

Urgent Support Needed:

Help Us Bring a Full-Service Grocery Store Back to Cedar-Fairmount

March 20, 2024

Dear Cedar-Fairmount Community,

I write to you today with a sense of urgency and a plea for your support in a matter that affects us all deeply: the restoration of a full-service grocery store to our beloved Cedar-Fairmount neighborhood.

We knew thirty months ago in the fall of 2021 that Dave's Market would be closing its doors at Cedar-Fairmount. Immediately, we embarked on a comprehensive plan to replace Dave's by hiring a well-credentialed, top-tier supermarket research consultant along with other professional marketing consultants. Also top-of-mind for us was the reality that our building is 100 years old and not configured for today's formats; we do not have a way to provide ground level dock access; and operators do not want a basement or a mezzanine - they want higher ceilings, fewer columns and less constraints.

We want you to know exactly what we've been doing over the last thirty months, who we've talked to, who we've walked the site with and what's been said:

1. **Heinen's** was at the very top of our list and since our families have a long-standing relationship and mutual respect, we were able to quickly begin constructive negotiations to bring Heinen's to Cleveland Heights. In July 2022 we had all but secured a \$2 million dollar Vibrant Community grant for Heinen's when the City of Cleveland Heights abruptly withdrew their support in order to preserve that grant for its Taylor Tudor project. Despite that setback, we modified our proposal to Heinen's by including a \$3 million dollar incentive in the form of upfront cash and free rent.

As our discussions with Heinen's intensified, Rite Aid came to the plate with an offer to put a 2000 square foot pharmacy inside Heinen's. With that good news, we immediately retained the services of Bialosky Architects, one of the best-known and most-awarded design and architecture firms in N.E. Ohio, to design the Rite Aid within Heinen's. Some of Bialosky's best-known projects include the new Van Aken District and Cleveland Metroparks' Edgewater Beach House. We also engaged Bialosky to generate floor plans, site plans, truck circulation and delivery access plans and we hired a structural engineer who developed detailed plans for the demolition of the mezzanine. Much to our delight, Heinen's was 100% on board with this.

Despite all of these efforts, Heinen's passed on our proposal, telling us that the amount of money they would still have to spend to retrofit our small-footprint store would be similar to building their larger prototype from the ground up in Chicago, and that the upside in Chicago versus the upside at Cedar-Fairmount made for an easy decision.

2. **Trader Joe's** was second on our list and by December of 2021, we were talking to them in earnest. Those discussions intensified in early 2023 when they passed along the word to us and to others in the real estate business that the Heights area was a priority for their next store in order to take pressure off their Woodmere location. We put together an offer rich with incentives and tailored exactly to their needs. I am 100% positive that our location and proposal was better than anything else they were considering in the Heights. Without a doubt, Trader Joe's knew there was extraordinary support and excitement from our community. I want to say thank you to all of the residents and so many people at City Hall who went out of their way to let Trader Joe's know how much they were wanted.

But in August of 2023, much to our disappointment, we received the following message from Trader Joe's. *We are going to pass on this site. The feedback is that the access is poor, not enough of our typical customers are in the area and that we would rather be in or closer to Shaker Heights or University Heights.*

