

# **SuperValu says sale of distribution center should have no effect on local Shop 'n Save locations**

by Steven Spencer, Staff Writer  
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ALTON - SuperValu announced Tuesday that company has entered into an agreement to sell eight of its owned distribution centers to a single buyer



for approximately \$483 million, excluding closing cost and taxes.

Once the closing of the sale is complete, SuperValu will then be entering into a 20-year lease agreement for each location, with five five-year renewal options. With the money from the sale, SuperValu plans to reduce some of their outstanding debt and pay off a mortgage on one of the eight properties.

Jeff Swanson, SuperValu media relations, told Riverbender.com that although one of the distribution centers is located in Champaign, the sale will not have an impact on any of the local Shop 'n Save in the Riverbend area, which are subsidiaries of SuperValu.

“The leaseback won’t change any of the daily operations,” Swanson said. “It will be business as usual.”

“The completion of these sale-leaseback transactions is another positive step in the continued transformation of our business,” Mark Gross, President and Chief Executive Officer of SuperValu, said in a press release. “By unlocking significant value in a portion of our real estate portfolio, we’re able to meaningfully pay down debt, improve our balance sheet, and deliver value to our shareholders. I appreciate the hard work and dedication from our team as we continue to move quickly on a variety of initiatives we believe position us for future success.”

The eight distribution centers which are being sold are in Champaign, IL, Commerce, CA, Green Bay, WI, Harrisburg, PA, Joliet, IL, Oglesby, IL, Pompano Beach, FL, and Stockton, CA.

In addition to the sale of the distribution centers, the buyer has also agreed to fund an expansion at the SuperValu distribution center in Harrisburg, PA, one of the locations in the leaseback agreement.