

Oakland's All-New



SUPER Markets

More Stores, More Options Reshape the Grocery Scene

By Sarah Lavender Smith
Photography by Lara Hata

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When the much-anticipated Whole Foods in Oakland finally opened in late September, Ruth Turner was one of the first people to follow Jerry Brown inside. The former mayor, standing in front of a jazz band and a throng of shoppers toting reusable bags, proclaimed the massive market to be “a great achievement” for downtown Oakland and then went off to find some buffalo mozzarella. Turner, meanwhile, stood gaping while a sea of shoppers flowed past exotic produce islands and icy shellfish bars.

“I can’t believe how huge it is, and all the variety,” she said, craning her neck to take in the lofty 55,000-square-foot space at the corner of 27th and Harrison streets. “Look at all these great things—it’s overwhelming! There’s a good feeling, a good energy, and it’s right down the street!” A longtime resident of the neighborhood between Lake Merritt and Broadway Auto Row, Turner says she used to ask herself, “Why are we taking money out of Oakland to go to these types of stores? This really helps Oakland’s image and puts Oakland on the map for a good reason.”

Never before have Oaklanders been so excited about something so mundane: grocery shopping. It’s not only the Whole Foods and two Trader Joe’s, which opened in October in the Lakeshore and Rockridge districts, that have people swapping stories about best buys and comparing the ▶▶



chains to their locally owned grocers. Additional markets are coming on the scene, old markets are recasting themselves to appeal to today's shoppers, and a public market that's trying to emulate Seattle's Pike Place is taking shape along the Waterfront (see "Your Grocery Guide," p.44, for a rundown on Oakland's new grocery options).

"Having Trader Joe's and Whole Foods come in sends a big, strong

message to the retail community that 'If they're there and doing well, maybe we can do it,'" says Keira Lee Williams, a retail specialist with Oakland's Community and Economic Development Agency.



Over the next one to two years, an entirely new grocery chain is expected to become part of the landscape in Oakland's flatlands, thanks to a British invasion called Fresh & Easy. U.K.-based Tesco, the third-largest retail company in the world, began rolling out a line of Fresh & Easy stores in Southern

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California in the fall, and now the company is expanding up here. Their first lease was announced in early December for the Jack London Gateway center in West Oakland. Williams says the Community and Economic Development Agency has been sending Tesco's broker multiple locations to look at, mainly in redevelopment zones that lack quality retailers. "They're very happy to go into urban areas," she notes. "Low-income areas don't scare them."

WHOLE FOODS:

The latest Whole Foods on Bay Place (previous pages and this page) is a health-foods emporium on steroids. Inside a onetime Cadillac dealership, the sprawling and visually stunning complex stocks unlimited aisles of organic produce; fresh meat, poultry and fish; and tons of all-natural products. Takeaway food choices run amok, and in-store eating options abound, attracting on a recent day diners Tony Berti and Francis Eastman.



Fresh & Easy markets are similar to Trader Joe's in size (10,000 square feet), price and quality—an all-natural private-brand label, for example, and wholesome prepared foods—but unlike the eclectic TJ's, Fresh & Easy offers a fuller line of basic foodstuff and household goods. Fresh & Easy cuts costs through a no-frills, streamlined format, but the company strives through marketing and design to seem more hip than cheap (think Jet Blue or Ikea). Tesco spokesman Brendan Wonnacott is mum about where and when other stores will be announced but confirms "we are looking all over Oakland for potential sites."

"Tesco is coming hot and heavy. ... You've got a vacuum, and finally the world has recognized there is an





unsatisfied demand in Oakland,” says John Jay, a former real estate analyst for Safeway and other major retailers who co-owns the Jay-Phares Corporation, which is redeveloping Foothill Square in Oakland’s southeast corner.

Not only do many of Oakland’s 400,000 residents live in neighborhoods underserved by grocery stores, according to the Community and Economic Development Agency, but some 10,000 new residents are calling downtown home as a result of the city’s decade-long 10K Downtown Housing Initiative to build housing and attract people to the urban core. It all adds up to a lot of households wanting to fill their shopping carts closer to home, and retailers eager to meet their demand.

