

Eric D. Batista
City Manager



City of Worcester

October 21, 2025

Attachment for Item #10.4 A

TO THE WORCESTER CITY COUNCIL

COUNCILORS:

I respectfully submit the enclosed informational communication in response to recent City Council orders relative to grocery stores, as received from Peter Dunn, Chief Development Officer, and forwarded for the information of your Honorable Body.

The Executive Office of Economic Development and Division of Public Health have been meeting with community partners, including the Center on Food Equity, the Coalition for a Healthy Greater Worcester, the Worcester County Food Bank, UMass Memorial Health – Community Health and Caregiver Belonging, along with residents and other stakeholders, to try and address the need for increased access to grocery store options in the community. While we recently celebrated the grand opening of Seabra Foods on Pleasant Street, continuing these efforts to improve food access is needed to address our community needs, particularly in neighborhoods impacted by recent store closures.

The attached report includes context around areas of low-income, low-access and current industry trends impacting grocers across the country, and it highlights three alternative models under discussion: non-profit, cooperative, and municipal. The working group has also developed a community engagement plan for additional insight. My Administration will continue to explore all avenues to expand access to affordable groceries.

Respectfully submitted,

Eric D. Batista
City Manager



The City of Worcester

Executive Office of Economic Development
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TO: Eric D. Batista, City Manager
FROM: Peter Dunn, Chief Development Officer
DATE: October 21, 2025
RE: Transmitting Informational Communication Relative to Grocery Stores

I write to provide this report in response to the following City Council orders from the July 15, 2025 meeting:

Request City Manager provide City Council with a report defining food deserts.

Request City Manager provide City Council with a report concerning efforts to bring additional grocery stores to the city.

Request City Manager work with community partners, as well as the city's State and Federal delegation to explore the feasibility of creative grocery store solutions to expand access to affordable groceries within the city.

Center on Food Equity/Worcester Community Food Assessment

The Center on Food Equity is a cohort of community individuals, front-line providers, research, and community partners that are working together to reduce hunger in Worcester County. The Center serves as an umbrella structure for three intersecting coalitions: The Worcester Food Policy Council, The Central Mass Supplemental Nutrition Assistance Program (SNAP) Coalition, and the City of Worcester Taskforce on Food Security. The Center and the work of the coalitions are being funded by Worcester County Food Bank as part of its advocacy program.

The Center on Food Equity commissioned the Worcester Community Food Assessment report, which was released in 2024 and shared with the City Council, along with other engagement channels throughout the community. I encourage anyone interested in this topic to review the full, comprehensive report at: <https://centerfoodequity.com/cfa/>

The Assessment focused on gathering and analyzing the lived experience of residents with regard to food security, access, shopping patterns, and utilization of nutrition assistance programs. Among other insights, the Assessment revealed some key findings that food

insecurity is rising, and over 50% of residents surveyed said they struggle to find food, cannot keep enough food at home, and do not eat enough.

The Assessment also built upon significant previous studies and foundational research including from the municipality's Division of Public Health, the Coalition for a Healthy Greater Worcester, the Worcester Regional Research Bureau (WRRB), as well as non-local/national research, and academic sources.

Food Deserts

Food deserts are areas where people have limited access to a variety of healthy and affordable foods. The definition of a food desert can be relative based on socioeconomic and other defining characteristics (e.g., rural versus urban areas). The United States Department of Agriculture (USDA) defines a food desert as a census tract that meets both low-income and low-access criteria including:

- Poverty rate is 20% or more; OR, median family income does not exceed 80% of statewide/metro-area median income, AND
- At least 500 people or 33% of the population is located more than one mile (urban) or 10 miles (rural) from the nearest supermarket or large grocery store.¹

Over the last several years, the USDA has reduced its use of the term “food desert” as it is a term rooted in deficit and has refocused its language with terms like food access, food security and areas of “low-income, low-access.”

While the USDA provides significant data, there are several sources that can be used to evaluate food access and food security. In 2022, the WRRB gathered data from multiple sources to create a geographic StoryMap entitled, *Is Worcester County Food Insecure? It Depends on Where* – which can be access at the following link:

www.wrrb.org/reports/2022/11/is-worcester-county-food-insecure/

It is also important to note that the simple presence of food retail does not necessarily enhance food security or equity – data show that areas of low-income, low-access often experience a higher density of low-cost, unhealthy foods such as convenience stores, dollar stores, and fast food.

