



# CHEYENNE HERALD

Exclusive to the website - February 11, 2010  
(more in the next print issue of the Herald on February 16, 2010)

*the local advocacy Journal*

## Safeway or the State? Who shafted shoppers?

by Dave FEATHERLY

In a story with constantly shifting villains, the facts surrounding what actually transpired leading up to the State of Wyoming purchasing land at Pioneer and 24th St. from Safeway Corporation is coming out a granule at a time.

In an effort to shift the criticism that had mounted on them, the five elected state officials issued a press release on Wednesday, February 10, 2010 (and provided realtor letters) that deflects impetus for the purchase back at Safeway.

This is one of those disagreements where there seems to be enough blame to go around. First, let's take a little trip down memory lane:

Safeway has owned and operated a grocery store at the current Pioneer Avenue location since 1961. Prior to that, they had a grocery store nearby and the Pioneer location replaced that one. They also had a grocery store on Carlson at Weaver Rd. and one at Cole Shopping Center. In recent years, they built a new, larger store in South Cheyenne along So. Greeley Hwy. at Allison Road.

For the past few years, stories have circulated that Safeway was going to replace that Pioneer Ave. store. To accommodate those plans, they acquired nine residences to the west of the current store. That gave them the entire block of the existing store

and about 3/4 of a square block to the west to accomplish that goal. At some point, presumably after they had acquired and emptied the houses, it was learned that there was ground contamination present. Part of that contamination is TCE (trichloroethylene), a suspected carcinogen that is hugely present in the aquifer under the Belvoir Ranch and in other locations in and around Cheyenne. Cleanup is possible but can be extremely time-consuming and costly. Just ask F.E. Warren.

Plans were abandoned and word circulated that Safeway was looking to find another location for a replacement store or locations to re-situate their presence in the Cheyenne market. One story was that Safeway would "trade" or acquire land at Evans and Pershing from the school district and build a new "super" store there. Another was that they would build a new store in Cole shopping Center, then tear down the old one, ala Walmart and also build a new store out on Pershing near Whitney Rd. That would provide them three stores in the market - as they have had much of the past 50 years.

According to letters provided by the Governor's office, Safeway had determined they would not build a new store at Pioneer (or Thomes) to replace that one and inquired if the State would be interested in acquiring the property. Over time, the State has acquired property representing a swath of land that

runs east and west between 24th St. and 26th St. - from Central to Thomes now. The Safeway property was a natural extension to their holdings.

While the State has taken its share of hits on this unpopular transaction, Safeway is the real "heavy." Had they not put the land up for sale, the State would most likely not have pursued it. Had Safeway done their due diligence before acquiring those houses to the west and displacing those residents, they would have known about the contamination and looked elsewhere or done as others have done - torn down the present store and build a new one on the same ground. A grocery store, not a c-store but a full-line grocery store, is warranted at that location. As a semi-regular patron, the level of business there is surprising. For a Safeway representative to say that the State "made them an offer they couldn't refuse" is disingenuous. Most citizens will believe the worst about government but in this case, Safeway made the initial approach to the State - not the other way around.

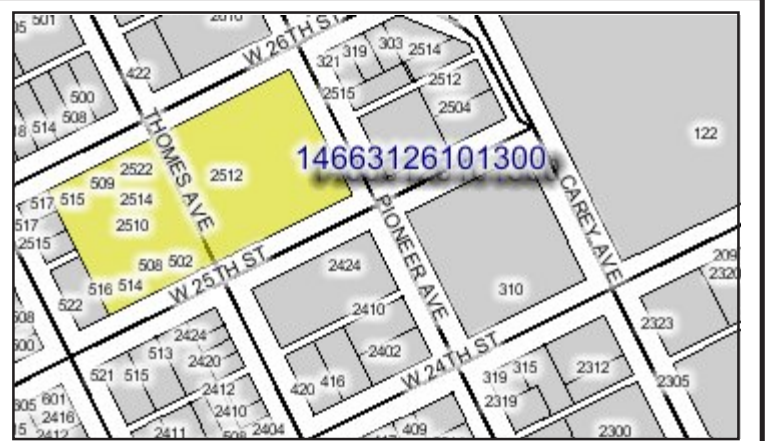
There are, however, criticisms I would level against the State. First, they bought a parcel of land they know is contaminated and the taxpayers will be on the hook for that cleanup. That is questionable judgment. They did not get a "deal" on the land. \$750,000 an acre is an extreme cost to pay a distressed seller and money is tight. And to buy another going business to close it should have been avoided.

### Details about the Safeway land purchased by the State

The land involved in the State's purchase is 151,588.8 sq. ft., or 3.48 acres. It includes the Safeway store, the parking lot and area around the store, nine (9) "residences" to the west of Thomes Avenue, between W. 25th and W. 26th Streets (about 3/4 of the block toward O'Neil), and four detached garages with some of the houses. Seven of the nine structures were built in 1919 or earlier, with one being built in 1884. The other two were built in 1921 and 1927. Obviously, some of these houses are historic by definition. The Safeway store itself was built in 1961.

Based on current Laramie County Assessor valuations, the property has a building value of \$787,847 and a land value of \$598,862, for a total value of \$1,386,709. The assessed value for property tax purposes was \$131,738. Property taxes (yearly) would be about \$9,350.00.

The State is supposed to have paid \$2.6 million for all of the property. That is far above the fair market value placed on the property by the Assessor's office. Over \$17 / sf - more than Dell Range.



PLEASE VISIT OUR WEBSITE - WWW.CHEYENNEHERALD.COM - TO READ THE STATE'S PRESS RELEASE AND TWO LETTERS FROM LOCAL REAL ESTATE AGENTS THAT SET THE TIME LINE FOR THIS PURCHASE.