LIVINGSTON, ALABAMA

RURAL GROCERY STORE REVITALIZATION

Livingston, AL
Population: 3,192
County: Sumter

- Project Details: $800,000 CDFI loan for supermarket renovation
- Impact: Improved Food access in a rural, economically-distressed county; 10-20 jobs created

Livingston is the largest community in Sumter County and neighboring Greene County, and an economic anchor for the western part of the state. The University of West Alabama (UWA) in Livingston is Sumter County's largest employer and a major economic driver for Livingston. In 2018, UWA opened the University Charter School, the first rural charter school in the state. More than 70% of Sumter county's residents are black or African-American, and the charter school is the first truly integrated school to operate in the county for decades.

Like many rural places with a dispersed population and high poverty rates, Livingston has difficulty attracting and retaining quality retail, a challenge that began with the construction of the I-59, which pulled retail to larger markets. For about 20 years, a small Wal-Mart operated and dominated the retail sector, bringing jobs but also driving legacy retail in the historic downtown out of business. When Wal-Mart closed in 2005 to facilitate the opening of a Supercenter 30 miles away, it was an economic blow for Livingston, resulting in lost jobs and tax revenue. Fortunately, a grocery store called the Market Place opened two years later in the property vacated by Wal-Mart, and the locally-owned independent supermarket became a flagship store for Sumter and Greene Counties.

By 2020, the Market Place was clearly experiencing sustained decline, with sales revenue shrinking 30% between 2015 and 2020. Improving this store (and ensuring its survival) was important for retaining quality food access, preserving quality of life for residents of Sumter and Greene Counties, and ensuring continued tax revenue for the local community. The Market Place serves a broad geography where generational poverty, food insecurity, and poor health outcomes are sustained challenges for residents. Residents began regularly driving 30-50 miles to Demopolis, Tuscaloosa, and Meridian, MS, for groceries, meaning that those who couldn't travel were most impacted by the store's decline in quality.

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With a poverty rate of 36.4%, Sumter County is one of the poorest counties in the state, and nearly 20% of adults and 32.5% of children in the county experience food insecurity. 23% of residents receive SNAP benefits, according to data compiled by Alabama Possible.

A partnership between UWA's Division of Economic and Workforce Development and statewide economic development entity Opportunity Alabama (OPAL) focused on developing a data-informed strategy to stabilize the store. Although Livingston was seeing high rates of retail leakage to surrounding communities, the Market Place still remained the most frequented local grocery store for residents of Livingston, claiming far more of the local market than a local CashSaver and two discount dollar stores. With this data, the team reached out to regional grocers seeking a new owner for the Market Place; ideally, one capable of addressing deferred maintenance and returning the store to profitability.

In 2021, the Market Place was purchased by Mitchell Grocery Corporation, a family owned business based in Albertville, AL, attracted by the potential to capture a portion of Livingston's nearly 40% retail leakage. Mitchell made initial investments to expand inventory, hire staff, and make modest equipment upgrades. To secure gap financing for renovations and equipment upgrades, OPAL introduced the project to HOPE Credit Union, a Community Development Financial Institution (CDFI) based in Jackson, MS with an explicit commitment to invest in underserved communities in the Deep South. OPAL helped Mitchell develop the materials needed for underwriting, a process that concluded with HOPE closing on a zero interest loan in 2022. This investment was critical to making revitalization of the Market Place financially viable, and the store is projected to return to profitability within 3-5 years. This project shows how a regional banking system with CDFIs committed to equitable lending can play a critical role in making independent grocery stores a value proposition for communities overlooked by national or regional chains.