Schnucks

August 11, 2022

Hon. Megan E. Green
Alderwoman, Ward 15
City Hall, Room 230
1200 Market Street
St. Louis, Missouri 63103
Via Email: greenm@stlouis-mo.gov

RE: Community Concerns Regarding South Grand

Dear Alderwoman Green:

Thank you for engaging with Schnucks regarding concerns of your constituents and Schnucks' customers who live and shop at our South City store located at 3430 S. Grand. Schnucks has been a fixture in the grocery business within the City of St. Louis since its founding in 1939. Schnucks has faithfully served the citizens of South City for over 60 years. In executing our purpose of nourishing people's lives, one of our core values is to be "Customer First." We know our customers desire a safe and comfortable shopping experience, and we work hard to provide that for them. In addition, we know our teammates employed there value these ideals as well.

Over the years, it has become increasingly difficult to provide a safe and comfortable shopping experience at our South City store. We value serving the core customers in this community; however, a growing number of issues related to a rise of unhoused and transient people are impacting the long term viability of area businesses, including Schnucks. Indeed, this area of South Grand has seen a number of businesses close over the past few years as a result of these ongoing, systemic issues. We are hopeful that as a key stakeholder of this community, we can work together to address these problems in an honest and forthright manner if we are to maintain the tax and population base that supports business and government in the City of St. Louis. In this letter, we will outline the steps we're taking on our end along with steps/suggested requests we have of the City of St. Louis.

Actions Schnucks Is Taking:

To help maintain a safe shopping environment at our South City store, Schnucks invests heavily in security measures. For example, during daily operations, Schnucks employs two full-time, armed security guards and a full time off-duty police officer. Additionally, Schnucks maintains a "LiveView" security trailer on the parking lot at all times, which enables our security professionals to monitor activity, issue warnings to those who violate our policies, and contact police when threats to safety or property are observed. Last year, we spent more than $500,000 to address these and other security measures at our South City store. Comparatively, this amount greatly exceeds our regular cost of security for the average metro area store.

Despite these measures, the unhoused population continues to impact our operations and our shoppers' experiences. In order to approach the store, our customers and teammates often encounter aggressive panhandling, proliferate littering, rampant and open drug use, and the use of the area streets and sidewalks as outdoor restrooms. We invest significantly in keeping our

property clean by utilizing our teammates as well as sweeping/sanitation contractors. It remains a constant challenge to keep the area clear of ongoing litter and refuse, as well as human waste and discarded drug paraphernalia. As you can imagine, this exhausting clean up cycle remains a constant challenge, while also presenting serious safety hazards. We recognize the significance of rectifying these issues, and in order to further combat these problems, Schnucks is undertaking the additional following actions immediately:

1. Installing Additional Fencing:

Schnucks will install additional fencing along the sidewalks of our property facing Cherokee Street and Grand Avenue. These areas currently have green space that is accessible to those seeking shelter, and have been used as a holding area during certain times of the day. The added fencing will hopefully make the area less attractive to those lingering and loitering near our customers and teammates.

2. Partnering with St. Louis Metro Police on 911 Diversion Program:

Schnucks will partner with Metro Police and Behavioral Health Response ("BHR") on a 911 diversion plan that will send behavioral health specialists to areas where they are needed, instead of a typical police response. BHR will train Schnucks store management to identify circumstances where mental health, substance abuse and/or chronic homelessness is or may be at the root cause of the behavioral issue for which Schnucks would ordinarily contact police. Instead, our managers will divert these calls to the BHR (colloquially known as the "purple shirts") who will dispatch to the store to assess the situation, and offer the individual(s) services that could help their situation.

Actions Schnucks is Requesting of the City:

Although we want to do our part as a private entity, it's essential we're able to collaborate and receive the support of the City to be able to continue to provide the type of services our customers and teammates deserve. Below, is a list of requests to further address these ongoing issues.

1. Monthly Street Sweeping:

As noted on the City of St. Louis' government website, street sweeping is supposed to occur on a monthly basis. https://www.stlouis-mo.gov/government/departments/street/street-division/street-cleaning/street-cleaning-prepare.cfm. Recently, this has not been our experience in the areas around our South City store. We are requesting help in ensuring that this level of service is consistently maintained.

2. Additional Trash Receptacles and Service:

Additional trash cans and service are needed, especially in areas adjacent to the bus stops along Grand Avenue. These are utilized heavily, and are not serviced nearly frequently enough, as refuse items frequently overflow the existing capacity of the existing cans. If funding is a concern, we suggest ARPA funds be considered as a source for this effort.

3. Temporary Enforcement of Nuisance Crime Ordinances Paired with City Prosecutor Diversion Program:

For one month, in coordination with the City Counselor and Municipal Courts, we recommend the police be enabled to enforce nuisance ordinances in the area, including trespass, public urination, public intoxication, loitering, panhandling, etc. This should be done in coordination with additional expenditure of ARPA funds to further utilize BHR to assess and offer, instead of jail sentences, diversion programs to assist with substance abuse, mental illness and homelessness. If the program is successful, then the City may opt to consider additional funding to extend it. Something else to consider – Schnucks will be ready to hire individuals who make it through an approved program when they are ready to return to the workforce.

Additional Action Schnucks Considered:

As you are aware, earlier this year Schnucks considered a proposal to extend the existing South Grand Community Improvement District ("CID") southward to include the area of Grand Avenue adjacent to our South City store. The proposal involved levy of a ½ cent sales tax, or alternatively, an equivalent raised property tax, to pay for street improvements, additional street sweeping and refuse maintenance services along South Grand Avenue. Schnucks carefully considered the proposal, but decided against supporting it for two reasons:

1. Food Inflation:

Food inflation is historically high, leading many working families struggling to afford nutritious food. Many categories of food have increased at a rate that is double or even triple that of the historically high "core" inflation rate. This is simply not the time to compound additional food costs to our customers, regardless of whether that cost is added to their individual bill in the form of a sales tax, or is reflected in a general rise in the price of the food we sell at South City to pay the additional fixed costs. Given the other outsized costs our South City store faces, such as security services, maintenance costs and theft, we must be collectively mindful – especially at this moment in time – to rising costs for our customers and to Schnucks as a business.

2. Fails to Address Significant Problems:

While extending the CID might very well result in additional cleaning of the area, it does not include provisions to address the root cause of the need for additional cleaning, nor does it provide collaborative solutions to address the behavioral problems of harassment, intimidation, open drug use, and other livability issues that accompany large unhoused populations. It is our position that addressing the problem goes beyond additional cleaning, and we would encourage the City to tap into the funds available to address these issues, rather than institute an additional tax on citizens who are buying their needed groceries for their families. We believe that the CID proposal is not a good vehicle for addressing the problems our customers and teammates currently face.

Next Steps:

As we stated earlier, Schnucks will be implementing the new fencing and engaging in the BHR diversion program immediately at our South City store. However, it is our belief and concern that

the challenges facing us here are reflective of more widespread community issues across the City. Accordingly, we are including Mayor Tishaura Jones, her Director of Operations, Nancy Cross, and her key cabinet members Dr. Dan Isom, Director of Public Safety; Dr. Yusef Scoggins, Director of Human Services; Dr. Matifadza Hlatshwayo Davis, Director of Health; and Ms. Betherny Williams, Director of Streets, as recipients of this correspondence in the hopes that it will precipitate a larger discussion of how the City can work together with City businesses and employers to tackle these very serious issues.

Warm Regards,

Jed E. Penney
Associate Gen. Counsel and Head of Govt. Relations

cc:

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