



FREDERICK COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

Jan H. Gardner
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News Release

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Kroger, Ocado Select Frederick County For New High-Tech Fulfillment Center

Grocery partnership will create hundreds of new jobs at former Toys "R" Us facility

FREDERICK, Md. (January 23, 2020) – The Kroger Co., the nation's largest grocery retailer, today announced plans to construct a high-tech fulfillment center in Frederick County. Kroger is partnering with the Ocado Group, the world's largest online grocery retailer, which will provide and maintain the digital and robotic equipment used at the facility. Together, the companies will automate the customer fulfillment center – also known as the "shed."

The project, which will include construction to an existing facility at 7106 Geoffrey Way, will develop a 350,000 square-foot robotic customer fulfillment center to serve the region and position the company for future growth. Upon completion of construction, 400 new jobs will be created with up to 100 more added later as the service area of this facility expands.

"This is excellent news for Frederick County," Frederick County Executive Jan Gardner said. "We are thrilled to welcome Kroger and Ocado. Their high-tech innovative business will bring life to a vacant distribution facility, will add hundreds of new jobs, and make an investment of tens of millions of dollars in our community. County staff worked closely with the businesses for many months, facilitating a smooth process for permits, water and sewer, and other details. We were pleased to fast-track the project and want Kroger and Ocado to know our support will be ongoing. We are pleased to welcome them to our growing e-commerce business community. Frederick County is a great place to do business."

"Kroger is incredibly excited to construct one of our industry-leading Customer Fulfillment Centers in Frederick, MD, in relationship with Ocado to bring fresh food to our customers faster than ever before," said Robert Clark, Kroger's senior vice president of supply chain, manufacturing and sourcing. "Through our strategic partnership, we are engineering a model for the region, leveraging advanced robotics technology and creative solutions to redefine the customer experience."

"We are excited to bring Kroger and Ocado's latest automated warehouse to Frederick. This site will be key to delivering amazing grocery experiences to households across Maryland, Pennsylvania and the District of Columbia. It will also create fantastic job opportunities for engineers looking to work alongside state-of-the-art robotics and automation." said Luke Jensen, CEO of Ocado Solutions "On going live, the warehouse will be a key component of the seamless fulfilment ecosystem that Kroger is developing for customers across the United States. Ocado's proven technology will allow Kroger to achieve the lowest cost-to-serve in the market, combined with the best freshness, accuracy and service."

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The automated facility will be equipped with robots that move along the top of a grid system, selecting grocery-filled crates that are later sorted and assembled into orders. The shed will allow Kroger to tackle the online market, providing automatic fulfillment and home delivery to customers throughout the East Coast. The partnership is committed to building 20 robotic centers throughout the country; Maryland is the sixth shed location to be announced.

For more than 130 years, Kroger has served the needs of grocery shoppers throughout the country. The company currently operates nearly 2,800 stores in 35 states, including the chains Fred Meyer, Metro Market, Ralphs, and Pick'n Save, among others, with annual sales exceeding \$120 billion. As one of the largest retailers across the globe, Kroger is leading by example by focusing on ending hunger and food waste across the company by 2025 through its [Zero Hunger | Zero Waste](#) social impact program.

Ocado was founded almost 20 years ago as an online-only grocer in the United Kingdom. Its retail business now has over 721,000 active customers across the UK, with orders fulfilled through Ocado's highly automated, centralized fulfillment centers and delivered to customers' homes. Ocado has also partnered with Kroger and other leading global retailers, bringing the benefits of its unique technology and online grocery expertise to their ecommerce operations across eight countries worldwide.

To assist with project costs, the Maryland Department of Commerce has approved a \$2 million conditional loan through Advantage Maryland, formerly the Maryland Economic Development Assistance Authority and Fund (MEDAAF). Additionally, Frederick County has agreed to provide up to \$150,000 in permit fees, and the project is eligible for an estimated \$5 million in county commercial and industrial tax credits over the next ten years. The companies are also eligible for local workforce services and state tax credits, including Maryland's Job Creation Tax Credit.

To learn more about the companies, please visit [Kroger](#) and [Ocado](#) online.

About Frederick County Office of Economic Development

The Frederick County Office of Economic Development is a catalyst for economic growth in Frederick County. The agency's mission is to increase the overall economic health of Frederick County through attracting new businesses in targeted industries and helping existing businesses be more successful. They provide businesses with tools such as site selection assistance, redevelopment services, incentives and data analysis. For more information, visit discoverfrederickmd.com.

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