

## **Sarah Dixon Innovation Center – A Project of P.O.O.R.L.A.W. and GH-CARED**

*Supporting community wellness, diversity, equity, and prosperity for the people of Greater Hazelwood*

### **[Section 1 - Intro]**

#### **A Mission of Change**

Hazelwood's name is derived from the hazelnut trees, which once covered this area near the Monongahela River. In 1784 John Wood, a prosperous lawyer, built an estate in the area called "Hazel Hill." This name was eventually changed to Hazelwood.

Today, those trees no longer line the streets or riverbanks of this historic area. Hazelwood has experienced significant change over more than 250 years. Once a bustling industrial steel area, Hazelwood has seen both prosperity and decline. Today, Hazelwood is once again at the precipice of change. The dedicated and stalwart families of Hazelwood, many multi-generational, live in an area that has become a food desert, with limited access to good quality, healthy and reasonably priced groceries. Further, the residents claim very limited Black and brown ownership of the businesses that serve the area. And like so many similar neighborhoods across the country, Hazelwood has attracted the eyes of gentrification.

It is the intention of the Sarah Dixon Innovation Center Collaborative to once again make Hazelwood a thriving neighborhood by serving as a focal point for the community and a support for the people that have lived and worked for and in Hazelwood all their lives.

The Collaborative has developed a broad-scale plan to address food apartheid, minority ownership, and employee ownership, all while creating viable and successful businesses that are community owned and designed to make Hazelwood a prosperous example for not just Pittsburgh, but for the nation as a whole.

#### **Who We Are**

**P.O.O.R.L.A.W. (People of Origin Rightfully Loved and Wanted)** has been serving the Greater Hazelwood community through workforce development and youth leadership and athletics programs for 14 years. As an organization, we believe in community development for the people, by the people, and of the people – where everyone has a seat at the table. It is only by empowering the residents of Greater Hazelwood to speak with one voice that we can achieve this vision. With that in mind, we established the **Greater Hazelwood Coalition Against Racial and Ethnic Disparities (GH-CARED)**.

**GH-CARED** is a **coalition of local grassroots, community-based organizations, churches, agencies, businesses, and residents** dedicated to finding community-driven solutions that address the racial and ethnic disparities facing the Black and brown residents – especially women and children – of Greater Hazelwood. This includes a lack of basic neighborhood amenities, such as a full-service grocery store, laundromat, and financial services – requiring local families to spend precious time and limited economic resources to travel outside their community to access healthy food and other necessities.

### **[Section 2 - History]**

#### **Project History**

Once a thriving community with large Hungarian, Italian, Slovak, Carpatho-Rusin, Polish, and Irish populations, Hazelwood was home to more than 200 businesses. In the mid-1950s, the displacement of roughly 8,000 residents and 400 businesses from the lower Hill District to build the Civic Arena led to a large migration of African Americans to the area.

Home to Pittsburgh's last operating steel mill, the community continued to thrive, supporting a host of Black-owned businesses, including a butcher shop, bakery, restaurants, bars, hair salons, a furniture store, and more. But when the Hazelwood Coke Works finally closed in 1997, the loss of jobs and disinvestment by the City of Pittsburgh resulted in the business district falling into disrepair.



[call-out]

2009 – Hazelwood's full-service grocery store closes, leaving only convenience stores and a pharmacy selling high-priced snack and processed foods.

[call-out end]

Despite the promise of various private and public community redevelopment programs since then, much of Hazelwood's historic business district remains shuttered – dominated by abandoned buildings and vacant lots.

