

Grocery stores are essential to the survival of rural communities. Stores such as Dollar Tree and Dollar General are replacing full-scale conventional grocery stores nationwide. This is a problem because they lack offering nutritious food and as a franchise, many are not long-term sustainable community partners. In 2004, one of two grocery stores closed their doors in Prosser. The community gradually became dissatisfied with the one remaining store in town. For these reasons, Prosser EDA's Business Recruitment and Expansion (BRE) Committee focused efforts to bring in an additional grocery store.

Roundtable discussions with key employers linked a quality of life issue to the lack of a second grocery store and found it to be a stumbling block to living/working in Prosser. Other surrounding communities had grocery stores that were favored, making it difficult to recruit talented/skilled labor.

The BRE Committee worked with the existing grocery store to address concerns by creating a survey to gauge grocery preferences. Survey results revealed some disturbing facts of grocery leakage. Work began to improve communications and build relationships with the owner. During this phase, the grocery owner paved the parking lot, installed freezers, updated produce and meat departments and made outside façade improvements. It was estimated an investment of well over \$1 million was spent on renovations. While this was an economic win for the community, it still was not to the degree envisioned. Recruitment efforts were stepped up by connecting with a grocery distributor. This partnership helped finance a retail analysis study supporting critical data validating the recruitment effort.

Timing is everything in economic development. By May, 2019, a 28,000 sq ft. Shopko building became vacant creating more incentive and opportunity. The building/property owner, an investor from California, was connected to the grocery distributor who had found an interested buyer. After several conversations, no agreement was reached, and communications broke down. Soon after, the building/property owner was approached by a type of grocery franchise business. While this business would have been good for Prosser, it wasn't a full-scale, conventional grocery store that would reinvest in the community or necessarily be long term. The owner was signing papers with the franchisee the next day. When the BRE Committee heard this news, they quickly responded by scheduling a conference call with the owner prior to signing any papers. Conversations passionately expressed by the BRE Committee changed the owners mind. Discussions resumed with the grocery distributor and their interested buyer. On June 14, 2019 (approximately 45 days after the closing of Shopko) a purchase and sale agreement was signed.

Lep-Re-Kon Harvest Foods, owners Joe and Timo Montemayor purchased their sixth grocery store in eastern Washington. The \$10 million investment calls for an extensive renovation of the five-year-old building into an attractive, full-scale conventional grocery store creating 50 jobs, minimizing grocery leakage and offering fresh and nutritious food for sustaining a healthy community. This successful recruitment effort is scheduled to open Summer of 2020.