Industry Insights

The grocery industry has experienced many disruptions in the past several years including the COVID-19 pandemic, supply chain challenges, inflating costs of goods sold, other rising cost pressures, and the increasing popularity of online shopping/curbside pickup/meal delivery services. According to CapitalOne, 138.3 million Americans (51.8% of those aged 18+) bought

¹ *Characteristics and Influential Factors of Food Deserts*. USDA Economic Research Service, Report Number 140.

groceries online in 2024. These factors have led to declining store performance for many grocers, and ultimately a number of location closures, including but not limited to:

- Netherlands-based Ahold Delhaize owns the brands of Stop & Shop, Hannaford, Giant, and Food Lion, among others. In 2024, the company closed 32 Stop & Shop locations (including Lincoln Plaza in Worcester) and additional fulfillment centers have closed in 2025.
- After a failed merger between Kroger and Albertsons in 2024, Kroger announced the closure of at least 60 stores by the end of 2026 across its company brands. Albertsons plans to close 12 of their Safeway store locations, and additional closures among the two companies would not be a surprise in the wake of the failed merger.
- Northeast Grocery, Inc., the parent company of Tops Friendly Markets and Price Chopper/Market 32 has not announced any significant closures other than the Worcester location on Cambridge Street last year. It is also reinvesting in the Highland Street Price Chopper location and converting it to the Market 32 brand. In August, Reuters reported that Northeast Grocery might be exploring a sale of the company.
- In early 2025, Shaw's announced that it would be closing two locations – one in Massachusetts and one in New Hampshire.

Inflationary pressures and other factors have also influenced recent trends in consumer spending within the industry. JLL's 2025 Grocery Industry Report cites that the elevated cost of groceries has led consumers to search for lower prices. This has caused an increase in foot traffic and growth in discount grocers like Aldi, Lidl, and Grocery Outlet. Aldi opened 105 new locations in 2024.

Specialty grocers have also been growing recently with Sprouts opening 35 new stores, Trader Joe's opening 34 new stores, and The Fresh Market opening 8 new stores in 2024. JLL suggests this success in specialty grocers is largely attributable to their differentiated, private-label products.

Recent Efforts & Collaboration

As you know, municipal staff – through our Business & Community Development Division (BCDD) along with the Division of Public Health (DPH) – have been meeting regularly with the Center on Food Equity, the Worcester County Food Bank, the Coalition for a Healthy Greater Worcester, UMass Memorial Health – Community Health and Caregiver Belonging, and Councilor Pacillo to try and address the acute impacts of the recent store closures. The group has explored alternative models that exist to reduce reliance on the traditional supermarket model and the limited influence a local community has on those private sector decisions of where to open, when to close, etc. The following is a summary of three **alternative models** that we have been discussing:

- **Mission-driven nonprofit store** – this is the model that has been given the most attention to date and seems to be one of the most feasible. The working group was very

enthusiastic about a Massachusetts-based organization (Daily Table) that had implemented this model across six different locations. As we were beginning conversations with Daily Table to express our interest in collaborating with them to explore an expansion into Worcester, the organization announced that they were forced to shut down all operations due to financial pressures.

Our working group, along with Mayor Petty, have also met with a new non-profit, discount grocery store led by a Worcester native that is in process of launching called Giving Grocer. The founding partners of Giving Grocer believe they can execute a sustainable model in this space if they are able to find the right location and raise funds (without debt) to cover initial startup expenses. The organization is interested in having its first location launch in Worcester, and we are currently exploring potential properties.

- **Cooperative (Co-Op) model** – a Co-Op model is owned by the members and democratically controlled. This ownership model can lead to beneficial outcomes related to community engagement, economic opportunity, shared values, and transparency. While there are some specific funds that have been established to support Co-Ops, access to traditional, institutional capital can be a barrier. There are two commonly known Co-Op examples in Massachusetts – Berkshire Food Co-Op and Assabet Co-Op Market.
- **Municipally-owned/controlled** – our group reached out to the City of Chicago to obtain a copy of the feasibility study they commissioned, but they declined to share it. More recently, it has been reported that Chicago is shifting away from the city-owned grocery store to a public-private partnership with a public market model. Municipally-owned grocery stores are still rare, but cities are increasingly discussing the concept, including the City of Boston. Kansas City announced in August that it would be closing its city-owned grocery store, and would search for a new operator due to financial issues. While it is unlikely that the City of Worcester would move forward with a full municipally-owned grocery store, we are committed to facilitating any public-private partnership that could assist in expanding retail food access in the community. As one example, we have had conversations regarding the municipally-controlled space at the Union Station garage for food retail use. The space has some advantages with its central location in proximity to the Worcester Regional Transit Authority bus hub along with significant residential growth nearby, but also has some logistical challenges for tractor-trailer deliveries and similar considerations.

Community Engagement Plan

The working group has put together a community engagement plan so that the voice and needs of the community are centered in any models or solutions that are suggested for implementation. This engagement will also provide insights beyond last year's Community Food Assessment such as the impacts of the recent store closures, newest shopping habits, types of products purchased on typical grocery visits, and personal preferences. The

engagement includes community conversations as well as surveys and is targeted to priority neighborhoods with a focus on subsidized housing and vulnerable populations.

It is also important to note that this report, and this working group effort, is not intended to be a comprehensive summary of food security initiatives across the community. Many community members and elected officials are involved in policy advocacy at the state and federal level, particularly with SNAP/WIC, in addition to critical resources, programs, and services offered by many other community-based organizations. This report is intended to address the City Council orders referenced above and the discrete issue of retail food access in the wake of the recent store closures.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter Dunn", with a stylized, flowing script.

Peter Dunn
Chief Development Officer

Suggested Council Action: Informational Communication