**The 4800 block of Second Ave. is a glaring example of this neglect.**

In recent years, there has been a push to revitalize the Hazelwood business district, as outlined in the [Greater Hazelwood Neighborhood Plan](#). Both in the creation of this plan and in multiple meetings regarding development projects for the 4800 block, community input has been clear: **The people of Greater Hazelwood want their business district back – including a full-service grocery store.**

[call-out]

*“Participants overwhelmingly desire a neighborhood grocery store, and would welcome locally-owned small businesses. Of particular interest were restaurants; retail stores; and gathering places such as coffee shops, breweries or bars, and entertainment venues. Areas identified for reinvestment included the Second Avenue commercial district, Below the Tracks, and Glen Hazel. Also of particular interest was the intersection at Hazelwood and Second Avenues, as the entry into Hazelwood Green from the neighborhood.”*

*Greater Hazelwood Neighborhood Plan, Pittsburgh City Planning, November 2019, p. 18.*

[call-out end]

Yet time and again, development groups from outside our community have failed to include a space to accommodate a grocery store in their plans. In order that our community can be a part of – rather than fall victim to – the rapid regional development that has been occurring in historically Black communities across Pittsburgh, this block should be used to **rebuild Greater Hazelwood’s economic core.**

This means creating a space where community-owned businesses large and small can prosper by offering quality goods and services to Greater Hazelwood residents, commuters, and residents from surrounding areas.

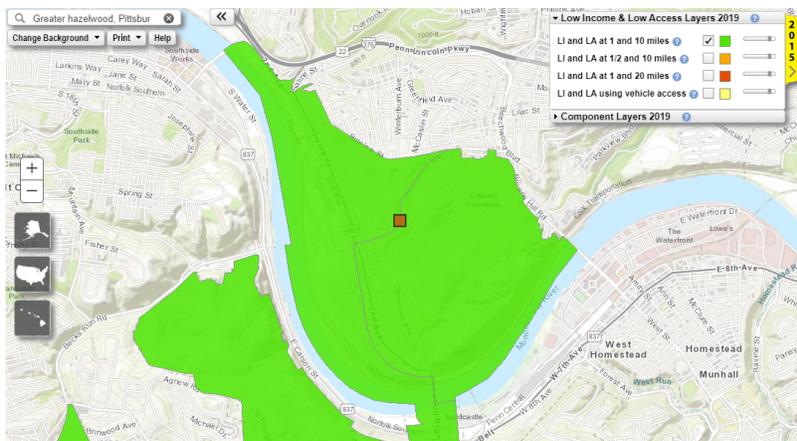
### [Section 3 - Community Needs and Opportunity]

#### Food Access and Economic Opportunity

The U.S. Department of Agriculture defines a food desert as an area where [“a low-income \[census\] tract where a substantial number or substantial share of residents do not have easy access to a supermarket or large grocery store.”](#) According to the 2019 results from the USDA’s Food Access Atlas, Greater Hazelwood is one of these areas.

Recently, though, the term “food desert” is being replaced by the term “food apartheid.” This new term underscores the fact that this lack of access to healthy, affordable food options disproportionately affects non-white communities and is not the result of a lack of population, but is rather the result of deliberate neglect and disinvestment on the part of state and local governments in the health, well-being, and economic prosperity of these communities.

Greater Hazelwood is no exception.



Low-Income and Low Food Access at 1 and 10 miles, [U.S. Department of Agriculture Food Access Atlas](#).

Yet, as we continue to voice the need for a full-service grocery store in our community, millions of dollars are being invested in the development of Hazelwood Green – Pittsburgh’s newest tech hub, university campus, and research center – right next door.

While we recognize the Hazelwood Green’s promise to [“remain grounded in the principles of sustainability, equity, and inclusive economic opportunity”](#) and to [“knit the site to the surrounding Greater Hazelwood neighborhood.”](#) we have seen the negative impact of similar large-scale developments on communities like ours time and time again.

From the Hill District to Homestead to East Liberty, Pittsburgh’s historically Black neighborhoods have been demolished to make space for large retail operations that then force small businesses in those communities to shut their doors. Then, when a large grocery store chain does move in, its commitment is to the bottom line, rather than the community it was intended to serve.

We do not want to see this history repeat itself here in Greater Hazelwood.

We cannot rely on Hazelwood Green or outside development groups to rebuild our community in a way that meets our needs and ensures our own economic prosperity. This is why we are coming together as a community to take our health, wellness, and economic prosperity into our own hands.

