

# City of Richmond



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Fran Canino, Skubel,  
Don Clark

TIMOTHY M. KAINÉ  
MAYOR

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SUCH IS THE WAY TO THE STARS

July 21, 2000

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Mr. William McCanless  
Chief Executive Officer  
Food Lion, Inc.  
P. O. Box 1330  
Salisbury, NC 28145-1330

Dear Mr. McCanless:

As a result of the Food Lion/Hannaford transaction, I am disturbed with the fact that one of the most integral elements of our city's infrastructure is in jeopardy. Over the past several weeks I have watched one of our city's leading minority businessman, Johnny Johnson, President/CEO Marketplace Holdings, Inc., passionately fight for parity in his industry to no avail. And so I feel compelled to communicate to you my concerns.

As I see it, the retail grocery business is one in which economies of scale are extremely important and it is an industry in which a minimum critical mass is necessary to effectively compete, particularly against large well-heeled competitors. The entry of yet another larger grocery chain could easily limit the ability of Mr. Johnson's business to realize economies of scale, and threaten his long-term growth. For several years, the City of Richmond has supported and invested in Mr. Johnson's efforts to ensure long-term growth because his organization has become such an essential element to our economic prosperity.

The challenge of operating a grocery store in our urban neighborhoods was rejected by every chain in this market area except Marketplace Holdings, Inc. With unwavering dedication and commitment, Mr. Johnson's organization has not only been providing quality grocery shopping for our citizens, but has also provided a tremendous positive social impact on our city. Marketplace Holdings, Inc. has enhanced the quality of life for thousands of Richmond citizens. The company provides over 800 jobs; is a valued partner with our Richmond Public School System and Richmond Police Department; removed over 100 individuals from the welfare cycle, and contributes numerous donations and sponsorships to our community organizations.

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I am sure by now the loyalty and support of Marketplace Holdings, Inc. shown by the City of Richmond is apparent. I spoke with two of your executives a few days ago and informed them that the City of Richmond will continue to support Marketplace Holdings, Inc. with all their endeavors.

It is my hope that you will join us in supporting Marketplace Holdings, Inc. I am sure that there is enough business in the City of Richmond for you to assist Johnny in his growth and for Food Lion to continue to prosper.

Sincerely,



Timothy M. Kaine  
Mayor

C: The Honorable Thomas J. Bliley, Jr., Chariman  
U. S. House of Representatives Committee on Commerce  
The Honorable Mark Early, Attorney General, State of Virginia  
The Honorable Benjamin J. Lambert, III, Senator, State of Virginia  
The Honorable Henry L. Marsh, III, Senator, State of Virginia  
The Honorable Charles S. Robb, U. S. Senate  
The Honorable Robert C. Scott, U. S. House of Representatives  
Raymond H. Boone, Editor, Richmond Free Press  
Alec Covington, President, Richfood Holdings, Inc.  
Robert Grey, Esquire, LeClair Ryan  
Reverend Jesse Jackson, Rainbow Push Coalition  
Gary LeClair, Esquire, LeClair Ryan  
Robert Pitofsky, Chairman, Federal Trade Commission  
Mike Wright, President, Supervalu, Inc.