONTACT:
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chucke@slnusa.com

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SUPERVALU® Addressing Community concerns

- Potential to be Sold or Leased— Example: Jim's Market
- Community Support & Patronization
 - Shop Local campaign to boost the local economy and to support ALL local business

**Piggly Wiggly will
replace Jim's Local
Market in Newport
News**

(Daily Press – April 25, 2018)



I SHOP LOCAL

I Invest in my community

I LOVE MY LOCAL ARTISANS

I EAT FRESH

I CAN ASK AN EXPERT

I enjoy getting to know my neighbors

I CHOOSE QUALITY OVER QUANTITY

I VISIT THE FARM MARKET

I find value in the cost

I WORRY ABOUT OUR FUTURE GENERATIONS

I LOVE HANDMADE

I'M SAVING THE ENVIRONMENT

I Support independent artists & crafters

I BUY FROM A FAMILY OVER A CORPORATION

**IM PROUD TO KEEP OUR LOCAL
ECONOMY GOING STRONG**

Message from the Surry Economic Development Office



ecodevelopment@surrycountyva.gov



**Shop Smart
Shop Local!**

Questions or Comments

NEXT STEPS

- **May 3, 2018**
Board of Supervisors
Staff Presentation
- **June 20, 2018**
Regularly scheduled June Meeting
of the EDA, Staff will present an
update to the Authority on the
Proposed Project