## [\[Section 4 - Project Details\]](#)

### **Sarah Dixon Innovation Center – Project Proposal**

#### **Sarah Dixon**

Born on November 29, 1924, Sarah Durant-Dixon was an entertainer, activist, and organizer who dedicated her life to uplifting the Greater Hazelwood community. Her passion was for education and she helped establish a number of organizations, including the Malcolm X African American Society at Gladstone School and the PREP Mothers (Preparing and Researching for Educational Services) to support local youth with race-related issues. A lover of music and theater, she was also a cofounder of the Ujema Theater at the Glen Hazel Recreation Center.

A powerful advocate for residents, Ms. Dixon served as the president of the Glen Hazel Heights Tenant Council and was the founder of the Glen Hazel Citizen Association-Community Development Corporation (GHCA-CDC) – an organization that managed 18 food access centers across Pittsburgh and was the pilot program for the now national Nutrition Inc. program. GHCA-CDC also partnered with the City of Pittsburgh and the Pittsburgh Housing Authority to develop affordable housing in the community and bring the 360-bed John Kane Regional Hospital into the Glen Hazel Community.

Even now 11 years after her passing in 2011, Dixon’s influence and work continues to make a positive impact across the Greater Hazelwood community – including bringing the Rite-Aid pharmacy to the Hazelwood Business District and the rehabilitation of the HOPE Center on Second Ave.

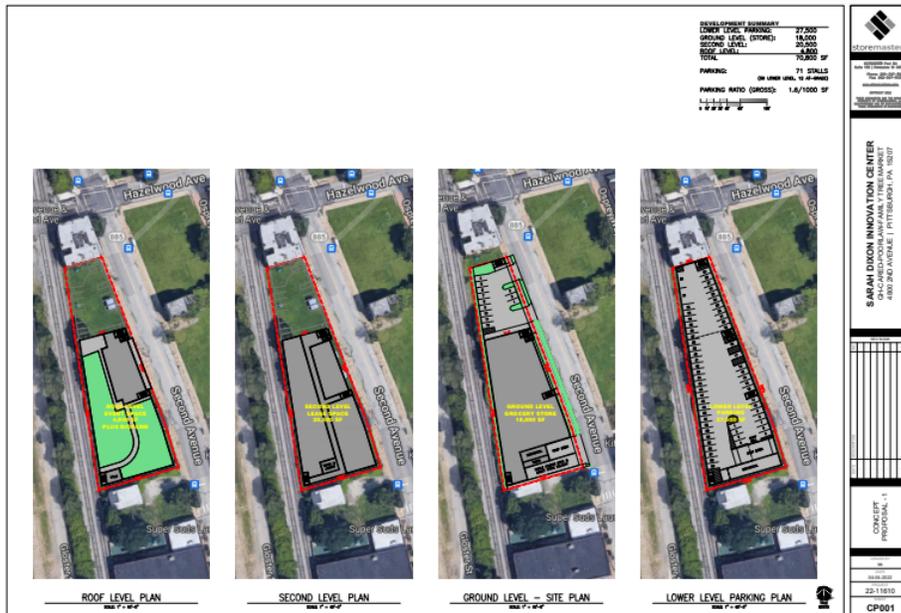
In the spirit of Sarah Dixon’s life-long work and love for the Greater Hazelwood community, we are naming this community-founded, -owned, and -led center in honor of her legacy.

Learn more about Sarah Dixon’s life and work here.

#### **The Space**

GH-CARED will construct and lease a two-story commercial building with an underground parking lot on the South side of Second Avenue’s 4800 block – running between Hazelwood Ave. and Flowers Ave.

<https://poorlawhazelwood.wordpress.com/about/grocery-co-op-4800-block-project/>



Sarah Dixon Innovation Center Concept Site Plan by StoreMasters

The building will offer approximately 40,000 sq. ft. of commercial space, including a space large enough to house a full-service grocery store on the ground floor. The upper floor, which will be accessible via elevator, will house other small businesses that have been determined to meet the immediate needs of the Greater Hazelwood community.





