

# **The Quest for Food – Finding the Elusive Downtown Grocery Store**

## **Urban Design Factors**

**Presented by Scott Day  
Principal, Urban Development Services**

### **Urban Development Services**

**354 Thorman Place  
San Antonio, TX 78209**

**(210) 930-3866  
scott@urbandevelopmentservices.com  
www.urbandevleopmentservices.com**

## **Large Format Grocery Stores in Urban Areas**

### **H. E. Butt Grocery Stores**

H.E.B. is a privately-owned grocery chain headquartered in San Antonio, Texas.

#### **H.E.B. del Centro, Laredo, Texas**

This store is in the historic core of Laredo, Texas, adjacent to the Rio Grand River and Nuevo Laredo, Mexico. Nuevo Laredo doesn't have a large grocery store close to its downtown, only traditional public markets within its central area, and it's felt that this is why H.E.B. sought this location (proximity to Bridge Number 1 connecting Nuevo Laredo with Laredo). This border crossing is about eight blocks from the store. It appears that the market demand for groceries in this location was so strong and that the price of land was high enough that H.E.B. stepped outside the normal grocery store format and built a zero lot setback store with parking on top. The store occupies an entire city block in Laredo which measures 277' x 222' or 61,494 square feet.

The store is approximately 45,000 square feet with zero lot setback on virtually all sides of the store with two floors of free parking above the first floor. The parking areas have surveillance cameras. There are over 200 parking spaces or approximately 4.44 spaces per 1,000 square feet of selling space. Zoning in downtown Laredo doesn't require parking for new development and at the time the store was built there were no design guidelines or historic districts. H.E.B. designed the store according to their own specs.

The store has been extremely busy every time the author has visited. The parking lots on top of the store are nearly full and the check out lines usually have three customers waiting. The upper floors are reached by three enclosed elevators. It was also observed that about 10% of the customers walk one block from the store to the new regional bus station, El Metro Transit Center, and another 10% walk over the border from Mexico. El Metro Transit Center doesn't connect with Mexico.

A community policing center was established two years in corner of the store. The policing center has its own entrance. The store has several large windows along the main shopping street but the sidewalls have very few windows. The store is approximately 9 years old and is open till 10 P.M.

#### **H.E.B. Broadway Market, San Antonio**

Redeveloped an old H.E.B. store into a new, upscale format. Incorporates large produce, wine and meat departments. Full serve bakery, made to order sandwiches and deli, humidor, floral department with designer on staff, pharmacy, and a juice-coffee-cyber bar. Store is approximately 80,000 square feet with mezzanine offices and instruction rooms. Parking is available underground (63 spaces plus 12 valet spaces) as well as a typical surface parking lot (300 spaces). Also located beneath the store is the drive thru pharmacy and some of the kitchens.

Valet parking is available but is used only about 2-4% of the time. When the service was first offered there was charge of \$1. It's now free. The valet parking is used by seniors, people with disabilities, and in times of inclement weather. The grocery store's parking is at a rate of 4.7 spaces per 1,000 square feet of selling space. The post office on the other end of the building has 50 reserved spaces beside the building and under the building.

Store hours were cut back to a 9 P.M. closing after the remodeling. After much grumbling from many former customers the store now accepts customers until 10 P.M.

## **Kroger**

Savannah, Georgia

This store is modeled after the old market house in Savannah, GA. The store was built on the parking lot of the old store. The store occupies one square block of the original city plan [approx 260' x 260'] and the parking lot [about 175 spaces] for the store is across the street. The store itself is about 52,000 square feet. This establishes a parking ratio of 3.37 spaces per 1,000 square feet of selling space. The store contains a Church's Fried Chicken outlet, a full-service Nations Bank, and a full service pharmacy. There are 10 check-out lines, two of which are express lines.

The store contains windows by the front entrance. The rest of the facade is articulated through a brick pattern that depicts the arched openings of the old market house formerly located in downtown. The rest of the building is heavily landscaped. The front of the store has an outdoor seating area to dine or wait for fellow shoppers.

Three loading docks are located behind the building and are screened from the adjoining residences by a 10 foot high brick wall with landscaping in front. The adjoining streets are signed for no thru truck traffic, forcing Kroger's deliveries to use the one arterial street beside the store for all its deliveries.

A unique service of this store is that if people take a grocery cart home they simply call the store and the Kroger staff will come and pick it up. There is a bus stop on the corner, about 130' feet from the front door. The store didn't use pave stones on the parking lot across the street which would have reduced run-off by a significant amount.

The store is open 24 hours.

This is one of the most expensive stores that Kroger has ever built and is one of the most profitable in sales per square foot as per the manager.

## **Ralphs Grocery Stores**

Corporate Headquarters  
1100 West Artesia  
Compton, CA 90220  
310- 884-9000

Ralphs is California-based chain of grocery stores, now owned by Fred Meyer, a 400-store chain of discount department stores/grocery stores which was recently purchased Kroger, a Chicago area chain.

### **Ralphs, Hillcrest, San Diego**

This grocery stores is part of a new development in the Uptown District that incorporates parking under the store and some on a plaza type setting in front of the store. What would typically be blank walls on the side of the building have small stores built in front of them. Adjoining new buildings are two-story commercial, some two-story with commercial on the first floor and artists lofts on the second. The entire development is located on an old Sears Roebuck site. This award winning development includes 144,000 square feet of commercial space, 310 condo units [one and two story units], and a 3,000 square foot community center. Site covers 14 acres. Developed by OliverMcMillan, San Diego.