Over at Foothill Square, meanwhile, Jay signed a lease with an independent “lifestyle”

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grocer, Lucas Harvest Market, which will fill a void in the South Hills and Eastmont neighborhoods when it opens sometime between September and early '09. “Lifestyle” is shorthand for offering extensive fresh and organic selections, made-from-scratch bakery items and other high-end features. “It reflects a shopping experience on a human scale,” explains Jay, “and an aesthetic that is less plastic, more wood grain.”

The demand for organics, handmade “artisan” products, hot-food bars and in-store amenities such as cafes has grocers remodeling their stores to fit today’s tastes and lifestyles. Also dubbed “the mainstreaming of affluence,” the lifestyle trend reflects the fact that more shoppers, regardless of income, want higher quality, less-processed products, along with a feel-good experience as they push a cart down the aisles and through the checkout line.

The venerable Safeway has succeeded in attracting a new generation of shoppers by remodeling its stores in a much-promoted lifestyle format. Two of Oakland’s six Safeways (on Grand and Fruitvale avenues) have been remodeled, a third (in Montclair) is scheduled for a lifestyle makeover this fall, and the rest are in the planning stages for remodels or replacement.

Safeway’s rival Albertson’s, by contrast, fell out of vogue and was sold off in early 2006, shutting most of its stores.

VILLAGE MARKET:

An upscale, full-service gourmet grocery store, the tiny Village Market (this page) shines with a host of prepared foods plus a year-round outdoor produce market, overseen by produce manager Steve Gorecki (bottom right), and a well-regarded meat counter, where Jon Tse hangs out (right).



The breakup of Albertson’s, in turn, created opportunities for new stores to spice up the supermarket mix. Several of Oakland’s new markets—the two Trader Joe’s, Mi Pueblo (a full-service Hispanic grocery with crossover appeal), Farmer Joe’s and the Lucas Harvest Market—are in old Albertson’s.

Another second act to Albertson’s, the retro “three’s-a-crowd” Lucky, opened four stores in Oakland in 2007 and is competing with “everyday low prices.” (Save Mart bought the Northern California Albertson’s and rebranded them with the Lucky name, which is ironic given that Albertson’s gobbled up Lucky a decade ago.) ▶▶

Another alternative format to traditional supermarkets, the public market, is gaining favor by capitalizing on the steady popularity of farmers markets and artisan goods. Developers are working to give Oakland its own in the form of the Jack London Square Market, to be housed in the first floor of a six-story retail and office complex rising on the Embarcadero between Webster and Harrison streets. Though no leases have been signed, the developers promise to attract vendors who will turn the space into a daily fresh market showcasing a cornucopia of local and seasonal produce, baked goods, cheeses, meats and seafood. It's scheduled to open in the first quarter of 2009.

With all of these old-school and new-style markets luring Oakland shoppers with remodeled stores, competitive prices

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and more product options, the city's family-run independent grocers can't take customer loyalty for granted. Owners of such neighborhood favorites as Piedmont Grocery on Piedmont Avenue, Village Market on Broadway Terrace and Farmer Joe's in Upper Fruitvale are hard-pressed to compete on value and selection. Consequently, they say they plan to leverage the strength of their customer service, convenient locations and community ties.

Village Market owner Keith Trimble says his business is "definitely hurting" from the new Whole Foods and Trader Joe's. "We haven't had to lay anybody off yet, but we hope it's a fad and that the customers will come back." He says he'll keep focused on providing quality and neighborly service, because he concedes

he can't compete on price. In many cases, he explains, the chains are able to offer items at a retail price that matches his wholesale price: "I buy a case, and they buy a truckload, and manufacturers are willing to give them huge discounts."

At the century-old Piedmont Grocery, sales dropped about 12 percent when Whole Foods opened, but bounced back to regain more than half that loss, according to owner David Larson. When asked how he can compete with Whole Foods—given that his North Oakland foodie clientele is Whole Foods' target market, but the goliath Whole Foods offers so much more—he pointed to faster service and a personal touch. "We can get people in and out quicker than most stores. We're kind of like an old shoe—we just have a good feeling."

