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## New grocery stores sprouting in Southwest Florida giving shoppers more choices

By *Laura Layden*



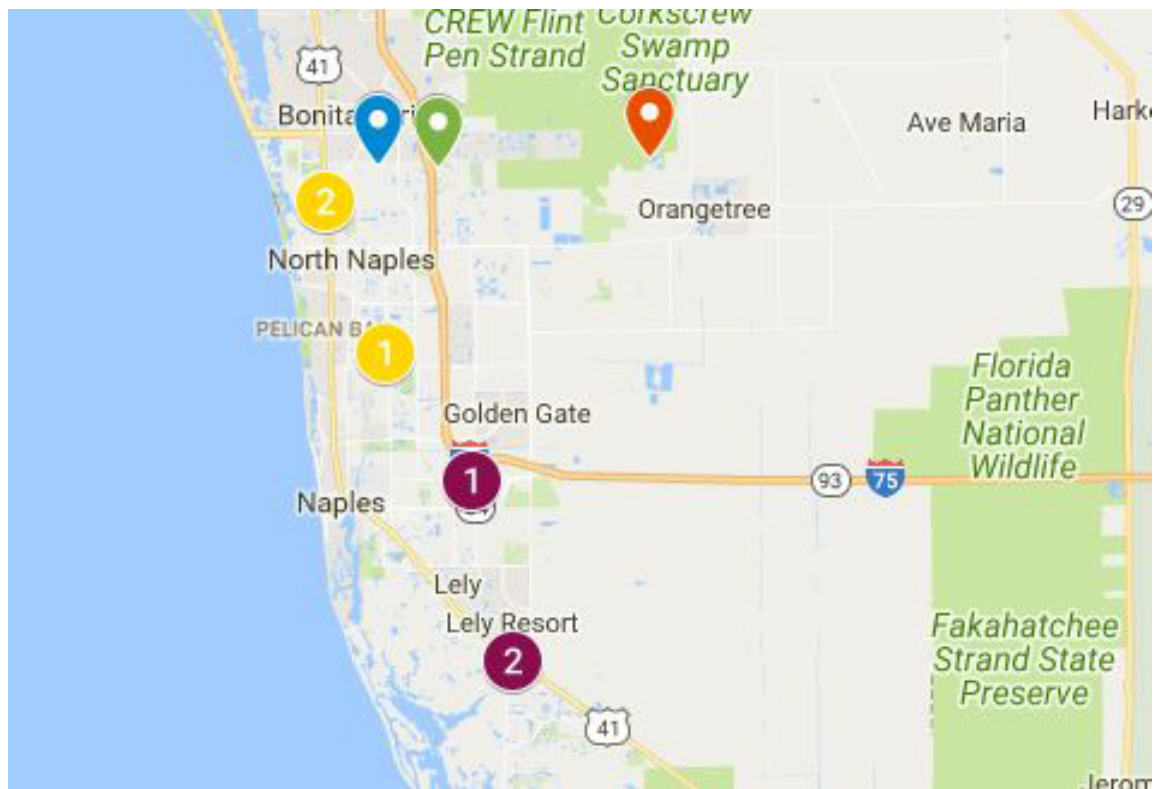
*Photo: Nicole Raucheisen/Naples Daily News)*

A run for groceries isn't as simple as it used to be in Southwest Florida. There are now a dizzying number of choices of where to shop for food — and there are more stores coming soon.

The Sunshine State has more grocery stores than ever, and Southwest Florida is following that trend.

While grocery stores are shrinking in most parts of the country, with store openings down nearly 29 percent nationwide last year, they're growing in Florida, according to a recent report by real estate brokerage firm JLL.

Last year the square footage of grocery space in Florida grew by 6 percent, up from nearly 5 percent in 2016, JLL reports.



What's driving the expansion? Several factors, from population and job growth to changes in lifestyle.

"We've changed our lifestyle," said Bill Young, a retail expert and senior associate with CRE Consultants in Naples. "We've gone from fashion to food over the last 10 years. Fashion is out, and food is in."

In Collier County, new locations are in the works for such niche grocers as Aldi, Lucky's Market and Sprouts Farmers Market.



Lucky's Market in the Naples Town Center draws a crowd for its grand opening. The East Naples corridor is experiencing a boom in retail construction and redevelopment.

*(Photo: Lance Shearer/Special to the Naples Daily News)*

For Sprouts, one of the fastest-growing retailers in the country, a planned store at The Landings at Logan, on the corner of Immokalee Road and Logan Boulevard in North Naples, would be a first in the county.

After opening its first store in Collier County on Naples Boulevard in North Naples in November 2016, discount grocery store chain Aldi plans its second and third locations in East Naples.