### **Ralphs, Marina/Gas Lamp District in San Diego**

All parking is underground [150 cars], or parallel curb parking. The store is approximately 44,000 square feet store. Display windows are present on the front side and on approximately 50% of the side walls. The building is zero lot set back on all sides except loading dock area and parking ramp entrance. The loading dock is enclosed and the remaining facade area is heavily landscaped. There are approximately 10,000 residents living within the Marina/Gas Lamp district. This project did require an amendment to the Center City Redevelopment Plan. The plan calls for 80% residential and no more than 20% commercial in all new development. This development required a single use. The development also required an amendment to the design portions of the Marina PDO [number of entrances per front footage, amount of transparent space into the store and setbacks from the street]. Developed by OliverMcMillan, San Diego.

## **Whole Foods Market, Inc.**

601 North Lamar, Suite 300, Austin, TX 78703  
512- 477-5566

Whole Foods is a national chain of grocery stores featuring organically grown and produced, natural products. Whole Foods also has stores under the name of Fresh Fields on the East Coast and Mrs. Goochs on the West Coast. They generally serve more upscale or better educated neighborhoods. There are about 200 stores in operation. Whole Foods Stores average \$800 in sales per square foot.

### **Whole Foods, Evanston, Illinois**

Approximately 24,000 square feet with roof top parking. New adjacent development incorporates approximately 200 units of market rate housing. There are over 3,000 market rate housing units within a 5 minute radius of the front door. In general, downtown Evanston is developed at a fairly high density. The Whole Foods Building occupies a key corner in downtown Evanston with clear store fronts visible from the main shopping street and wrapping around the corner. The store is unique in that it has only one store entrance whereas others in the chain generally have two. The elevator and staircase to the parking deck are given prominent position within a large glass turret on the corner thereby establishing them as unique architectural features.

### **Whole Foods, Hillcrest, San Diego**

Zero-lot setback on three sides with roof-deck parking. Potential problems may occur here because there aren't many examples of buildings with roof top parking going beyond 20 years without water problems. The store incorporates two entrances and show case windows on three sides of the building. Kitchens are visible along the main facade of the building, adding street level interest. Store is approximately 24,000 square feet.

Parking is required at a rate of 5 spaces per 1,000 square feet of store. A small surface parking lot is available at the rear of the store and curb parking is also available. The developer tried to buy adjacent buildings for more parking but owners wouldn't sell. Many of these structures are older homes being occupied by businesses.

A triple net lease helps make this project work from the developer's perspective.

### **Preliminary Lessons Learned**

One of the keys to building these types of stores is that typically they're resold after they're built and leased. If this development is mixed-use the real estate investor has to consider a product that they have never or rarely ever seen before. Thus from the developer's point of view mixed-use development projects are harder to sell, and there's an incentive to build stand alone, grocery stores. Lenders are also often reluctant to consider financing a mixed-use development. There are some indications, including a nationwide survey of real estate underwriters done in 1999, indicating that lenders are becoming more willing to finance such projects, especially if the projects are in denser, urban areas.

If the stores are not sold to a R.E.I.T., then there's a lot more flexibility in how the building is laid out on the site and as well as the type of development.

The stores that have been built at a higher land coverage ratio have typically been constructed as a result of high land acquisition costs, because the store needed some type of variance or zoning change, an extremely lucrative market at hand, or as a result of urban design plans that dictate higher density, zero-lot setback, and other urban design standards.

### **How much parking is necessary?**

These stores are being built with a range of one parking space per 200 square feet ( Whole Foods) to about one parking space per 300 square feet ( Ralph's). The peripheries of parking lots that have low-frequency use can be paved with permeable pavers that let some moisture soak in instead of run off.

### **Make the Site Transit Diverse**

Obviously if the site is transit diverse there's less need for parking. Typically transit stops and bus stops are located away from the front doors of the suburban-style grocery store. Provide incentives (density requirements) for allowing transit stops and bike racks right in front of the store. It's also important to have sidewalks from the periphery of the site to the front door. Stores should be accessible on foot from adjacent housing to cut down on extraneous automobile trips.

### **Conceal Loading Docks**

Loading docks can be easily concealed along with dumpster to avoid noise and smells. In instances of below grade parking the loading docks can more easily be accommodated. This is also a good location for drive thru's. H.E.B. Broadway Market and H.E. B. del Centro, Laredo, and Ralph's in the Marina district use these characteristics.

### **Evaluate Lighting Levels**

Light pollution can be a discouraging thing for adjoining residences to put up with in the evening. Store fronts that use zero lot setbacks don't have the need to illuminate the acres of parking that front-loaded parking lots have. Light pollution can also be addressed through specified lumen levels during hours of operation and reduced levels of lumens afterwards. In short, however, reduced parking lot size doesn't require as much parking lot lighting.

### **Windows Provide Street Interest**

Display windows can be incorporated but are often a result of building design codes for urban areas rather than the norm for grocery stores. Attractive store windows not only help sell goods but they make the walk past the store much more enjoyable. Placing the store entrance and building at edge of the sidewalk also makes pedestrians feel much safer because more people are at hand.

### **Architectural Design and Corporate Signs**

Corporate identity portrayed by the storefront signs can be reduced in scale and the architecture can be in keeping with the neighborhood [Ralphs, Whole Foods, Zupan's]. Remember that grocery stores tend to be large buildings to begin with, so a large sign doesn't look as out of proportion.

### **Keep Grocery Carts from being a Neighborhood Nuisance**

The best part of building at a higher density is that people tend to walk. Most of the people

observed leaving these stores carried their purchases in plastic sacks or brought their own carts. H.E.B. always tries to have an employee escort you to your car so they can pick up the cart and bring it immediately back to the store. This eliminates loss of carts from people walking off with them and it reduces Acart clutter in the parking lot. Some stores use bollards ringing the edges of the store in the loading area, too narrowly spaced to let a cart pass through. Kroger in Savannah, GA will dispatch an employee to your home to pick-up a cart after you're done with it.