



## **Attracting Grocery Stores and Sit-Down Restaurants: An Incentive Package for Retailers**

The recent ban on new fast food restaurants in South Los Angeles presents an opportunity not only to ease the proliferation of these types of chains but also to attract new healthy food retailers to the area. The moratorium, spearheaded by Councilmembers Jan Perry and Bernard Parks, prohibits fast food restaurants from opening on all major highways and secondary streets. In addition, the City of Los Angeles – in partnership with the Community Redevelopment Agency of Los Angeles (CRA/LA) – has put together an incentive package to attract new food retail to South Los Angeles.

### **Background**

Several years ago, Perry and Parks formed a working group with representatives from several city departments to address healthy food access issues. Community members identified grocery stores and sit-down restaurants as priorities for development, and the working group – which included the planning, water and power, and community redevelopment agencies as well as the Mayor’s office – developed an incentive package to attract these two types of food retail. The redevelopment agency (CRA/LA) served as the lead contact for the incentive package.

### **Incentives**

None of the incentives is new; each has been offered and used in the past. What is new is the “packaging”: the city developed a brochure outlining and bundling incentives available from various departments, focusing the package specifically on healthy food retail. As the principle contact, the CRA/LA serves as the liaison between food retailers and the appropriate local government entity.

### **Requirements**

To attract full-service markets, the working group set a minimum size of 12,000 square feet for a retailer to qualify for grocery store incentives. An existing “corner store” can convert to a “produce market” if it dedicates 80 percent of its floor space to produce. To attract sit-down restaurants, the working group set a 30-seat minimum, which is considered the fewest a nationally recognized sit-down restaurant requires. Still, a grocery or restaurant that does not meet the minimum requirements may qualify for some of the incentives listed.

### **Promoting the Package**

CRA/LA and the city have promoted the incentives at meetings, community events, and business conferences and expositions. The brochure has been advertised in trade magazines and on websites such as *Shopping Centers Today*, *Supermarket Trade Association*, and the *International Council of Shopping Centers*, and mass distributed to the members of the California Restaurant Association and the California Grocers Association. Since the package was launched in Los Angeles in **2008**, three new grocery stores are under development.

For more information, see [http://www.crala.org/internet-site/Development/upload/Market\\_Opportunities\\_08.pdf](http://www.crala.org/internet-site/Development/upload/Market_Opportunities_08.pdf)