



---

# MEMORANDUM

---

Date: March 24, 2020

To: The Honorable Chairman and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator 

Re: **Supply Distribution through Retail Outlets and Larger Retailers**

Given some of the earlier publicity with regard to hoarding of supplies and other materials as well as media publicized long-lines associated with entry into some larger retail outlets, I asked our Economic Development staff to survey and canvass large retailers in Pima County to determine the extent of the problem.

It also appears that the supply problem is now abating as demonstrated in the attached report from the Economic Development Office Deputy Director Patrick Cavanaugh and Director John Moffatt.

CHH/lab

Attachment

c: Jan Leshner, Chief Deputy County Administrator  
Carmine DeBonis, Jr., Deputy County Administrator for Public Works  
Francisco García, MD, MPH, Deputy County Administrator and Chief Medical Officer,  
Health and Community Services  
Dr. Bob England, Director, Health Department  
Mary Jacobs, Town Manager, Town of Oro Valley  
Jamsheed Mehta, Town Manager, Town of Marana  
Michael Ortega, Manager, City of Tucson  
Kelly Udall, Town Manager, Town of Sahuarita  
John Vidaurri, City Manager, City of South Tucson



---

# MEMORANDUM

---

Date: March 23, 2020

To: C.H. Huckelberry  
County Administrator

From: Patrick Cavanaugh *PMC*  
Deputy Director  
Economic Development Office

Through: John Moffatt *JMoffatt*  
Director  
Economic Development Office

Re: **Service, Capacity and Distribution Issues for Big Box Retailers in Pima County Arising from the COVID-19 Pandemic**

On March 19, 2020, you directed me to provide you with information on service, capacity and distribution disruptions that may have arisen for big box retailers (specializing in grocery/general merchandise sales) that are operating in Pima County. You specifically directed me to investigate whether limits are being placed on customers entering these types of establishments that fall below maximum occupancy, whether there are limitations on products that can be purchased, and to determine whether there are disruptions in their distribution chains to individual stores.

In Pima County, I limited my inquiry to those stores that fit the criteria of "big box" (generally 50,000 square-feet or larger) and that which provided grocery and general merchandise. This resulted in inquiries to Walmart Supercenters (9 stores), Target Supercenters (7 stores), Costco Warehouses (3 stores) and Sam's Club (1 store.) Additionally, I inquired with Safeway/Albertsons corporate to provide a perspective of conventional grocers. My inquiries to the retailers were directed toward a combination of regional management and individual store managers. Only Sam's Club refused to provide any information to me. The summary of my findings is as follows:

### Customer Purchase Limits

All of the retailers I spoke with are limiting customer purchases of certain high demand products. As reported in the media, toilet paper, baby wipes, bottled water and other products targeted by consumers for bulk purchasing or "hoarding" is currently common policy among the retailers. A Costco representative stated they have placed purchase limits

C.H. Huckelberry, County Administrator

Re: **Service, Capacity and Distribution Issues for Big Box Retailers in Pima County Arising from the COVID-19 Pandemic**

March 23, 2020

Page 2

on 85 individual products, but most other retailers provided only anecdotal information on what products they were limiting.

#### Distribution Chain Disruption

The Pima County Office of Emergency Management recently found that most grocery-oriented retail locations in Pima County are running well below the three-day average supply stock but that distribution warehouses were logistically capable of replenishing the individual stores. It is possible that the shortages at the store are caused either by limitations on trucking assets or drivers, or lack of staffing to replenish stock on shelves throughout the day. For the most part, the "bare shelves" frequently cited in the media are a result of shopping surges by consumers, not shortages of distribution point commodities. This was confirmed in my conversations with the big box retailers in Pima County. Only Costco's San Diego, California corporate office, which oversees the three Costco locations in Pima County, reported very minimal distribution chain disruptions to individual retail stores. Costco corporate cited the location of a distribution warehouse center in Tolleson, Arizona, which is approximately two hours' drive time to the center of metropolitan Tucson, as being key to Costco's logistical abilities in Pima County.

#### Limits on customer entry below building occupancy

None of the retailers I spoke with except Costco reported limiting customer entry in to its stores, and none of the retailers reported instances of exceeding maximum occupancy. I would note this could change at any time due to the shifting retail environment affected by the pandemic.

Long lines outside of Costco locations nationwide have been reported in the media but this only seem to be occurring with this particular big box grocery/general merchandise retailer. Jeanne Rosolino, branch manager at the Costco San Diego corporate office which oversees Pima County Costco locations, stated customer limitations in the stores is currently policy for all Costco locations. Ms. Rosolino stated this has been implemented to instill social distance among customers and employees in response to the current COVID-19 pandemic and to prevent runs on merchandise stock.

All Costco stores are limiting customer entry to a percentage of the store's maximum occupancy. For example, a discussion with a Costco store manager at one of the Tucson

C.H. Huckelberry, County Administrator

Re: **Service, Capacity and Distribution Issues for Big Box Retailors in Pima County Arising from the COVID-19 Pandemic**

March 23, 2020

Page 3

locations revealed that they were directed to only allow 400 customers in to a location that has a maximum occupancy of 4,400 people – less than 10 percent occupancy. The first 400 customers to arrive at the Costco store are allowed access at the store's opening time and then employees "meter" throughout the day allowing 10 customers to enter for each 10 customers that depart.

Anecdotally, I shopped at the Costco located at 1650 E. Tucson Marketplace Blvd. at 4:00 pm on Saturday, March 21. The staging line had approximately 25 people in it and the wait for the queue to enter the store was approximately 10 minutes as store staff disinfected the shopping carts. All of the approximately 25 customers were let in at once. I estimated less than 400 people were in the store (which has an occupancy of 3,600), the registers were well spaced and it seem to operate efficiently. The store provided a list of unavailable products on a white board and it was reflective of shortages at many other stores – toilet paper, paper towels, hand sanitizer, etc.

Please let me know if I can provide you any additional information on this topic.

PC/dr