3. **Buehler's** Visited - "Too far from our other stores."
4. **Plum Market's** Visited - "Not interested in Cleveland at this time."
5. **Aldi** Visited – Pass.
6. **Amazon Fresh** Visited - Pass.
7. **Produce Place** Visited – Pass.
8. **Marc's** Visited – Pass.
9. **Miles Market** Pass. "Not ready for second store."
10. **Fresh Market** Pass.
11. **ACME Markets** Pass. "Too small."
12. **Fresh Thyme** Pass.
13. **Giant Eagle** Pass. "Too small."
14. **Discount Drug Mart** Visited - Pass.
15. **Rite-Aid** Pass.
16. **CVS** Pass.
17. **Walgreens** Pass.
18. **Sun Plum** Pass.
19. **Sanson Produce** Pass.
20. In November of 2022, while we were working hard on wooing Trader Joe's, **Grocery Outlet** emerged as a beacon of hope. Frankly, I wasn't familiar with them. But I have since learned they have 500 stores -- and 10 percent annual growth. While their name may not carry the same familiarity as Heinen's or Trader Joe's, their commitment to quality, affordability and community engagement is unwavering. They're also in the same markets as Whole Foods and Trader Joe's. Given my own background in the grocery business, I spent time in one of their stores nearest to Cleveland, in Boardman, Ohio. With a critical eye, I walked their aisles, I looked at the selection they offer and I carefully examined their prices, comparing what I saw there with what I see at Heinen's, Trader Joe's, Giant Eagle and others and I will tell you – I was very much impressed. I'm told other Cleveland Heights people have gone to Boardman to see the store for themselves and others have done additional research – and all have reported back that the Grocery Outlet people run a good operation.

Now, at this moment, we have an offer from Grocery Outlet to build a \$5 million dollar store inside the old Dave's space, with new electrical, plumbing, heating/ventilating and air-conditioning. In my opinion, they would be a fine addition to the Cedar-Fairmount neighborhood.

Let there be no doubt – our efforts to fill the old Dave's space with the best possible tenant have been unceasing and thorough, even if it meant greatly diminishing our rental cash flow.

As of today, that space has been empty, generating no rental dollars since October 25, 2022. We have a willing partner, right now, with Grocery Outlet. In the interest of transparency, I will also share this with you. With the contract from Grocery Outlet that's on the table right now, the Dave's space will generate half the rent it did in 2013. We are willing to accept that. However, given the continued rise of property taxes and inflation, the lease package in front of Grocery Outlet simply isn't sustainable without upfront assistance from the city.

Despite our enthusiasm and optimism for this partnership, here's where things stand right now: regrettably, the City of Cleveland Heights has not committed to providing the financial support necessary to make this vision a reality.

We understand the complexities and limits of municipal budgets and that there are many other worthy priorities around the entire city, but we firmly believe the benefits of a full-service grocery store extend far beyond economic considerations. If we are forced to abandon the neighborhood grocery store use, which has been a part of this community for 92 continuous years, it will have significant negative consequences over time for one of the premiere gateways to our city.

We also did one more thing we hope you agree merits mention. Had we not built the new, lushly landscaped 64-car parking lot behind the Firestone station, you can be certain that none of the grocery stores would have even returned our phone calls.

For the last 92 years, my family has owned and operated the Cedar-Grandview Building at Cedar & Fairmount. We have done our best to be good members of Cleveland Heights by taking care of both the inside and outside of our buildings and by helping tenants like Luna, Barrio and The Fairmount survive and thrive. By the way, you may find it interesting to know that those three businesses have each invested more than \$1 million dollars in their respective spaces – and they are a small fraction in size compared to the former Dave's space. I hope that everyone reading this letter knows that my family's relationship with Cleveland Heights is symbiotic in every way.

Our dedication to the Cedar-Fairmount district extends beyond financial interests and I want the community to know this as well: we understand and share the concerns of some residents regarding the connotations of the term "Outlet." We promise that we'll do everything possible to make certain that the outside presentation of this grocery store is done in a tasteful manner that upholds the traditions and aesthetics of this building and of our historic neighborhood.

At this critical juncture, we are indeed at the 11th hour. We've exhausted every possibility to find a full-service grocery store for this location – and we implore you to lend your help and support by contacting City Hall to tell them of your support and urging them to reconsider their stance and allocate a \$1 million subsidy to support this endeavor. Your voices carry immense weight in shaping the decisions of our city leaders.

In closing, I extend my sincerest appreciation and heartfelt gratitude for your time, your feedback and your unwavering and continuing support. With your help, we can bring a full-service grocery store back to Cedar-Fairmount. Please – contact our City Hall leaders below and let them know we need their help, too.

Thank you for standing with us.

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