

The month of March has been a month in Economic and Business Development where the City of Cudahy has seen the highs and lows. The attitude of our local government has been, and will continue to be to create an environment that retains existing businesses and attempts new businesses in a business friendly environment.

On March 22<sup>nd</sup>, ATI Cudahy Operations announced a major \$95 million dollar investment in equipment which will retain current jobs, and add 125 more good-paying manufacturing jobs here in Cudahy. The impact on our community is that it creates good wages and employees with higher income to shop at and support our local businesses. Some of those new employees may be Cudahy residents, or decide to purchase a home in Cudahy.

In early March, our local grocery store, Pick N Save, announced the closing of our one grocery store in the community. While other communities like River Hills and Fox Point do not have a grocery store in their community, other communities like South Milwaukee have faced this in the past. The over-saturated grocery and retail market continues to change, and according to Kroger, the store location did not generate enough in sales and profits to stay open.

Our Department of Economic Development along with the Mayor, have for years been attempting to attract an additional state or national grocery chain in our community. Upon learning the fate of our local Pick N Save, we have ramped up our efforts with other grocery providers and brokers to bring a grocery store back into our community—either at this site, or another site in the community. We have and will continue those efforts for our residents.

While we can control the amount of effort our local government can put into these efforts, we *cannot* control several factors in the retail and grocery market place. Here is a partial list of some of the changes in the grocery industry that have been announced, just during the month of March.

The day after the announcement in Cudahy on February 28<sup>th</sup>, Kroger Corporation announced that they are looking for a partner in the business to take on Amazon in the online grocery business. The next day Kohl's Department Store announced that they are partnering with Aldi's to put smaller grocery stores in their new smaller Kohl's stores. A week after the closing announcement, Kroger announced a new partnership with Ace Hardware in 300 stores in the US to provide hardware

and other items, in a grocery store. Two days later, Meijer, the big box retailer, announced the creation of a new concept of a 39,000 (1/3 the normal size) “bridge street stores” just specializing in groceries in smaller city markets.

Locally, the City of Oak Creek announced a \$525,000 Tax Increment District award on a development site in Oak Creek to attract an Aldi’s store, and another retail (yet to be named) building. The next day, Walmart announced they will deliver as little as \$30 in groceries for a nominal service fee.

To round out the week, the Food Marketing Institute and Nielsen, project that the e-commerce grocery marketplace for grocery sales is expected to grow from 3% of sales in 2017, to 13% of all grocery sales by 2024. Many of our local grocers currently have services where you can purchase your groceries on line, and never leave your car to pick them up. Additionally, we continue to watch the new flood of announcements of grocery chains partnering with delivery services to bring your groceries to your house.

Watching the ever-changing market, it reminds me of when I was a child growing up in Cudahy. Twice a week, the milkman delivered milk to my house. It appears that the grocery business is heading in that direction, but it will not stop us in our efforts in trying to attract a “bricks and mortar” grocery store.

The City of Cudahy and our local government remains committed to finding a local grocery store, and is attempting to attract other retail businesses to our community during these ever-changing times.