Meanwhile, Oakes Farms' much-anticipated Seed to Table — a first-of-its-kind local concept — is expected to open late this year at Immokalee and Livingston roads, also in North Naples.

“That's supposed to be a whole new way of grocery shopping in Collier County. So it will be interesting to see how that works,” said Collier County Planning Commission Chairman Mark Strain, also the county's chief hearing examiner.





*The Oakes Farms Seed to Table grocery store, as seen on Thursday, April 12, 2018, is targeted to open its North Naples location in late 2018. (Photo: Nicole Raucheisen/Naples Daily News)*

While more shopping has moved online, including grocery shopping, customers still like to pick out their own fruits, vegetable and meats — and some food can't be purchased on the internet, giving consumers good reason to go to the supermarket.

“Grocery stores sell perishable items,” Strain said. “That's really hard to do over the internet.”

Grocery stores that sell prepared meals, to either eat on-site or to take home, are also a big draw for busy professionals and families.

In Southwest Florida larger, more dominant chains, such as Publix and Walmart, are expanding their footprint too. They're opening new stores and upgrading older ones here and across the state.

The 19th Publix in Collier County opened in March 2017 at Neighborhood Shoppes at Orangetree on the corner of Immokalee Road and Randall Boulevard.

Over the next year, Walmart expects to spend \$200 million in Florida on new store openings and remodels — and innovations designed to help customers save time and money. The spending won't include any new stores in Southwest Florida, but a remodel is in store for the Walmart Supercenter at 5420 Juliet Blvd., off Immokalee Road at Interstate 75 in North Naples.

“Customers have told us they want the convenience of shopping how, when and where they want. And, here in Florida, we'll achieve that by building on the momentum we had last year, accelerating the roll-out of customer-centered innovations, creating more than 1,000 jobs this year alone, and maintaining a sharp focus on improving our store experience,” Elise Vasquez-Warner, a vice president and regional general manager for Walmart in Florida, said in a statement.

Last year Walmart added stand-alone liquor stores to some of its supercenters, including two in North Naples.

Improvements to the Walmart store on U.S. 41 East, near the Collier County Government Center, one of the oldest in the county, are proposed too, including a remodel and expansion, according to plans submitted to the county.

Another grocery store is in the works on the east side of Collier Boulevard, near U.S. 41 East, that would be part of the Fiddler's Creek resort community, near Marco Island, Strain said. The developer's representatives have told neighbors it will be a “Florida local store” and would be part of a 70,000-square-foot shopping area, according to pre-application notes from a meeting with county planners.

More food stores out east are beneficial, helping alleviate traffic by bringing services closer to residents, Strain said. That's why Publix was such a welcome addition when it opened in Ave Maria in 2009, he said.

Generally, residents have welcomed new grocery stores, especially the niche ones that offer different products and experiences. From Strain's experience at his neighborhood Publix and at Costco, which are both extremely busy, he sees the need for more grocers, not fewer.

In Lee County the anticipated arrival of the first Whole Foods Market has created a lot of buzz. The natural and organic foods supermarket will open a 45,000-square-foot store at a new shopping plaza under construction at the northwest corner of Daniels and Six Mile Cypress parkways later this year.

Last year a new Publix opened at the Sky Walk Shopping Center at Daniels and Paul J. Doherty parkways, between Gateway and Southwest Florida International Airport.

Aldi now has three stores in Lee County, with another planned for Estero.

"Across the country, the grocery landscape is experiencing a perfect storm of price pressures, heightened competition and increased expectations from shoppers," said Chris Hewitt, Aldi Royal Palm Beach division vice president. "Aldi has set the standard for quality and affordability for more than 40 years. Our innovative business model and ever-evolving selection of private-label foods means we have a built-in formula that works in any environment."

When choosing Aldi locations, a variety of factors are considered, including population density, property costs and traffic patterns, he said.

"Rising demand for Aldi is fueling significant expansion as growing numbers of smart shoppers are discovering that they can save time and money at Aldi without sacrificing quality," Hewitt said.

Colorado-based specialty grocery chain Lucky's Market is growing in Lee County too, with leases recently signed for stores in Bonita Springs, Cape Coral and Fort Myers. The stores are anticipated to open over the next 18 to 24 months.

Lucky's, which has 28 locations across the country, expects its total store count to grow to more than 40 by the end of the year.



*Lucky's Market opened in January 2016 on U.S. 41 East in East Naples. The grocery chain plans to open two locations in North Naples. (Photo: Lance Shearer/Special to the Naples Daily News)*

In Collier County two more Lucky's stores are slated to open this year: in the Promenade at Naples Centre on the corner of Naples Boulevard and Airport-Pulling Road, and in Gateway Shoppes at North Bay on the northwest corner of Wiggins Pass Road and U.S. 41 in North Naples. They'll employ 140-150 people.

