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Local grocer vs. big chain

By Mark Hansel

Las Vegas Sun

If the competition to bring a grocery store to West Las Vegas were a boxing bout, it would shape up as a serious mismatch.

In one corner is heavyweight Food4Less, a subsidiary of grocery giant The Kroger Co., which operates more than 2,400 grocery stores in 31 states.

In the other corner is, figuratively speaking, a relative lightweight, Mario Berlanga, for the past decade the operator of a small neighborhood market - Mario's - and a guy with a big Rocky-like dream.

The odds and smart money are on Food4Less. But guess whom the crowd's pulling for?

When the Vons store on Owens Avenue pulled out of the neighborhood three years ago, many West Las Vegans turned to Berlanga's 10,000-square-foot market. Now Berlanga wants to build a 28,000-square-foot full-service grocery to better serve the community.

He has teamed up with California-based developer Agora Property Management, whose community marketplace projects include a mix of national retailers and local merchants.

Food4Less' bid is being spearheaded by Laurich Properties, a local developer that has brought more than 4 million square feet of retail space to the Las Vegas Valley in the past 20 years.

Both groups are competing for an Enterprise Park site at Martin Luther King and Lake Mead boulevards and a \$5 million capital improvements package offered by the city to the developer that builds there.

Tesco, the European chain that is bringing its Fresh & Easy Neighborhood Markets to Nevada, also has expressed interest, as have several other long-shot contenders. But Tesco's stores, which average about 10,000 square feet, appear too small for the site.

That leaves Mario's and Food4Less as the front-runners and city officials with a tough decision.

Do they go with one of the most successful grocery store chains in the country, backed by a developer with a proven track record in Las Vegas? Or do they give a break to a lifelong resident who served the community when no one else would?

On the surface, the advantage seems to go to Food4Less.

The warehouse-style chain employs a no-frills approach, which includes having customers bag their own groceries to keep costs down, a particularly important consideration in a neighborhood where almost one in five residents lives below the poverty level.

At 70,000 square feet, the Food4Less store would dwarf the proposed Mario's and almost double the 40,000-square-foot minimum that the city has requested.

The company's corporate resources, which allow it to analyze and respond to changing market trends, rival those of any chain in the nation and probably could not be duplicated by an independent grocer, no matter how savvy.

Even interim Councilwoman Brenda Williams, who previously said she would not endorse any project in West Las Vegas Ward 5, appeared ready to give a nod to Food4Less at a recent town hall meeting.

"I'm not touting, but this is exciting to me," Williams said.

Earlier, Williams met with a Food4Less executives who assured her the company was ready to commit to the store if the city signed an exclusive negotiating agreement with Laurich Properties.

Williams, however, wants to put off that decision to get more input from the community and allow the new council member to make a recommendation. City Council liaison Ricki Barlow and lawyer Stacie Truesdell face off in the June 5 general election to determine who will fill the seat and make that call.

Despite his formidable opponent, Berlanga is optimistic.

His bid got a huge boost when Agora Property Management stepped in and provided not only development assistance but guaranteed financial backing.

"His is the type of project we are looking for," said Cary Lefton, CEO of Agora.

With 21 years of experience, more than \$400 million in assets and a concept that has succeeded in urban neighborhoods in Southern California, Agora has helped turn Berlanga's dream into a legitimate proposal.

If the town hall meeting is any indication, Berlanga also has strong community support.

Although Berlanga's presentation was not as flashy as others, it drew thunderous applause when it was announced that he would give first preference to employees who live in the ward and welcome union representation.

Residents say it is his proven commitment to the neighborhood that separates Berlanga from the others.

"He's already contributed a lot to the neighborhood," said Veronica Dunn-Jones, who has lived in the ward for six years. "He's been here for a while so he knows us. He hires within the neighborhood and pays a good wage."

Berlanga's commitment goes beyond just providing groceries. His current store is something of a community gathering place and he offers credit, and occasionally free groceries, to trusted residents strapped for cash.

He also sponsors two youth-league baseball teams in the neighborhood and helps coach. Many of the kids come from struggling families, so he provides bats, gloves and even shoes. His coaches are store employees and neighborhood residents.

"It's not about me or what I do - it's about making things better in the neighborhood, giving the kids and the people here the same things other neighborhoods have," Berlanga said.

Scott Adams, director of the city's Office of Business Development, said he was impressed by the support Berlanga received at the town hall meeting, but wants to make sure it's legitimate. The local ACORN (The Association of Community Organizations for Reform Now) chapter supports Berlanga's bid and filled the room with supporters.

"We have to know that this support is truly from throughout the community and not just several very vocal supporters at a meeting," Adams said.

Another consideration is that an independent grocer in a neighborhood where an established supermarket chain already has pulled out will have its challenges. And Berlanga's store would be roughly 25 percent smaller than the size city officials have said is necessary to fill the neighborhood's needs.

After a three-year struggle and with \$5 million in city funds at stake, Adams said the city wants to make sure - as much as possible given the uncertainties of any business venture - that the company chosen will succeed.

"Food4Less is a major player in the industry," Adams said. "They have to be strongly considered."

Berlanga points out, however, that big corporations often focus on the bottom line and will sometimes cut and run if a store is not profitable. Vons, for example, continues to pay rent on Owens Avenue almost three years after that store closed.

"If I get the store you know I'm going to be here," Berlanga said. "This is my home. Where else would I go?"

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