Sarah Dixon Innovation Center Building Design Concept by StoreMasters

[\[sidebar\]](#)

## Design and Construction Partners

### Massaro Properties

As a fully integrated development company with more than 40 years of commercial real estate development experience in the Pittsburgh region, Massaro Properties is currently providing project management, site planning, and construction management services to the Sarah Dixon Innovation Center project. In addition to seeing this development through to a successful completion, Massaro Properties is

committed to providing the continued guidance GH-CARED and Hazelwood residents need to not only revitalize this one location, but also to pursue future developments that will help grow wealth and equity for the community.

### **StoreMasters and Ott Development**

GH-CARED is currently working with StoreMasters and Ott Development on the building design. As a one-stop, single-resource development, design, and construction services provider, StoreMasters and Ott Development have offices in Pewaukee, WI and Pittsburgh, PA and currently manage \$40-\$70 million in projects of all sizes and stages of design.

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### **Cooperative Model**

The property and businesses housed at the Sarah Dixon Innovation Center will operate as cooperatives – owned by the Greater Hazelwood community, the employees of the businesses, and their customers.

#### **Why a cooperative model?**

A cooperative is a **member-owned enterprise** that operates to achieve **collective economic, social, and/or cultural goals** whose governing decisions are made **democratically by the members**.

#### **Ownership, better wages, and equitable wealth**

- Better pay for workers – from 15% to 70% higher than typical meetings
- More control over working conditions
- Greatly reduced worker turnover (40%–60% reductions, typically)
- Dollars spent directly benefit the community
- Community resilience and pride in ownership

[\[sidebar\]](#)

### **Cooperative and Employee Ownership Partners**

#### **Pennsylvania Center for Employee Ownership (PaCEO)**

PaCEO assists businesses in the State of Pennsylvania in understanding employee ownership and its benefits. By educating business leaders, public officials, employees, members of the media, students, teachers, nonprofit leaders, consumers, and others and by providing access to various subject matter experts, PaCEO helps clients grow their businesses and support their communities by establishing employee stock ownership plans (ESOPs) and worker cooperatives.

#### **Keystone Development Center (KDC)**

KDC has been working with emerging, start-up, and established cooperatives and businesses throughout the Mid-Atlantic Region for many years by providing quality research and business development support, including education, training, technical assistance, and funding guidance. KDC's experienced team of cooperative and business development specialists support the establishment of various type of cooperative businesses from planning, through development and operations.

[\[sidebar end\]](#)

## Family Tree Food Market – A Community-Driven Approach to Food and Wellness

Family Tree Food Market seeks to reduce nutrition-related chronic diseases by reimagining the way the food industry meets the needs of communities like Greater Hazelwood. With the objective of building healthy neighborhoods and families through affordable, high-quality food offerings, Family Tree Market is more than just a grocery store. In addition to making fresh, healthy food accessible and affordable, Family Tree also offers an array of programs and services that promote health and wellness in a way that meets a community's unique needs.

Founded by Daniel Craddock and Khalid Morris, the Family Tree team brings extensive experience in multimillion-dollar retail operations, supply chain management, brand marketing, business development, change management, and in executing self-sustainable financial growth strategies in for-profit and nonprofit organizations.

In order to ensure the long-term success of the grocery store, Family Tree Food Market will partner with the community co-operative to manage operations for the first two-to-three years as part of a franchise agreement. During this time, Family Tree will provide the guidance, training, and operational management expertise required to successfully run the grocery store, so that the employees are well prepared to take the reins going forward.



## Meeting Equity and Community Development Goals

As with any large-scale development project, it is important to ensure consistent and continuous alignment with the project's original mission.

For the Sarah Dixon Innovation Center, that means ensuring that everything from planning through development, construction, leasing, and operations works to benefit the Greater Hazelwood community.

With this in mind, we are working closely with **Leaders of Change LLC** – deploying tools like the Minority, Women, Disadvantaged Business Enterprise (MWDBE) Advocacy Toolkit and the Equity and Sustainability Project Tracker – to evaluate and analyze every project decision.

Through this data-driven decision-making, we are confident that the Sarah Dixon Innovation Center project will serve as a model for equitable, sustainable community-led development – benefiting communities like ours locally, regionally, and across the nation.