Todd Kerscher, store director at Lucky's Market in East Naples, said he's well aware of the growing competition in Collier.

"The retailing landscape is changing dramatically," he said. "Obviously the announcement of Amazon purchasing Whole Foods has raised everybody's eyebrows."

Lucky's Market focuses on creating a culture and an environment that celebrates food and allows people to have fun.

"We've got to get people to laugh while they push a grocery cart," Kerscher said.

The grocer offers a "Sip 'n Stroll" program, for example, where customers can grab a pint of beer or a glass of wine while they shop and enjoy the entertainment of live musicians.

"It takes the dreaded task of grocery shopping and makes it an experience," Kerscher said.

As many large retailers around the nation have closed due to more competition from online retailers, grocers are taking advantage of the casualties by moving into the vacant spaces left behind by such giants as Sports Authority and Toys R Us.

"The advent of online retailing is a very viable competitor," Kerscher said. "We have a belief that retail is not dying; we think boring retail is dying."

Some of the niche grocers that are growing in Florida, such as Earth Fare and Lidl, a direct competitor of Aldi, haven't reached Southwest Florida.

Earth Fare, a specialty organic and natural foods grocer based in Asheville, North Carolina, could arrive soon, with plans to open as many 10 stores between Tampa and Fort Myers. The retailer has eight stores in Florida — and when it celebrated the grand opening of its 46th location in Lakewood Ranch in January, more than 800 shoppers lined up before 7 a.m. to be among the first inside.

Not all grocers in Florida are expanding.

Last month Winn-Dixie's parent company, Southeastern Grocers, announced it would close 94 underperforming stores in Southern states — including three in Southwest Florida — as part of a bankruptcy reorganization plan.

The local Winn-Dixies that will close — all former Sweetbay locations — are in south Fort Myers, San Carlos Park and Bonita Springs. They're expected to go dark by the end of April.





*After opening its first area grocery store on Naples Boulevard in North Naples in November 2016, Aldi plans its second and third locations in East Naples. (Photo: Tim Aten/Naples Daily News)*

None of the stores on the chopping block are in Collier County. One Winn-Dixie — at the Mission Hills shopping center near the corner of Vanderbilt Beach Road and Collier Boulevard — is temporarily closed and under repair after serious damage from Hurricane Irma.

For Winn-Dixie, it's tough to compete against the "800-pound gorilla" that is Publix, said Gary Tasman, a commercial real estate expert and broker with Cushman & Wakefield Commercial Property Southwest Florida.

"Where you are seeing them close, it's mostly because they are in submarkets and trade areas where they weren't able to successfully compete," he said. "There is not enough differentiation and value proposition to compete against Publix in every submarket."

Southeastern Grocers has converted some of its Winn-Dixie stores to its Latin-flavored market called Fresco y Mas, which translates to "Fresh and More." The concept hasn't come to Southwest Florida yet, but two locations recently opened in Tampa.



[Faith Hope Consolo](#), a national retail expert and chairwoman of Douglas Elliman's retail leasing, marketing and sales division in New York, said the country's obsession with food will continue to drive growth in the grocery store segment. It's driven in part by millennials, who have a love for natural, organic food and a craving for unique experiences.



Faith Hope Consolo, a national retail expert and chairwoman of Douglas Elliman's retail leasing, marketing and sales division. (Photo: Courtesy/Douglas Elliman)

"For them it's all about food," Consolo said. "They spend most of their income, most of their disposable income, something like 70 to 75 percent, on food — all kinds of food, delivery, grocery and dining out."

Thanks in part to the growing demand from millennials, organic food sales in the U.S. grew 9.8 percent in 2017, according to JLL.

In 2017 many brands in the grocery arena "took a step back to examine existing footprints and reevaluate company strategies," JLL reported.

"Grocers that saw success in 2017 focused on the shopper experience by offering fresh, healthy and affordable products, elevating brand loyalty through private labels, and investing in digital platforms," the brokerage firm concluded.

Despite significant investment in digital and e-commerce platforms, "only 5 percent of people are even interested in shopping for groceries online, and online penetration for the sector is incredibly low at 0.8 percent," according to JLL.

While grocery stores have been contracting in most parts of the country, states such as California, Virginia, North Carolina and Texas have experienced even more growth than Florida.

JLL reported the leading state, California, saw nearly twice as much grocery space built last year than Florida did — at 1.6 million square feet.

Consolo expects the grocery store expansion to spread to more cities and states as more consumers demand what's fresh and current.

"We are going to see more of it," she said. "In my travels I'm seeing it in Washington, D.C. I'm seeing it in Philadelphia. I'm sure it's going to crawl into Boston and Chicago as well."

Daily News reporter Jennifer Beeson and News-Press reporter Casey Logan contributed to this story.