

## **Who are we?**

**Grocery Strategies** is a subsidiary of **Kay Realty Services LLC**.

Bill Klein is the operating principal. His experience in the supermarket development field stretches back to 1980 when, as a partner with the owner of the acclaimed Princeton Meadows project in Plainsboro NJ, was given the task of creating a large mixed use commercial center to serve the ultimate build out of 6,000 residential properties. As an example of his abilities a bit of background follows:

- *At that time Plainsboro was a sleepy town outside of Princeton with a population of 1,600 people. In order to bring in a supermarket, Mr. Klein had to create a new one. He found a young man who was a butcher from Philadelphia. He convinced the corporate staff of Wetterau (IGA) to give up their rights to this area to Bozzutos. He subsequently introduced him to Bozzutos who guaranteed the lease and entered into a supply agreement with him. He then introduced a banker, and an accountant who was experienced with supermarkets. Next he designed and constructed a new 20,000 s.f IGA which remained highly successful for many years. Today it has responded to the neighborhood, and is successful Asian Supermarket.*

Over the years Bill has created stores for Pathmark, Foodtown ShopRite and SaveAlot for several prominent development companies and supermarket operators in New Jersey. He created two Foodtown's as an owner, and sold them to an independent grocer who is a member of the Foodtown Cooperative. Most recently he was instrumental in creating:

- **Clarks Family Market Store in Bayville NJ.**

*This store was a vacated Foodtown store containing approximately 50,000 sf which the owner of the center had reclaimed with all of the fixtures. Mr. Klein's clients (Clark Family Markets) were successful in structuring a complex transaction that ended with the recent opening of a new 20,000 sf. family grocery store. The store appeals to the local neighborhood with high quality fruits, vegetables, meat and fish, as well as signature deli products and take home meals. It provides local residents to shop in a relaxed atmosphere where they are known by the staff and their neighbors. Prices are competitive with similar grocery stores.*

- **SAVEALOT STORES WHITING NJ.,**

*This involved the reconstruction and development of a former 30,000 sf supermarket into a new low cost neighborhood store. His client became a regional developer of the SaveAlot division of Supervalu supermarkets, the 3<sup>rd</sup> largest food chain in the United States. These 12,000 to 15,000 sf stores provide quality merchandise with full selection at prices 20% to*

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*30% below those of Walmart. They are particularly suited to lower income areas and retirement communities. Mr. Klein's clients are able to move quickly and gain the coveted SaveA lot license for each store it seeks to operate.*

During his career, Mr. Klein also learned a great deal about what store demographics should be, how they are researched, and operate. He is more than capable of laying out an operating budget for a store, as well as constructing the stores from scratch in record time and for a great deal less cost than most of the major stores have been built for. Besides being an advisor, Mr. Klein often joint ventures with store owners to create new and "trendy businesses." He has also started, owned and operated other retail properties such as liquor stores and pharmacies and Hardware Stores to create added business for the supermarket.

Bill's resources and contacts in the industry allow for him to provide assistance in store concepts, design, engineering and financing for independent grocers. He thinks as a Landlord and a store owner and provides his clients with useful insight. He is well known to most of the developers and owners in the State that deal with the supermarket industry, or would like to do so.

### What can we do for your company?

***We know what the needs of the grocery business are*** and are acutely aware of the problems that the independent members face today.

Our specialty is to create grocery anchor stores in centers which were originally created to be anchored by a grocery store (usually 20,000 to 50,000 sf) but has been closed due to either economic reasons at the site or the failure of the operator (Local, Regional or National). We do not recommend that new stores be built however if there is a compelling reason, we also provide the right input to market the location for a new supermarket.

We assess the market, determine the type and flavor of the potential store and then work closely with ownership or lenders to create that specific store. In so doing, we will create a "flavor of the desired store, provide the owner with a design, create a business plan and locate a company or an individual operator to "buy into" the concept.

During the course of the development of that store we will assist the property owner and potential store operator with structuring and negotiating the lease, obtaining a supplier, facilitate financing of the store and ultimately open the store.

### What questions can we and do we answer for developers and bankers?

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The following are some of the common questions often asked property owners and by individual store owners, or families of owners that want to grow and prosper in the future.

- *How does the store get started?*
- *What size should it be?*
- *Where do we find capital?*
- *How can our business grow?*
- *Where should we be looking? Why?*
- *What are the long and short term issues on population growth?*
- *Are there barriers to entry?*
- *If we look at this site, what are the demographics?*
- *What kind of concept is best for us in this location?*
- *What are the zoning, environmental and physical attributes of the site?*
- *Is the store physically sound?*
- *Given the demographics, what do we expect the store to do weekly?*
- *Who is our competition and how much of the market do they have?*
- *Why did the existing store fail? How can we make money?*
- *What kind of rent can we afford? What rent should or could we pay?*
- *How do we convince the landlord we can only pay single digit rent?*
- *Who will write our business plan?*
- *What store designer is most efficient and capable of crafting the interior to blend with the neighborhood?*
- *What engineer and architect is best suited for the task?*
- *What attorney should be handling things related to approvals? The lease?*
- *What should we ask for in the lease?*
- *Can we get what we want from the lease? How far can we push?*

***We can provide the answers to all of these questions and more!***

Just as any professional would, we believe both owners of supermarkets (individuals or families) and property owners need to concentrate on the business of running their business. Supermarket operators are interested in keeping occupancy costs down, buying and selling, hiring and hopefully not firing. They need to concentrate on advertising and the day to day operations of the stores. Property owners and retail brokerages are geared up for general leasing. We are a “Brokers broker” and an “Independent Operators Broker” We provide a multitude of input and specialization so that their assignment can be successfully completed.

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