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Arena Hotel Going Up, But Plans For Supermarket Fall Apart

Kuhn's No Longer Interested In Hill District Grocery Store

POSTED: 10:33 am EST November 18, 2009

UPDATED: 6:43 pm EST November 18, 2009

PITTSBURGH -- While one aspect of the planned development around the Pittsburgh Penguins' new arena took a step forward Wednesday, plans for a grocery store up the street as part of a community benefits agreement have stalled.



A groundbreaking ceremony was held for a seven-story [Cambria Suites Hotel](#) that will be built on Centre Avenue across from Mellon Arena. The hotel site is located between the construction site of the Consol Energy Center and the high-rise Washington Plaza Apartments.

Penguins CEO Ken Sawyer was at the ceremony with local politicians and hotel officials. The project should be finished around the same time the new arena will open in the middle of 2010, and it's a key step toward reshaping the Centre Avenue corridor into a new gateway between the Hill District and downtown.

"We wanted more than a facility for civic activity and the Penguins," Allegheny County Chief Executive Dan Onorato said. "We wanted to redo an entire area for the city and county, and this is the start of that."

Meanwhile, plans have been dropped to build a Kuhn's grocery store that was intended as an arena-related community benefit just a few blocks up Centre Avenue in the Lower Hill District.

"We, as an administration, are committed to making sure something happens with the grocery store in the Hill District, and we will not back off that position," Mayor Luke Ravenstahl said.



Kuhn's Market

Kuhn's beat out [St. Louis-based grocer Save-A-Lot](#) for \$2 million in subsidies to build a store on Urban Redevelopment Authority land at the corner of Centre Avenue and Heldman Street, next to an existing shopping plaza that includes a PNC Bank. The deal was part of an agreement intended to improve the area around the Penguins' new arena.

"We wish Kuhn's would have followed through, but they're unable to," said Carl Redwood, of the [One Hill CBA Coalition](#). "We do have other operators who are interested and the process still moves forward."

While Ravenstahl echoed Redwood's sentiment, he couldn't speculate on a possible time frame.

"I will tell you that City Council just introduced another legislation yesterday that will potentially make it more difficult for an operator to come in," said Ravenstahl, referring to the prevailing wage legislation. It would require any business receiving at least \$100,000 in city subsidies to pay its workers the city's average going rate for each job position.



City Councilwoman Tonya Payne, who represents the Hill District, told Channel 4 Action News that she still has hopes for Save-A-Lot. She said the discount grocer never lost interest in the area, even after the URA chose Kuhn's instead.

Kuhn's advertising director Dan Sakala told WTAE's news exchange partners at the Pittsburgh Tribune-Review that the company's decision not to build was due to a health issue, but would give no further details. According to a URA spokeswoman, one of the owners of Kuhn's has cancer.