It could be said that the more things change in the grocery business, the more things stay the same. Larson and his father, who was hired at Piedmont Grocery in 1921, witnessed

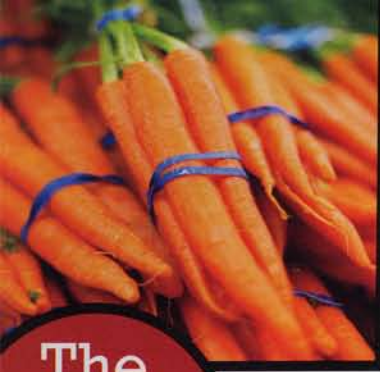
a great deal of turnover among Oakland markets during the mid-century, and the intensely competitive grocery business is constantly evolving. Twenty years ago, for example, the pendulum swung toward slashing prices and putting pharmacies and other non-grocery goods under the same big supermarket roof to compete with a new generation of warehouse stores. Then it swung back toward an emphasis on quality, personal service and ready-to-eat "home-cooked" meals.

Lucky for Oakland residents, a smorgasbord of diverse and enhanced options for buying food is spreading across the city, leading many households to adopt a cafeteria approach to grocery shopping. While the large chains flex their marketing muscles, the locally owned independents stand a fighting chance of strengthening their customer base once the novelty of the new stores wears off. You can bet that no one will work harder than the independent grocers to keep you, the shopper, coming into their stores—folks like Joe and Diana Tam, owners of Farmer Joe's, who put in double shifts and rarely take a day off. They bag, sweep, stack the produce, "whatever is necessary," says Diana Tam. "We work side by side with our employees. We love Oakland and want to do what we can to make the community better."

PIEDMONT GROCERY:

Going strong since 1902, Piedmont Grocery (opposite page) earns high marks for European imports, specialty items and its meats counter as well as for offering friendly, knowledgeable service, thanks to employees like Jason Attaway (right) and Ruben Romo (below).





The New Chains

Your Grocery Guide

The seemingly simple task of buying groceries is becoming increasingly complex in Oakland. A new generation of grocery stores recently came on the scene, and more alternatives to traditional supermarkets are on the way. Here's a guide to some of the big new players and smaller independents.

WHOLE FOODS MARKET

230 Bay Place
(corner of 27th and Harrison streets)

Opened: September 2007
www.wholefoodsmarket.com

Local, sustainable, organic, cruelty-free, artisan—these adjectives form the Whole Foods mantra, plastered on signs throughout the 55,000-square-foot store and parking lot. You're not grocery shopping when you're there—how boring is that?—you're doing something good for your body and for the planet! Never mind that you'll blow your budget on a \$94 organic cotton hoodie (yes, Whole Foods even sells clothing) and \$23-per-pound halibut, and then blow your diet on an aioli-drenched bistro sandwich the size of a football.

PRO: Nowhere else can you find such a bounty of all-natural products housed in such a visually stunning interior. Who'd've think it, right there across from the 7-Eleven and Wheel Works. Give Whole Foods credit and gratitude for a deep commitment to environmental and social responsibility, setting an example for corporate America to follow (one can only hope). Family-meal deals from the hot bar are a good bargain, relatively speaking, and you gotta love the gelato bar.

CON: The "Whole Paycheck" nickname is well deserved. Expect some under-trained and unsmiling servers behind the counters. A disorienting, hopelessly large layout and second-floor parking make a quick-and-easy stop virtually impossible. Check the expiration dates on "fresh" foods; eggs older than their sell-by date and moldy bread were spotted.

TRADER JOE'S

Two locations: 3250 Lakeshore Blvd. and 5727 College Ave.

