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APR 14 2016

Chairwoman Edith Ramirez, Commissioners, and Staff
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

CITY OF ARROYO GRANDE

Dear Chairwoman Ramirez, Commissioners and Staff,

I am writing as Mayor of the City of Arroyo Grande, California (population 17,000), to express my concern regarding the effect of the Albertson's-Von's grocery store merger and associated divestiture on our community.

The Albertson's store in Arroyo Grande was divested in favor of a Von's location in our adjacent City of Grover Beach. The Albertson's store in Arroyo Grande (Haggen's Location #2152 at 1132 West Branch Street), along with many others, was sold to a new operator, Haggen's, who almost immediately went bankrupt and closed the store, leaving our city with no comprehensive traditional grocery store. The Von's location in Grover Beach is now overstressed and there is a lack of options or competition in our area. Our residents have been greatly inconvenienced by the closing, which has resulted in our area being labeled a "food desert", and have expressed the desire for the Albertson's/Haggen's location to reopen with a locally owned and operated full service grocery store.

A local independent grocer, Spencer's Fresh Markets, who operate comprehensive traditional grocery stores in Santa Maria and Morro Bay, California, have been diligently working to acquire the Arroyo Grande location and were reported to be the bidder of record at the Haggen's bankruptcy proceeding last November. Notwithstanding, this location was "tabled" at the bankruptcy auction due to "lease issues" with Haggen's and the store location remains vacant. I understand Albertson's has been reacquiring many of their former locations, which would seem to violate the spirit of divestiture as directed by your Commission. In this regard, Albertson's is now rumored to be negotiating to reacquire the Arroyo Grande location, when Spencer's Fresh Markets is a viable alternative to the anti-competitive situation that led your Commission to require the original divestiture.

I would greatly appreciate your attention to the issue with the former Albertson's/Haggen's location in Arroyo Grande and the possibility to restore competition and vital access for our residents to a full service traditional grocery store at the earliest.

Sincerely,

Jim Hill, Mayor
City of Arroyo Grande
300 East Branch Street
Arroyo Grande, CA 93420

C. City Council
City Manager
City Atty
Com. Lowell Dulin