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CHAIRWOMAN

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

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APR 05 2016

CITY OF ARROYO GRANDE

March 29, 2016

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

Dear Mayor Hill:

I write in response to your February 23, 2016 letter regarding the status of the former Albertson's store in your city (at 1132 West Branch Street) that was divested to Haggen's, which subsequently filed for bankruptcy protection.

Like you, I had understood from media reports that Spencer's Fresh Markets was the highest bidder for the Arroyo Grande store at a Haggen's bankruptcy auction conducted last November but that this store was pulled from the auction because of unresolved lease issues between Haggen's and the landlord. It appears that Haggen's, with the approval of the bankruptcy court, subsequently rejected the lease on this store. Consequently, if Spencer's remains interested in acquiring this store, my understanding is that it will have to negotiate with the landlord directly.

You indicate that Albertson's is rumored to be negotiating to reacquire this store. Under the consent order it entered into with the Commission, Albertson's is required to inform us if it intends to do so. Should that happen, we will be sure to consider the information you have provided in your letter, along with other relevant information, in deciding whether further action is needed.

Thank you for bringing your concerns to my attention.

Sincerely,

Edith Ramirez
Chairwoman

C. City Council
City Manager
City Attorney
Com. Level 101