## [Section 5 - Project Viability]

### Market Viability

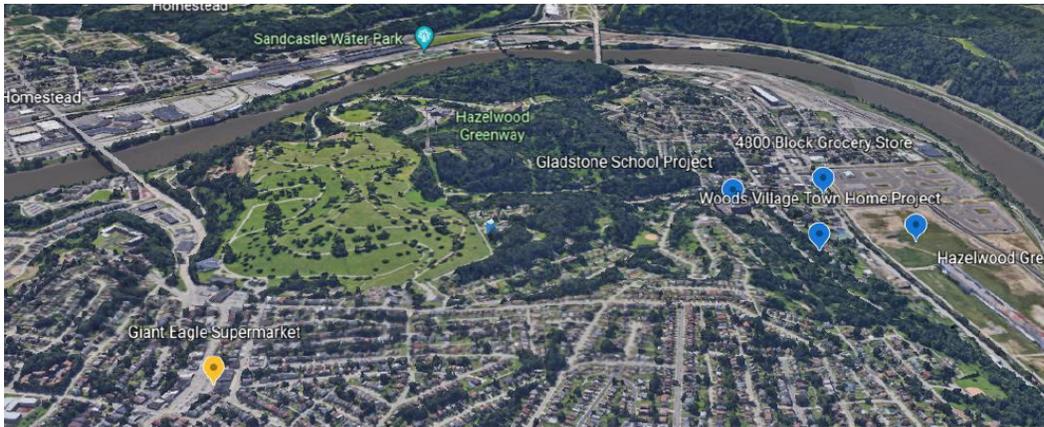
#### The Study

In order to establish the market viability of a grocery store in the Hazelwood Business District, P.O.O.R.L.A.W., GH-CARED, and the Development team for the Sarah Dixon Innovation Center commissioned a market viability study from Oak Moss Consulting & Associates.

The study contains forward-looking information, including demographics, new residential projects, and trends in the market for groceries and household goods. The study takes into account the following information:

- Greater Hazelwood community grocery store survey of 500+ conducted by P.O.O.R.L.A.W.

- Customer acquisition scenarios for the 15207 and 15217 zip codes as well as commuter through traffic from Second Avenue, SR 885
- 2020 Census data on demographic and income projections
- Impact on population projections set forth in the plans for upcoming developments, including Hazelwood Green, Woods Village, the Gladstone School Project, and housing developments across from the site being managed by Community Builders, City of Bridges, and Rising Tide
- Sample grocery store revenue models, purchasing power and other market viability characteristics like the anticipated spend/person
- Changing consumer shopping trends brought about by the COVID-19 pandemic



Map of New Housing Development Projects Adjacent to the Sarah Dixon Innovation Center Site As Well as the Closest Full-Service Grocery Store Locations

[call-outs]

**60% of consumers** would like to support local businesses and buy local products more

With so much new development being planned, the population of **Greater Hazelwood is projected to grow by nearly 150%** – reaching nearly 14,000 residents by 2040

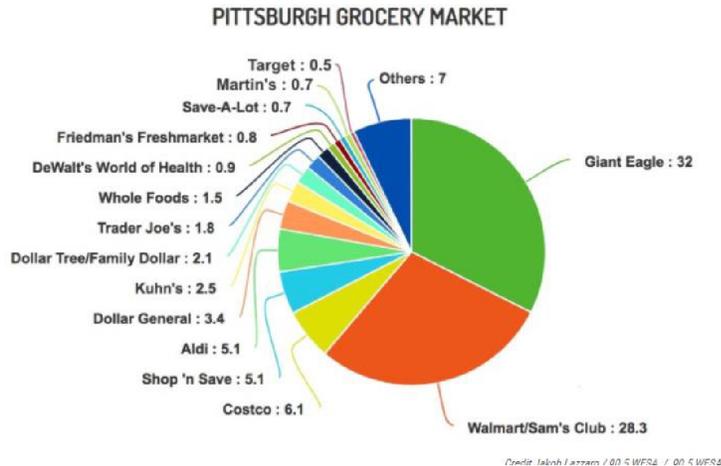
All new housing development projects are a 5–10-minute walk to the Sarah Dixon Innovation Center site

Nearly **80% of Greater Hazelwood residents travel all the way to Homestead, South Side, and even West Mifflin** – many using public transit or car services to get there.