Opened: October 2007
www.traderjoes.com

Employees wearing trademark Hawaiian shirts have imported an Aloha spirit to Oakland's two TJ's. You can get a college student's dream dinner of Two Buck Chuck wine, Truly Homemade Tortillas, killer cheese for quesadillas and Joe-Joe's Oreo knock-offs, all for about 10 bucks. The Lakeshore store, with slightly less than 10,000 square feet of selling space, feels shoehorned into the old Albertson's, whereas the College Avenue store, with higher ceilings and approximately 2,000 square feet of additional space, allows for a larger produce department and a more relaxed shopping experience.

PRO: TJ's offers an eclectic selection of all-natural items, fast and friendly checkout lines, and the best bargains around. And Trader Joe's has a knack for developing one-of-a-kind products that are virtually addictive—the pineapple salsa, for example, or those cat-shaped cookies. Each shopping trip can be a treasure hunt for your taste buds.

CON: Ever notice how a lot of TJ's frozen and prepared foods look better than they actually taste? And its enviro-friendly practices, such as incentives for BYOBag, are undercut by the mountains of plastic clamshell and styrofoam waste created by its pre-packaged produce, meat and deli items.

MI PUEBLO

1630 High St.

Opened: April 2007
www.mipueblofoods.com

The San Jose-based Mi Pueblo chain, founded in 1991, has grown to 10 stores in Northern California. The full-service market is a celebration of Latin American tastes and culture. Signs are in Spanish with English subtitles, and imported Mexican brands share shelf space with standard American grocery brands.

PRO: Mi Pueblo stocks a salsa bar to rival other stores' salad bars; sells ceviche and menudo at the extensive seafood and meat departments; offers sugary temptations made from scratch at the

panaderia; builds grande burritos at the in-store taqueria; and carries piñatas galore.

CON: Environmentally friendly? Minimally processed? Neither is a priority here. You'll find an entire island in the produce department devoted to chilies but no organic offerings. Bring your own bag since only plastic are offered at the checkout.

COMING SOON:

FRESH & EASY

www.freshandeasy.com

Jack London Gateway, 900 Market St. in West Oakland; other locations to be announced.

www.freshandeasy.com

British-based Tesco introduced its Fresh & Easy line of markets to Southern California in 2007, and now the chain is rapidly expanding north and targeting urban neighborhoods neglected by other grocers. The Fresh & Easy format features a spartan design, low prices and fresh, healthy products (with meats, produce and deli items pre-packaged rather than prepared in store, similar to Trader Joe's). The company won't estimate an opening date but notes that its stores generally take less than two years to open. Look for Fresh & Easy additions in '09.

The Locally Owned Independents

FARMER JOE'S

3426 Fruitvale Ave.; 3501 MacArthur Blvd. (original store)

Opened: June 2006; original store, 1994

The local Joe's (as opposed to the Trader) started in a Laurel District corner store, featuring an impressive selection of organic produce and quality meat, given its cramped size. Twelve years later, Oakland-raised Joe Tam and his wife, Diana, opened a much larger second store (approximately 11,000 square feet of selling space) in Upper Fruitvale. Cheerful murals, a gleaming interior and lofty ceilings make it look nothing like the Albertson's it once was. Picture Whole Foods on a much more manageable scale.





PRO: Organic and minimally processed products get prime space, but you can find Pepsi and Lucky Charms, too. Good selection of grass-fed beef and sushi prepared fresh on site.

CON: High prices and a ho-hum salad bar with only plastic containers, not paper. Checkout lines often lack baggers offering a carryout.

PIEDMONT GROCERY

4038 Piedmont Ave.

Opened: 1902

Since the days when it delivered groceries by a horse-drawn wagon, Piedmont Grocery has built a following by stocking European imports and other specialty items, and by providing the best selection of meat and cheese in town. The market—a small but adequate 12,000 square feet—shuffled things around recently to improve the salad bar and prepared-food sections.

PRO: Count on this grocer for detailed and reliable wine reviews; a large selection of artisan breads and baked goods; festive gourmet holiday displays; checkout clerks who know customers by name and always offer a carryout to the car; always-friendly and well-trained butchers.

CON: The produce department is good, not great; there's a limited selection of diapers and other non-food basics; some entrees at the hot-food bar were tired-looking.

