

Grocery Store Update.

The City of Cudahy Department of Economic Development and the Office of the Mayor would like to provide our community with an update on the efforts of obtaining another grocery store in our community. For a period of over five years, the City has continued efforts to add additional grocery store choices for our residents, to no avail. With the closing of Pick N Save by Kroger, we have increased our efforts and I would like to share the results so far. There are obstacles we have to overcome, the oversaturated grocery market in the Milwaukee area, as well as the trend which continues to grow in online grocery purchasing.

During the month of March, the city has been in contact with 10 different national and state owned grocery chains, as well as commercial brokers throughout the state of Wisconsin in our attempts to obtain another store. To date, four of the ten chains have flatly rejected our invitation to meet due to over saturation of the market place, no current expansion plans, or other reasons which were not shared with us. We continue to follow up with those who have not responded in an

attempt to get another grocery store in this site, or other location in the city.

According to the Food Marketing Institute and Nielsen, “E-Commerce is poised to disrupt the grocery marketplace, with online grocery sales expected to grow from 3 percent of all grocery sales in 2017 to 13 percent by 2024. To compound matters, we have seen announcements from grocery retailers such as: Kroger looking for a partner to compete with Amazon in the online grocery business, , Kroger teaming up with Ace Hardware in 300 stores in the US to provide you with groceries and hardware under one roof, Kohl’s Department Store partnering with Aldi’s in new stores with both companies in the same building, Meijer announcing a new brand of smaller 39,000 square foot “bridge street market” selling groceries only in their new smaller stores, and locally one community providing a \$525,000 environmental tax increment financing incentive to a developer for environmental cleanup of a site to obtain a grocery store.

While listed above are just a few of the competitive challenges to get a grocery store, we continue to pursue all efforts to get a grocery store back in Cudahy. Other communities such as River Hills, Fox Point, and South

Milwaukee either do not have a grocery store within their borders, or in South Milwaukee's case, had a period of time without a grocery store in their community.

As we were working on preparing this update on our community, more changes occur within our local area in relation to the closing of grocery stores. According to the Milwaukee Business Journal article published April 12th, Sendik's Food Market is closing a 42,000 square foot grocery store in West Milwaukee that was opened less than two years ago. According to the article, "Despite a lot of hard work, ongoing investments and the existence of many intangibles that brought us to this location originally, we simply aren't seeing the customer traffic and results to warrant continued operation", said co-owner Ted Balistreri.

I want to reassure our residents that your local government is doing everything we can to get a grocery store back in our community. While years ago this would be considered an easy task, in today's competitive and oversaturated grocery market, this task may take us longer.

Mayor John Hohenfeldt

City of Cudahy