

MEMORANDUM

DATE: May 28, 2013

TO: West End Community Residents and Businesses

FROM: Val P. Hawkins, President & CEO

SUBJECT: Update on Grocery Store Activity in the West End of Alexandria

Recent announcements made by the Giant grocery store chain have prompted many questions about the grocery store market in the West End of Alexandria. As grocery stores are a basic need for all, the City, AEDP and retail property owners have been taking actions to address this need. This memo is intended to describe the status of grocery stores on the West End, current efforts to attract replacement grocery store tenants and future plans for existing grocery stores.

- **Giant Food** - The Giant grocery chain currently operates six stores within the City of Alexandria. In 2012, they announced the expansion of one of those stores, and in May 2013 they announced plans to close two others. These Giant decisions all relate to a corporate decision to shift from smaller stores to larger stores.
 - **The Shops at Mark Center- 1476 Beauregard Street:** Giant has determined that this “store is no longer economic, not just for its less-than-optimal footprint, but for its small size.” The store will close on June 6, 2013, which allows Giant to clean out and vacate the premises before the end of their existing lease term. Although the landlord, The JBG Companies, wants them to stay as a tenant until a new grocery store can be built on an adjacent site, Giant decided to close this store instead of exercising its 5-year renewal option.
 - **Bradlee Shopping Center- 3680 King Street:** Giant plans to close this store in June, coinciding with the end of their current lease term. Property owner Washington Real Estate Investment Trust (WRIT) preleased the space to a new grocer (The Fresh Market), who will begin their build out once Giant has vacated the premises.
 - **Alexandria Commons- 3131 Duke Street:** In September 2012, Giant announced plans to expand their Duke Street store, by enclosing the existing covered roof area to the east of the store (the former Hechinger’s outdoor garden center). Permits have been issued, and the project will result in a 10,000 SF expansion of the existing grocery store.

The Giant Food organization said that they “believe in this market [Beauregard] and would certainly entertain a return if the shopping center's owners elect to redevelop in the future.”

That property owner, The JBG Companies, has stated that they intend to have a grocery store in the Mark Center community, and that they are actively looking for a food store to backfill the space currently occupied by Giant. Additionally, they plan to include a new grocery store in the first phase of their redevelopment planned for an adjacent block.

- **Magruders at Seminary Plaza- 4604 Kenmore Avenue:** In January 2013, the family-owned Magruders grocery store regional chain announced plans to sell all of their stores, but then quickly ceased operating its grocery stores later that month. AEDP staff has been in close contact with the brokers representing the Seminary Plaza shopping center since January, and have been encouraging other grocery stores to consider this location.
- **Safeway near Bradlee Shopping Center- 3526 King Street:** In the fall of 2012, Safeway Stores received approval to tear down, rebuild and expand the existing store near the Bradlee Shopping Center. The store will close in the near future and construction of the new 60,000 square foot Lifestyle Safeway is expected to begin immediately. The target reopening date is late summer 2014.
- **The Fresh Market at Bradlee Shopping Center- 3680 King Street:** Since 2009, AEDP and the City have been working with the real estate arm of this Greensboro, NC- based grocery store, to evaluate potential sites within Alexandria. After seriously considering a variety of options, they executed a lease in April 2013 to take over the Giant space at Bradlee. In their announcement about the store, they said “We are excited about our continued expansion in the Mid-Atlantic, and in Northern Virginia in particular, [and] look forward to building on the success of our other locations in the area, where we have enjoyed a strong and loyal customer base, and to providing customers in Alexandria with the same quality products and excellent customer service.” The new store is anticipated to open in the first quarter of 2014.
- **Other Areas of the West End:** There are a number of possible other redevelopment sites in the West End that are candidate sites for new grocery stores. As a result, and given that grocery stores are a high priority, AEDP and City staff consistently present these possible sites to developers, land owners and grocery store operators in order to promote the expansion of grocery options in the City’s West End.

AEDP works closely with property owners, to present leasing opportunities to tenants and their representatives. Recently at a retail tradeshow, AEDP met with the brokers representing Trader Joe’s, Giant, The Fresh Market, Costco, Harris Teeter and Elwood Thompsons, and discussed existing vacancies and development opportunities that will include retail space. The feedback we received was favorable, and we continue to work to find the right fit for each grocer, as each have varying sets of requirements based on demographics, location and square footage requirements.

cc: Honorable Mayor and Members of City Council
Neighborhood Civic and Business Organizations
Rashad M. Young, City Manager