



GENERAL LAW COMMITTEE- PUBLIC HEARING- MARCH 6, 2018

Chairman Sen. Leone, Chairman Sen. Witkos, Chairman Rep. D'Agostino, Ranking Member Rep. Smith, and esteemed members of the committee,

Thank you for the opportunity to provide testimony to you, today. Target Corporation is proud to serve communities across the state of Connecticut, with 20 locations and more than 2,800 employees, statewide. In 2016, our stores generated \$33 million of in-store sales tax, and another \$2.3 million from Connecticut online sales. We are invested in Connecticut, even at a time when brick-and-mortar retail is going through significant changes.

As this committee considers a wide variety of initiatives related to alcohol sales—as proposed in HB 5036 and other related bills—Target respectfully asks you to help us respond to our guests' preferences and grow the assortment of products we are able to offer by broadening the list of stores able to sell beer under the current grocery store definition.

In many states, Target is a grocery store by definition, and it's certainly that in practice for families both in Connecticut and elsewhere. Target stores in 39 states, including nearby New York and Massachusetts, sell alcoholic beverages alongside our great assortment of other products.

We've done a lot of work to ensure that our assortment reflects what guests on a local level want and guests are responding. Our store leaders are empowered to adjust their assortments based on their guests' preferences. This means selling locally-made products, carrying new brands and exciting new items. In Target stores across the country, our beer assortment features the latest offerings from local craft breweries, and we hope to be able to offer the same to Connecticut guests.

We have heard loud and clear in our focus groups and research that our guests want the convenience and affordability of being able to buy their adult beverages while on their Target run – time is valuable to our guests and convenience is significant in their lives. Our goal is simple in being able to meet our guest's expectations of being able to one stop shop while in a Target.

When our guests are in the store, we know they make decisions about purchases based on the strong assortment that we offer. If we are also able to offer a selection of great Connecticut craft beer and other beloved favorite brands, our research tells us that our guests will make these purchases. This won't preclude them from also patronizing their neighborhood package store. It simply provides the existing Target guest with another convenient option.

If our Connecticut stores can begin to offer beer, we estimate an additional sales tax contribution of over \$300,000 annually to the general fund. This reflects research that indicates that Target guests would respond very favorably to this new product availability.

The retail industry is going through some significant changes right now, but Target is confident that there will always be a need for a convenient, enjoyable shopping experience. We are proud of what we are currently able to offer our guests, but we have also committed an investment of \$7 billion into our business nationwide, over three years.

We know that evolution is necessary at this critical moment for retail, and we need strong partnership from our communities to ensure we can continue to deliver the products our guests want. We are grateful to the families of Connecticut for making a Target run part of their family routine.

Thank you for considering this request. We would be happy to provide additional information to the committee as it deliberates.

Respectfully,

Isaac Reyes
Vice President of Government Affairs
Target Corporation