[call-outs end]

For many years, Greater Hazelwood residents have been told that there are just not enough people in the community to support a grocery store. However, there has been little-to-no research to back up this assertion.

While there is a perception that stores like Giant Eagle and Walmart have monopolized the grocery store market, they each only account for roughly 30% of market share. The chart below illustrates the fragmentation and hence the opportunity for new independent stores with innovative concepts to capture and grow market share.



Pittsburgh Grocery Store Market by Brand, Jacob Lassaro, WESA.

It is important to note that the revenue necessary for a store to be viable differs greatly depending on the type and size of the store. Larger stores, such as Giant Eagle, Walmart, and Shop 'n Save, must create substantially higher customer spends on a square foot/week basis than smaller, more focused stores.

[\[sidebar\]](#)

### **Viability Test – \$12.75/Sq.Ft. revenue**

#### **The Fresh Market**

The Fresh Market, based out of Greensboro, North Carolina, “seek to open new stores with the following economics of \$12.0 to \$13.5 million per year.” According to the company’s public prospectus, its average store size is 21,000 square feet. The Fresh Market, which was profitable for the year end January 21, 2021, and for the 13-week period end May 2, 2021, generates between \$11.00 and \$12.35/square foot each week.

#### **Sprouts Farmers Markets**

Sprouts Farmers Markets, headquartered in Phoenix, Arizona, is another profitable publicly held grocery. Its average store size is 29,000 square feet, generating \$11.90/square foot each week.

The Fresh Market prospectus, July 16, 2021, Securities and Exchange Commission website, <https://www.sec.gov/Archives/edgar/data/1850030/000119312521217544/d123189ds1.htm>.

Sprouts Farmers Market 10-K Annual Report, Securities and Exchange Commission website, <http://pdf.secdatabase.com/1610/0000950170-22-001976.pdf>.

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### **The Results**

Given all the new housing developments on and around Second Avenue, a significant population increase in Hazelwood will create a thriving market for groceries and other necessities. With this projected influx for

population, the Hazelwood business district will revitalize and draw customers for shopping, hospitality, and other services.

In addition, the grocery market is going through a transformation with independent grocery stores innovating and gaining ground. Consumer tastes are changing, and online shopping is gaining traction. All this provides a unique opportunity for Greater Hazelwood to develop a grocery store designed and catering to the specific needs of the community.

With regards to the market viability the study concludes the following:

- Projected population growth will significantly increase the demand and the market size for groceries and household items in Greater Hazelwood
- Strategic location of the store on SR885/Second Avenue gives it a unique advantage with shoppers
- The store will be able to generate benchmark revenues within 2–3 years of opening, with reasonable market capture and will continue to improve financials in the next 5–10 years

To find out more, read the full market viability study [here](#).

## **Partner Organizations**

P.O.O.R.L.A.W. and GH-CARED would like to extend a heartfelt thank you to our partners on this project. In particular, we would like to thank the Urban Redevelopment Authority (URA) and The Heinz Endowments.

The URA granted us provisional site control over the South side of the Second Ave. 4800 block, it is also supporting us with continued guidance and feedback as the project evolves.

The Heinz Endowments has generously contributed \$49,500 towards funding the project's predevelopment activities, including design concept, market viability study, co-operative and employee ownership consulting, and marketing.

Logo cloud with the following logos:

[Urban Redevelopment Authority](#)

[The Heinz Endowments](#)

[City of Pittsburgh](#)

[Hazelwood Initiative](#)

[Massaro Properties](#)

[Oak Moss Consulting](#)

[D. Wells & Associates/Infinite Prosperity](#)

[Family Tree Market](#)

[StoreMasters and Ott Development](#)

[Pennsylvania Center for Employee Ownership \(PaCEO\)](#)

Keystone Development Center (KDC)

Nick Giannopoulos

DJS Ventures Inc.

True Spirit Property Management

Leaders of Change LLC

Four Mile Run Communications

Praise Temple Deliverance Church

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