

How public-private strategy and investment created South Church Plaza

TUESDAY, MARCH 23

2007 opening of Save-A-Lot was the result of longterm work between City and partners



The following is part two of our series exploring efforts to bring a sustainable full-service grocery store to Spartanburg's Southside community. Today we're looking at a previous effort which led to the creation of South Church Plaza, where the store will be located and home of the former Save-A-Lot grocery store. [Check out part one of the series here.](#)

Former city council member Robert Reeder still has proud memories of the 2007 grand opening of the Save-A-Lot grocery store on South Church Street. “It was a big celebration,” he said. City of Spartanburg and Southside neighborhood leaders were on hand, and pastors of local churches helped bag groceries, Reeder recalled.

“It was exciting – this was something we’d worked a long time to make happen,” he said. Bringing a grocery store to the Southside was a special priority for Reeder, who represented the area. “It was part of my platform when I first ran for office” in the late 1990s.

Other city leaders, too, had doggedly pursued the addition of a grocery store to serve residents of the Southside. “When I first came to work for the City of Spartanburg in 1997, there was a big desire to have a grocery store on the Southside,” said Ed Memmott, who was hired as community development director before becoming assistant city manager and then city manager.

“This was before you heard the term ‘food desert’” – a description for areas that lack access to healthy grocery or restaurant offerings – Memmott recalled.

The Southside had been home to an independent grocery called Green Galaxy. Before that, locally owned chain Community Cash operated a store on South Church Street. Community Cash closed in 1988. Green Galaxy lasted until 1997. After that, area residents were forced to rely on convenience stores for necessities or to travel out of the neighborhood to shop – a particular hardship for the elderly and for those lacking transportation.

“None of us was really familiar with the dynamics of the grocery business,” Memmott said. “But we knew we had to figure out the lay of the land.” City leaders began talking with local businesspeople about redeveloping the site at 550 South Church Street, where Community Cash and Green Galaxy had been in operation, and with prospective grocery store chains.

Interest from developers was scant, but Chip Hurst, who was with Spencer/Hines Properties, believed in the project. He and Memmott worked closely to scout potential partners, hammer out financing strategies, and finally attract a new grocer. It would take time. In a 2005 article in the Spartanburg Herald-Journal, then-mayor Bill Barnet described the project as “a very high priority” but also “a complex equation.”

As local leaders learned, the grocery business operates on high sales volume and low profit margins. Chains carefully study market trends, and in the early 2000s they were wary of a new – and very large – player in the grocery business: Walmart. “People were nervous about that 800-pound gorilla that was going to take a bite out of the market share,” Memmott recalled.

Meanwhile, savvy grocery chains have the placement of stores down to a science: How many people live within a several-mile radius? What’s the median income of nearby residents? How many cars travel past a prospective site on a daily basis? “We heard over and over, ‘You just don’t have the buying capacity at that location,’” Memmott said.

City leaders understood that making the project work for both a developer and a grocery operator would require a significant measure of public investment. As Mark Scott, who served as Spartanburg City Manager, told the Herald-Journal, “Sometimes you have to jumpstart areas that are not strong retail areas to begin with.”

The City’s investment included:

- \$700,000 to purchase the old Green Galaxy property at 550 South Church Street.
- \$2 million in funding via New Markets Tax Credits.
- \$1.3 million in cash.
- \$77,000 annually in rent subsidies.

Local philanthropists contributed an additional \$590,000 to shore up funding to make a bank loan possible. Along the way, project leaders eventually entered into discussions with Kentucky-based Houchens Industries, which owned and operated the Save-A-Lot chain of discount grocers.

It appeared to potentially be a good marriage: The store wouldn’t offer all of the products and services of larger grocery chains – an in-house deli, for example – but it would provide customers with a reasonably wide selection of packaged foods as well as fresh fruits and vegetables. And prices would be low, an important factor in a neighborhood where income levels were below areas on the east side as well as

suburbs outside of the city.

Southside residents embraced Save-A-Lot. It had a solid 12-year run before Houchens pulled out of the South and North Carolina markets two years ago. “(The store) was a really good thing for people in the Southside,” Reeder said.

Memcott emphasizes that while the opening of Save-A-Lot, along with Citi Trends and other shops in the newly redeveloped South Church Plaza, was “a nice win,” it was only one of numerous projects focused on revitalizing the Southside during the time period. “Save-A-Lot was an important accomplishment,” Memcott said. “But there were other things we were working aggressively on at the same time.”

He pointed to efforts led by the city and key partners, including development of the new C.C. Woodson Community Center, Hope 6 projects that brought improvements to public housing, and the construction of new Carver Middle and Mary H. Wright Elementary schools by Spartanburg School District 7.

“There has been a coordinated effort,” Memcott said. “And it’s still a work in progress.”