

Tim Chapman and Gary Cha partner to bring organic groceries to low-income areas



Genet Demeyesus bags Kate Rondelli's purchases at a Yes Organic Market. Owner Gary Cha wants to build stores in low-income areas. (Jahi Chikwendiu/the Washington Post)

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They aren't the indicators that most organic grocers and apartment builders look for: above-average unemployment rates, below-average incomes and commercial corridors where boarded up storefronts are common.

But developer Tim Chapman and Gary Cha, owner of several Yes Organic Market stores, have formed a partnership based on a common belief they say trumps other data: D.C. residents, even those in neighborhoods hammered by the recession, will pay for easy access to fresh groceries.

With the partnership, created last month, Chapman and Cha plan to buy property in District neighborhoods that lack full-service grocery stores and build mixed-use developments featuring Yes markets. They plan to open five stores in coming years, with an eye on neighborhoods east of the Anacostia River, where Safeway has two stores and Giant one.

They met when negotiating a lease for Cha to open his seventh store on the first floor of Chapman's new 118-apartment building, the Grays on Pennsylvania. It's located across the John Philip Sousa Bridge from Capitol Hill, in the Fairlawn neighborhood of Southeast Washington. "He thinks a lot like the way I do," Cha said of Chapman. "Our whole concept is giving people more than they expect."

The Grays offers views of the Washington Monument and rent that is cheaper than most new buildings in the city -- \$1,155 for a one-bedroom, \$1,386 for a two-bedroom, all utilities included. About a quarter of the units are filled after a few months of leasing.

Chapman, who developed the Warder Mansion Apartments in Columbia Heights, wants this project to have the same feel. "This building has to be treated like it's on upper Wisconsin Avenue," he said. "There's no reason for it not to be."

The Chapman-Cha mission dovetails nicely with Mayor Adrian M. Fenty's goals of adding new residents and grocery stores. The city's Department of Housing and Community Development provided \$12 million in equity for the \$40 million project, which lowers the building's rents.

When Chapman struggled to get a retailer or restaurant that he wanted for the space (even after offering the space to Chipotle rent-free), he settled on a chain convenience store. But when he brought the letter of commitment to Fenty (D) and his economic development team, the city provided a \$900,000 grant to get a Yes store instead.

"It's good for health reasons, it's good for economic reasons and it's just good for our communities" when grocers come into under-retailed areas, said Valerie Santos, deputy mayor for planning and economic development.

The city counts 51 full-service grocery stores in the District, compared with 34 in 2000, growth that outpaces that of the population.

Santos said the city is willing to plug financing gaps for projects with a chance to attract quality retail stores. "Not all developers realize what's available if they work with us, and they may not even know what retailers they can attract," she said.

Opening organic grocery stores in the middle of a recession is not a sure bet, particularly in neighborhoods that struggle with poverty, according to Bob Gorland of Matthew P. Casey and Associates, which does feasibility studies for grocers looking to open in the District.

"If you go into the lower-income areas, whether it's grocery, nutrition or perishables, if you're in a higher-price zone you may have those people completely avoid your store regardless of how convenient it is," he said.

Cha hears the criticism frequently -- who can afford organic food these days? But customers who come to his stores using food stamps or welfare benefits, he said, "have just the same desire to eat quality food."