VILLAGE MARKET

5885 Broadway Terrace

Opened: 1953

Originally owned by the Larsons of Piedmont Grocery, the much-loved Upper Rockridge gourmet grocery was bought in the mid-1970s by the Trimble family. "We're a mom-and-pop store when it comes to customer service but not when it comes to variety and quality," says co-owner Keith Trimble. By using the parking lot as an open-air produce market and by narrowing the aisles, he manages to fit a full-service grocery with epicurean delights into just 4,000 square feet of selling space.

PRO: Sure pleasers are the smokin' made-to-order grill items from the parking lot barbecue, top-quality deli items and salad bar, friendly checkout clerks and baggers.

CON: This store does have high prices and a confusing check stand layout. Claustrophobics should avoid it.

MULBERRY'S MARKET

335 Highland Ave., Piedmont

Opened: December 2007

www.mulberrysmarket.com

The excitement in Piedmont over its new hometown market rivals the fanfare of the city's centennial celebration last year. Husband-and-wife team Chad Olcott and Laura Pochop fought a protracted legal battle to replace the town's shabby Bonfare market with a gourmet grocery that packs a cafe, deli, wine shop and good selection of grocery basics into a mere 2,500 square feet. Finishes such as marble countertops and bead board reflect the aesthetic of the neighborhood's historic homes, while an ice cream bar featuring Fenton's and chrome-lidded glass jars packed with candy give the feel of an old-fashioned soda fountain.

PRO: Charming, convenient and community-oriented, the market succeeds in reviving the endangered tradition of a neighborhood grocery. It also strikes a smart balance between family friendliness and sophistication; for example, a basket with Play-Doh toys and an Icee machine stand near the specialty cheeses. Don't miss the salads and entrees prepared by a former Chez Panisse cook and the "hometown hero" sandwiches named after neighbors.

CON: Limited parking, limited selection and only in clubby Piedmont.

GAZZALI'S

7000 Bancroft Ave.

Opened: 2004

Behind this market is the story of a family from Yemen struggling to fulfill a dream; the family's patriarch died right before the store opened. Everyone hopes to see it succeed as an anchor tenant in East Oakland's troubled Eastmont Mall and to provide a wholesome alternative to the nearest major competitor, the Pak 'N Save. Unfortunately, Gazzali's looks as worn out and low budget as its surroundings, in spite of assistance from the city to stay open and make improvements. It'll take more upgrades and more customers for this story to reach a happy ending.

PRO: The Algazzali family has kept the store open in spite of many challenges, and the family is trying to fill a void in the community.

CON: Shoppers are treated to messy aisles and a mediocre selection. Fresh and healthy alternatives are in scarce supply. Cheap liquor, however, is abundant and prominently displayed. Only plastic bags are available.

COMING SOON:

LUCAS HARVEST MARKET

Foothill Square, 106th Avenue and Interstate 580

Arturo and Alberto Felix, who own two specialty grocery stores in San Leandro and San Francisco, plan to open a 30,000-square-foot full-service market in the remodeled Foothill Square later this year or early 2009. It's billed as a "lifestyle" store with features and decor one expects from a high-end grocery.

MANDELA FOODS COOPERATIVE

1430 Seventh St.

www.mandelafoods.com

West Oakland residents wanted a healthy, community-focused, full-service grocery to anchor the Mandela Gateway retail and housing redevelopment project on Seventh Street, across from the West Oakland BART. What they got instead was a 99¢ Only chain outlet. But the scrappy worker-owned Mandela Food Cooperative, which had hoped to land in the discount store's space, negotiated a deal that will allow it to open a small (2,000-square-foot selling area) market as early as April. "It became our strategy to get the business up and running, demonstrate the viability of a community-owned business, start getting fresh food into the neighborhood and set the stage for an expansion. Our goal is to open a larger store in the next five years," says Wells Lawson, the co-op's project manager. The co-op is taking multiple security measures to make the store as safe as possible (the Subway sandwich shop next door was held up repeatedly in 2007). But the real threat to their business may come from the Fresh & Easy Market landing nearby at Jack London Gateway. ■

—Sarah Lavender Smith

